

[Staff details – redacted for privacy reasons]

From: Renwick, Robin <Robin.Renwick@finance.gov.au>
Sent: Wednesday, 4 June 2014 2:25 PM
To: [Staff details – redacted for privacy reasons]
Cc: Hupalo, Paul
Subject: FW: Future of Australian Hearing [DLM=For-Official-Use-Only]
Attachments: GM to MD re privatisation v0.7.doc

For-Official-Use-Only

[Staff details – redacted for privacy reasons]

Suggestions marked.

Regards

Robin

For-Official-Use-Only

From: [Staff details – redacted for privacy reasons]
Sent: Wednesday, 4 June 2014 9:43 AM
To: Renwick, Robin
Cc: Hupalo, Paul
Subject: Future of Australian Hearing [DLM=For-Official-Use-Only]

Hi Robin,

Attached is a draft letter from Jonathan to the Managing Director of Australian Hearing on its future.

It covers off aspects relating to recent decisions, terms of reference, scoping study process and expectations.

Could you please provide any comments today as we would like to progress to Australian Hearing prior to Senate estimates tomorrow.

Thanks,

[Staff details – redacted for privacy reasons]

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4 June 2014

Mr Bill Davidson
Managing Director
Australian Hearing
Australian Hearing Hub
Level 5, 16 University Avenue
MACQUARIE UNIVERSITY NSW 2109

Dear Mr Davidson

Future of Australian Hearing

Further to our discussion of 13 May 2014, you will be aware the Australian Government (the Government) has provided funds in the 2014-15 Budget to the Department of Finance (Finance) for a scoping study into future ownership options for Australian Hearing. The funds are provided for commitment in the 2014-15 financial year.

Finance will undertake the scoping study and, if agreed, any subsequent sale process. Generally, the privatisation process will progress in two phases. During the first phase Finance works with Commercial and legal specialist advisers will be appointed by Finance to undertake prepare a scoping study report which will consider whether or not to privatise Australian Hearing and examine the objectives for options for the privatisation of Australian Hearing. This will include: an assessment of the business and industry in which it operates; consideration of appropriate models to preserve existing community service obligations; and an examination of the regulatory and legislative requirements that will be needed to accommodate a sale; and. Ultimately, the study will assess an assessment of the likely sale environment and seek to ascertain the optimum method and timing of sale. The outcome of the scoping study announced in the 2014-15 Budget will likely be considered in the context of the 2015-16 Budget.

Finance has provided the Department of Human Services (the department) with a copy of the draft Terms of Reference (ToR) for the scoping study. The department considers the ToR is comprehensive and covers aspects associated with commercial, legal, ownership and policy issues. ~~The department anticipates that the~~ Department of Health will be closely engaged on matters relating to Government policies and regulations relating to hearing services and the implications this may have regarding future ownership options. This will form an important part of future Government deliberations.

Should a sale be agreed by the Government, the second phase will normally proceed according to the findings of the scoping study and culminate with the sale process. This phase would also include any necessary steps to prepare the business for sale such as legislation (if required), putting in place any necessary policy requirements and generally preparing the business for a sale. While a typical sale process itself could take 9 to 12 months, the preparatory aspects can add significantly to this, especially if time is needed for the passage of legislation.

I understand that you met with officials from Finance for initial discussions on 23 May 2014. You can expect that officials from Finance and the Department of Human Services (the department) will continue to work closely with you and your senior executive to ensure a successful outcome. More specific details about the process will be provided once they become available.

During this challenging phase for Australian Hearing, I ask Australian Hearing to maintain a business as usual approach and continue to deliver high quality hearing services to eligible Australians and to maintain its commitment to excellence in service, clinical care and research. I also ask that you and your senior executive ensure that Australian Hearing continues to embrace technology and promote services of a high standard and that service delivery continues to meet the needs of all eligible Australians.

The department looks forward to working with you closely on this important initiative. The contact in the department is Mr Paul Hupalo, National Manager, Portfolio Agency Advice Branch, on 02 6223 4103 or paul.hupalo@humanservices.gov.au. The contact within Finance [for any questions about the scoping study](#) is ~~Ms~~ [Mr Robin Renwick](#), on 02_6215_2117 or robin.renwick@finance.gov.au.

Yours sincerely

Mr Jonathan Hutson
A/g Deputy Secretary
Enabling Services