



MODERN SLAVERY STATEMENT

The modern Slavery Statement is made pursuant to the Commonwealth Modern Slavery Act 2018 (the Act) by **West Gippsland Healthcare Group** and relates to the financial year 1st July 2021 to 30 June 2022.

About West Gippsland Healthcare Group

West Gippsland Healthcare Group (WGHG) ABN: 39 261 883 406, located at 41 Landsborough St Warragul VIC 3820, is a public hospital established under section 181 of the Health Services Act 1988 (Vic). The incorporation came into effect in May 1997 when services across the community came together under the one umbrella name, West Gippsland Healthcare Group.

West Gippsland Healthcare Group (WGHG) is a consumer-focused health organisation providing acute care, residential care and community health services to almost 60,000 people in the rural, urban residential, agricultural and industrial areas located within the Baw Baw Shire and beyond. WGHG's main hospital campus is in Warragul with Allied and Community Health-based hubs in Warragul, Rawson and Trafalgar and residential aged care facilities in Warragul and Trafalgar. It also operates the Warragul Linen Service and is part of the Gippsland Regional Health Alliance joint venture. Employing 1,468 staff, WGHG is the largest employer in West Gippsland.

Our annual reports can be viewed [here](#) where you can find out more about WGHG including Our Vision, Mission and Values.

Health Share Victoria (HSV) is our state-wide provider of supply chain services that partners with Victoria's 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.

WGHG purchases the majority of goods and services it requires from suppliers who are party to HSV collective agreements. As such, we recognise the significant role HSV has in health service supply chains.

HSV collective arrangements cover a broad range of services, equipment and supplies across a number of categories including beds, mattresses, patient trolleys, syringes, personal protective equipment (PPE), catering supplies, haemodialysis, infusion pumps, medical gases, locum agency, orthopaedic prostheses, surgical instruments, sutures, waste management services, gas and electricity and non-emergency patient transport. A full list of HSV's sourcing categories can be found at: <https://healthsharevic.org.au/contracts-and-tenders/>

Describe the risk of modern slavery practices in the operations and supply chains of the entity.

WGHG supply chain activities consist of the following procurement approaches to the market:

- Group sourcing activities:
 - HSV-led cluster sourcing – collectively led by HSV on behalf of participating health services.
 - Health service led cluster sourcing – collaborative procurement by a group of health services, where the lead health service ensures modern slavery requirements
- Direct sourcing activities where WGHG directly engages with each supplier on its own.

Modern Slavery risks within the health care sector (HSV collective procurement ‘on contract’)
The vast majority of WGHG’s procurement spend takes place through HSV collective arrangements. Suppliers engaged under these collective arrangements cover a number of known high risk spend categories including: gloves; surgical instruments; patient clothing; uniforms and footwear of health care professionals; sheets, towels, and other textiles; and electronic health care equipment. The sourcing of raw materials and the production of these health care goods often involves hazardous working conditions, labour exploitation, child labour and other abuses.

HSV upholds the Australian Government’s position on modern slavery. There is no place for modern slavery in the Australian community or in supply chains of Australian goods or services. HSV is in a unique position to use their substantial leverage over the conduct of suppliers and market practices to drive positive change to address modern slavery risks in the healthcare sector supply chains.

Modern Slavery risks within WGHG’s direct sourcing (‘off contract’)

In relation to our direct sourcing activities, WGHG acknowledges that there is a risk of modern slavery practices, especially upstream within tier two suppliers (manufactures for our direct tier one suppliers) within the supply chain. We continue to progress in this space to better understand these risks, especially in relation to the procurement of linen stock and consumables within our commercial laundry business unit; this is a major spend category within our ‘off contract’ spend and has been assessed as a high-level risk due to the nature of the products being sourced and potential upstream geographic manufacturing locations of the raw materials and source of labour.

Modern slavery risk assessment measures

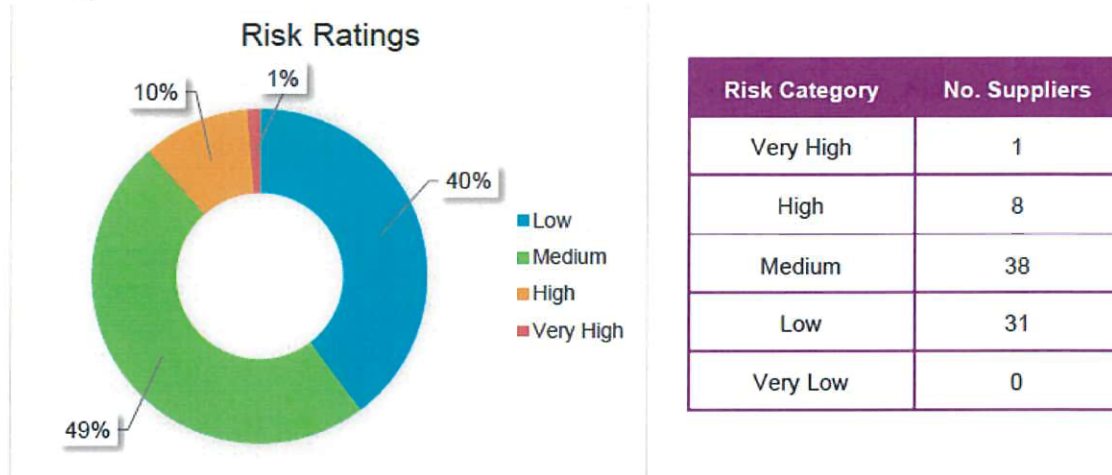
HSV assists mandated health services in assessing modern slavery risk within their supply chains. Each year they perform a risk assessment across the sectors’ annual spend data using analytics to evaluate potential modern slavery occurrences within the health service supply chains within Collective Purchasing Agreements. This analysis identified 299 suppliers for all health services.

