

## Modern Slavery Statement Financial Year 2019-2020

---

### Introduction

The Australian Government introduced the *Modern Slavery Act 2018* (Cth) (the Act) which requires certain entities to report on the risks of modern slavery in their operations and supply chains and actions to address those risks. The Act commenced operation on 1 January 2019. The Act requires reporting entities subject to the Act, to produce an annual modern slavery statement. This statement is prepared for the period 1 July 2019 to 30 June 2020 (Reporting Period).

### **Mandatory Criterion One & Two: Identify the reporting entity and describe its structure, operations and supply chains.**

The Royal Children's Hospital (RCH) is a health service established under section 181 of the *Health Services Act 1988* (Vic). RCH is the major specialist paediatric hospital in Victoria with care extending to children from Tasmania, southern New South Wales and other states around Australia and overseas.

With a passionate, highly skilled and committed staff campus wide of close to 4,500, RCH provides a full range of clinical services, tertiary care and health promotion and prevention programs for children and young people.

HealthShare Victoria (HSV) (previously Health Purchasing Victoria) is a state-wide procurement organisation that partners with Victorian public health services to procure best-value goods and services. HSV works in partnership with public health services to understand their requirements, facilitate large-scale collective tenders and manage common-use contracts on behalf of the state.

The majority of the goods and services that RCH purchase come from suppliers who are party to HSV collective agreements. HSV have agreements with 449 suppliers, and these are worth around \$1.2Bn annually. HSV have undertaken on behalf of the sector to oversee the requirements of the Act (including reporting) in relation to these common suppliers as they hold the primary contractual relationship.

The majority of RCH's expenditure relates to its workforce, the residual RCH supply chain tends to be focused on local services, and niche products. The expenditure with these suppliers is typically much smaller than with the HSV suppliers.

### **Mandatory Criterion Three: Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls.**

RCH has conducted a high-level review of its supplier base. The overall risk is relatively low, based on the following observations:

- RCH have reviewed the UN Guiding Principles on Business and Human Rights which underpins the Act. There are no obvious areas of concern for RCH in relation to goods and services being supplied from the high-risk countries or sectors highlighted.
- Medical equipment and consumables make up the RCH's most significant expenditure (after salaries), and these purchases are predominantly with large reputable multinational suppliers that have also implemented the requirements of the Act. Most of these suppliers fall under HSV collective agreements and have been assessed and reported upon by HSV.
- The major risk of domestic modern slavery is in low value, basic services, that are currently either provided in house (such as cleaning and food services), or have been outsourced to Spotless, who also employ their own direct labour (e.g. Security Guards). Spotless/Downer as an entity is also required to be compliant with the Act, and are a close partner of the RCH. The risk in these areas is considered to be low for the RCH.
- The residual goods and services are mostly of a higher unit value, and specialist in nature where the risks of modern slavery are low.

**Mandatory Criterion Four: Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes**

The highest expenditure is with the suppliers that are overseen by HSV. HSV have undertaken extensive activities between 1 July 2019 and 30 June 2020 to address modern slavery risks within this supplier base, and the overall risk is considered to be low. In the applicable Reporting Period, no suppliers were identified as high risk by HSV.

HSV has established a modern slavery program of work and have appointed a Supply Chain Risk Manager to oversee the program. The program encompasses health service education and support, supplier engagement, due diligence and remediation, amongst other activities. RCH has liaised extensively with HSV in this programme and have implemented a range of operational changes to support the implementation of a Modern Slavery Framework and reporting environment (such as amending contracts and market engagement templates, and developing an RCH Modern Slavery Policy).

In the next reporting period, in common with other Health Services, RCH intends to expand the nature of its checks and validation by directly vetting the most important non-HSV suppliers via a compliance questionnaire, and following up directly with respondents for further detail and action if there are any causes for concern.

**Mandatory Criterion Five: Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks**

RCH has engaged with HSV to understand the effectiveness of the assessments they have conducted. HSV has introduced several mechanisms for monitoring the effectiveness of the actions it has taken to date. Representatives from mandated health services who attend training sessions on the requirements of the Act complete surveys to self-assess their progress against several criteria. The results are used to measure the success of engagement programs, inform future workshop content and identify potential gaps in training.

Despite the relatively low risk of modern slavery in the RCH supply chain, work is in progress to strengthen the assessments, controls and reporting for the next reporting period. RCH will look to continuously improve to minimise the risks going forward.

**Mandatory Criterion Six: Describe the process of consultation with any entities the reporting entity owns or controls**

The RCH is consulting with the RCH Foundation in relation to its supplier base, but the risk is considered low.

**Mandatory Criterion Seven: Any other relevant information**

Nil

**Closing statement**

At a high level the risk of modern slavery in RCH's supply chain is relatively low.

Good progress has been made in implementing a Modern Slavery Framework to better manage the risk in the supply chain, but it is recognised that there is more to do. RCH is committed to continually improving our approach, to partner closely with our stakeholders and to work to eradicate modern slavery.

This statement was approved by the Board of The Royal Children's Hospital on 22 March 2021.



Hon Rob Knowles AO

RCH Chairman