



# TUH- Modern Slavery Act Annual Statement for the Period Ending 30 June 2023





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*The Act defines modern slavery as including eight types of serious exploitation: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour. The worst forms of child labour means situations where children are subjected to slavery or similar practices, or engaged in hazardous work.*

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## Our Business

This statement is submitted on behalf of the reporting entity **Queensland Teachers' Union Health Fund Limited (TUH)** ACN 085 150 376, registered office Fortitude Valley, Queensland and all entities within the TUH group.

TUH is a not-for-profit entity operating a Private Health Insurance benefit fund under the provisions of the *Private Health Insurance Act 2007*. TUH provides private health insurance under the brands 'TUH' and 'Union Health'.

TUH was founded in 1972 as the Queensland Teachers' Union Health Society.

TUH also provides health related services at the Health Hub in Fortitude Valley, QLD, including dental and optical screening, testing and dispensary. Affiliated services offered at the Health Hub include, physiotherapy, remedial massage, podiatry and audiology.

A wholly owned subsidiary entity, TUH Health Care Services Pty Ltd, provides care coordination services for individuals suffering from chronic disease.

As an entity with consolidated revenue more than \$100m TUH was required to submit a modern slavery statement for the first time in 2020. This is our fourth annual reporting statement.

## Structure

There has been no change to TUH structure as reported to date and remains as detailed below.

The TUH group includes two wholly owned subsidiary entities:

- Union Health Pty Ltd (non-operating); and
- TUH Health Care Services Pty Ltd.

TUH issues private health insurance policies directly (including via online sales) and through brokers or arrangements with various unions.



TUH directly employs all workers within the TUH group, including those that support our wholly owned subsidiary entities. The process of identification and management of modern slavery risks is centralised and consistent across all entities within the TUH group. This Modern Slavery Statement is submitted on behalf of the TUH group and authorised by the respective Board of each group entity after consultation and approval by the TUH Executive Management Team and the TUH Risk Committee of the Board.

TUH employs approximately 160 people, providing services to approximately 80,000 insured individuals across Australia. Our largest membership base is in our home-state of Queensland.

## Operations

Activities undertaken by TUH to pursue our business objectives and strategy include:

- Direct employment of workers;
- Provision of private health insurance services (marketing, sales, membership administration, claims administration, contact centre, product design and pricing);
- Associated support services within our business, delivered to internal 'customers' such as claims auditing, finance support, information technology, human resources, risk and compliance, and facilities maintenance;
- Direct health care services – care coordination, dental and optometry services;
- Indirect health care services via co-located external providers – physiotherapy, audiology, podiatry and remedial massage;
- Referral to travel and pet insurance on behalf of other insurers;
- Property leasing (as an owner of leased commercial premises); and
- Sponsorship activities.

## Supply Chains

The products and services that contribute directly to TUH's operations include:

### Services

- Mail house and postage
- Banking
- Data processing
- Professional services such as legal and taxation advice, actuarial services and internal and external audit
- Recruitment
- Health insurance sales brokerage
- Training and development
- Accreditation
- Archiving and off-site back-up / disaster recovery
- Marketing creative
- Website development
- Data analytics
- Hardware maintenance
- Consultancy services
- Generalised facilities management



- Software, including development and support
- Provider contracting – allied health / hospital / medical
- Financial investment via funds management
- Insurance brokerage and underwriting
- Employee assistance program
- Industry representation and advocacy
- Office and grounds cleaning and maintenance.
- Architecture and office fit-out
- Waste disposal
- Office security

### Products

- Utilities – power, water, telecommunications
- Office supplies and consumables – stationery, cleaning supplies etc
- Office fit-out – furniture, kitchen appliances, air conditioners etc
- Technology – PCs, laptops, phones, printers etc
- Promotional / marketing collateral
- Uniforms
- Membership cards
- Catering
- Gift cards
- Medical disposables and consumables
- Medical equipment
- Dental and Optical retail products
- Subscriptions

TUH has a mix of stable longer-term relationships and short-term fee for service engagements with our suppliers. All services subject to contracted terms are managed within the TUH Risk and Compliance Management System. Other supply lines are managed via business unit procurement management and a centralised account payable function.

Most of our services suppliers and direct product distributors are based in Australia.

Product country of origin and secondary suppliers (providing goods/services to entities we directly contract with) is varied and in most cases, not immediately transparent. TUH recognises this as our most significant exposure point to modern slavery risks. With TUH's principal activity being the provision of Private Health Insurance, the extent of physical goods supply, where the risk is higher, is limited. TUH's highest risk rests within the supply chain associated with our Health Hub operation which involves procurement of medical supplies and consumables.

### Modern Slavery Risks

TUH considers that there is a very low risk that our operations may directly result in modern slavery practices – this assessment is based on the nature of the service that we provide and the governance frameworks we have in place, for example, TUH operates under an approved enterprise agreement, has well defined values and codes of conduct, and maintains a strong grievance / whistleblowing procedure.



TUH have assessed the risks that our operations or actions in our supply chains may contribute to modern slavery. This is also considered to be a low risk. TUH has strong procurement practices that consider a range of factors in assessing prospective suppliers. Request for tender assessment mechanisms are not driven solely by cost minimisation but also consider factors such as competency and experience, reputation, strategic alignment and whether any conflict of interest may arise.

