

**Senate Finance and Public Administration Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**BUDGET ESTIMATES 2015-16**

Finance Portfolio  
27-28 May 2015

**Department/Agency:** Department of Finance  
**Outcome/Program:** 2/2.2  
**Topic:** Scoping Studies – Australian Hearing Services

**Senator:** Ludwig  
**Question reference number:** F88  
**Type of question:** Written  
**Date set by the committee for the return of answer:** Friday, 10 July 2015

**Number of pages:** 2

**Question:**

The Government has flagged a number of government owned asset sales with scoping studies announced as part of the 2015-2016 budget – [www.finance.gov.au/procurement/scoping-studies](http://www.finance.gov.au/procurement/scoping-studies)

These assets included:

- Defence Housing Australia (DHA),
- Australian Hearing Services (AHS),
- The registry services of the Australian Securities and Investments Commission (ASIC),
- The Royal Australian Mint

With regard to the AHS scoping study:

[www.finance.gov.au/procurement/scoping-studies/scoping-study-terms-of-reference-australian-hearing-services](http://www.finance.gov.au/procurement/scoping-studies/scoping-study-terms-of-reference-australian-hearing-services)

1. Would you be able to lay out a time frame for the scoping study?
2. Why was it identified as an asset that may be able to be sold?
3. How much revenue is raised by the agency annually?
4. How much do you anticipate the agency would generate at sale?
5. Who has been appointed to provide commercial consultation for the project?
  - a) How were they selected?
6. Who has been appointed to provide legal advice on the scoping studies?
  - a) How were they selected?

As part of the commercial review, in the terms of reference several areas are identified for examination, I'd like to ask a few questions with regard to the following areas:

- identification of the benefits, risks and costs of options available, including continuing business as is; and
  - a review of any community service obligations and implications for any change in ownership.
7. What would the minister determine to be an acceptable level of risk to the sale of AHS?

8. What would the minister determine to be an acceptable level of impact on community services offered by AHS?

**Answer:**

1. The Government announced a scoping study into future ownership options of Australian Hearing (AH) as part of the 2014-15 Budget, to report back to the Government as part of the 2015-16 Budget. On 8 May 2015 the Minister for Finance announced that further consultations would be held with hearing services stakeholders and organisations representing the deaf community about the findings of the scoping study before making any decision on future ownership options. The Government will consider a report on these consultations in the second half of the 2015 calendar year.

2. As part of the Smaller Government agenda, scoping studies have been commissioned into the future operations of a number of government businesses, including Australian Hearing Services. Scoping studies provide information and recommendations to assist the Government's decision-making on how key services are best delivered in the future.

3. AH's 2013-14 Annual Report states that it raised \$212.2 million in revenue in 2013-14.

4. There has been no decision to sell Australian Hearing. While scoping studies may undertake valuations of the entities subject to the studies, such valuations are not made public to protect the commercial interests of the Commonwealth.

5. As announced by the Minister for Finance on 5 August 2014, Pricewaterhouse Coopers Securities Ltd was appointed as the Business Adviser to the scoping study following a competitive procurement process.

5 a) The Business Adviser was selected following an open approach to market for business advisory services.

6. As announced by the Minister for Finance on the 5 August 2014, Herbert Smith Freehills was appointed as the Legal Adviser to the scoping study following a competitive procurement process.

6. a) In accordance with the Legal Services Directions 2005, the Legal Adviser was selected following a pre-qualified approach to market using the Attorney-General's Department Legal Services Multi-Use List for legal advisory services.

7. There has been no decision to sell Australian Hearing.

8. No changes to eligibility for, or funding of, Community Service Obligation (CSO) hearing services are being considered as part of the scoping study process.