TUH considers that there is a risk that our operations, products or services may be connected to modern slavery through the activities or supply chains of our direct suppliers. In the context of procured services, the most significant risk areas are those where supply chains utilise lower-qualified workers such as cleaning / landscaping labour. Within procured product supply chains, the most significant risks for TUH are in the use of Tier-2 or lower component manufacturers in recognised high-risk industries such as manufacturing of garments, electronic goods, disposables, consumables and retail goods where minimising production costs may be a business priority. Suppliers to our optical products range being, in the main, major global entities some of which operate in countries classified as high risk, do have potential exposure to modern slavery risk.

As reported last year, as a consumer of health-related goods and in particular, personal protective equipment TUH did recognise the elevated risk associated the disruption of supply and need to source goods from alternative supply lines during the Covid-19 peak. While there has been some normalisation of supply and the de-escalation of pandemic associated risk, TUH remains vigilant within this supply line category. With external supply chain expenditure in our Health Hub business remaining below \$5M per annum, risk while present, is considered to have remained relatively low.

## Assessing and Addressing Actual/Potential Modern Slavery Risks

In the period 1 July 2022 to 30 June 2023:

### Due diligence activities

- In 2022, TUH commissioned an internal audit conducted by Grant Thornton to review our modern slavery risk management. All recommendations made by Grant Thornton have been accepted by the TUH Board and Management and are progressively being implemented. Those implemented in this reporting period can be summarised as follows.
  - o Revision of our policies and procedures relating to procurement. All elements of modern slavery risk management are captured within the following;
    - Responsible Purchasing Policy
    - Responsible Purchasing Procedure
    - Modern Slavery Risk Assessment Procedure
  - o Detailed within the above, TUH now has a risk assessment matrix that sees an improved alignment to 1) recognised modern slavery assessment criteria 2) TUH values and



expectations. Additionally modern slavery management is now documented within our Environmental, Social and Governance Strategy.

- TUH have internally reassessed modern slavery risk for all contracted providers in accordance with these newly established criteria. This assessment confirms TUH's previously stated position that our modern slavery risk is low, and no relationships are flagged for immediate remedial action or further investigation.
- Commenced scoping for expansion of the risk assessment process to non-contracted suppliers.
- Commenced the development of training modules for those team members with procurement responsibilities.

#### Remediation activities:

- Continuing to integrate our approach to modern slavery risk management with a wider Environmental, Social, and Governance (ESG) framework. TUH's ESG Policy and ESG Strategy were reviewed by our Board in March 2023.
- Within the terms of new Responsible Purchasing Procedure, commenced onboarding of new suppliers via an enhanced due diligence process.
- Set a program for modern slavery reassessment for all "ongoing" contracted supply arrangements that are managed within our internal risk management system.
- Continued communicating our expectations of suppliers by, publishing and promoting the TUH Supplier Guidelines. .
- Where possible, implementing appropriate modern slavery contractual provisions with high risk and significant suppliers.
- Promoted the TUH Whistleblowing Policy as a grievance mechanism.
- Published an annual TUH Modern Slavery Statement.

#### ***Planned activities in the period 1 July 2023 to 30 June 2024:***

- Continuing to progressively apply the recommendations of our 2022 internal audit review, including maturing our modern slavery risk identification and management framework and reinforcing detailed and practical guidance for roles involved in procurement to minimise modern slavery risks at the point of engagement. Recommendations to be implemented are:
  - Develop and implement training and awareness program for all staff with procurement responsibilities. TUH operates via a decentralised procurement management model;
  - Progressing modern slavery risk assessment to non-contracted suppliers;
  - Further enhancing Board reporting on modern slavery risk.

#### Assessing the effectiveness of our actions

TUH assess the effectiveness of our actions in relation to identifying, assessing and addressing the risks of modern slavery in the same way that we would assess the effectiveness of any other risk management activities under our Risk Appetite Statement and Risk Management Strategy. This framework includes:



- Residual risk assessments (likelihood and consequence as well as risk velocity) completed by risk owners on a regular basis.
- Operation of the 'three lines of responsibility (defence)' model of risk management
  - o Control self-assessment undertaken by risk owners (first-line).
  - o Control testing undertaken by the Risk and Compliance team (second-line)
  - o Annual review of the risk management framework by Internal Audit (third-line).
- Quarterly and by exception risk reporting to our Board Risk Committee.
- Monitoring of key risk indicators e.g. employee training completion rates (100% to date); the proportion of total suppliers rated high-risk ; number of new high-risk suppliers engaged each quarter (zero in the 2022-2023 reporting period); the number of high-risk suppliers with appropriate contractual clauses in place .
- TUH has a designated Modern Slavery Risk register embedded within our Enterprise Risk Management system which serves to operationalise the management of Modern Slavery risk.

To independently assess effectiveness, TUH included Modern Slavery Risk management within our FY22 internal audit scope (outsourced to Grant Thornton). TUH reported the recommendations of this audit in our last report. It is expected current internal auditors KPMG will revisit and check for implementation and progress of 2022 recommendations during FY24.

While TUH has successfully created a stronger modern slavery risk framework and management process that captures both new supplier onboarding and contract renewals in a detailed assessment process, attention is required in FY24 to address non contracted second tier suppliers. Notwithstanding this required action, TUH current policies, values and expectations ensure the importance of modern slavery compliance and ongoing risk assessment within all supply arrangements across the business. TUH has and will retain a low modern slavery risk exposure and we continue to progress and improve our assurance framework.

Rob Seljak  
*Chief Executive Officer TUH*  
*Date: 21 November 2023*

John Battams  
*Chair Queensland Teachers' Union Health Fund*  
*Limited Date: 21 November 2023*

Sarah Morris  
*Director TUH Health Care Services Pty Ltd and*  
*Union Health Pty Ltd*  
*Date: 21 November 2023*