Following this analysis, HSV invited 102 collective suppliers accessed by WGHG during the reporting period (65 previous year) to complete a Modern Slavery Supplier Questionnaire (modern slavery assessment tool) using the Informed365 platform, HSV’s supply chain management system.

Response rate & supplier risk ratings

Of the 102 invited suppliers, 78 responded (76%) whilst 4 declined and 20 did not respond.

The table below shows the assessment outcomes for suppliers, outlining the risk categories in which the suppliers fall.



The assessment identified 1 very high and 8 high risk suppliers within WGHG’s supply chain. It should be noted that these results do not imply WGHG has caused or contributed to modern slavery practices, but rather, WGHG is linked to risks which exist offshore and in high-risk geographies.

Describe the actions taken to assess and address risks of modern slavery

The primary focus during this reporting period under the Modern Slavery Act 2018 (Cth) was to undertake supplier risk assessments within HSV Collective Purchasing Agreements and gain better understanding of our exposure and gain insights into these HSV collective suppliers.

The HSV questionnaire focused on four sub sections that are covered in the Modern Slavery Act, being Policy, due diligence, remedy and training. Insights gained from this survey are summarised below for each of the four sections.

In relation to specific local WGHG measures undertaken over the course of the current reporting period, this was limited due to the COVID -19 pandemic resulting in the reduced capacity to progress some of the planned actions from the previous reporting period.

Policy

This section reviews the policies and procedures suppliers have in place when encountering Modern Slavery issues. The intent was to see how many suppliers had a policy, if it was communicated to staff, and how is it monitored.

Insights gained:

- 65 suppliers (83%) had policies in place regarding Modern Slavery and all had communicated the policy they have in place to staff.
- 58 suppliers (74%) have systems in place to monitor compliance for their policy.

Due Diligence

This section reviews what the supplier is doing to actively mitigate modern slavery. Reviewing what screening processes of suppliers are in place, the mapping of their supply chain and a compliance overview of procedures.

Insights gained:

- 71 Suppliers (91%) have a role within their team that is responsible for identifying and overseeing modern slavery risks in relation to the goods and services they provide.
- 32 suppliers (41%) have mapped their supply chain on multiple layers and levels to confirm high transparency over operations.
- 66 suppliers (85%) have a system or process in place to screen prospective suppliers.
- 63 suppliers (81%) conduct risk assessments inclusive of modern slavery.
- 53 suppliers (68%) conduct audits that it includes Modern Slavery.

In relation to HSV contracted suppliers, HSV has written to all very high risk, high risk and medium risk suppliers providing these suppliers with tools and resources to develop/enhance their modern slavery risk management systems. HSV also outlined their contractual obligation under Collective Purchasing Agreements and expectation under the Victorian Government Supplier Code of Conduct to respond to modern slavery risk in their operations and supply chain.

In relation to WGHG direct sourcing, WGHG has updated its procurement policy for currency of the latest modern slavery requirements and has ensured all tender documents include standard modern slavery clauses.

Training

This section reviews the training and materials a supplier has across its operation/s to educate and bring awareness to modern slavery.

Insights gained:

- 65 suppliers (83%) train their staff to identify, assess and respond to modern slavery risks.
- 47 Suppliers (60%) offer training to various levels of staff and throughout its supply chain.

Our key procurement staff attended a number of the HSV hosted modern slavery community of learning sessions provided to health services over the reporting period.

Remedy

This section reviews what processes and remedial action plans the organisation has to respond to allegations of Modern Slavery.

Insights gained:

- 54 Suppliers (69%) have remedy/ action plans to respond to allegations of Modern Slavery.

WGHG intends to continue to work collaboratively with HSV to identify mitigation efforts to combat modern slavery risks, and foster collaboration between WGHG and suppliers to seek to address these risks.

Describe how the entity assesses effectiveness of actions

The impact of the COVID-19 pandemic on healthcare services has delayed our ability to assess the effectiveness of measures undertaken to date, outside of what HSV has orchestrated for the suppliers we access under the HSV collective purchasing arrangements.

WGHG remains committed to upholding the Australian Government's position on modern slavery and we align with the HSV's Modern Slavery Position Statement and Risk Mitigation Program documents. We will continue to mature in our understanding of the Modern Slavery Act and work actively with HSV to embed the learnings and risk management tools into our end-to-end procurement cycle.

In the next reporting period (fourth year) WGHG will focus on:

- Working collaboratively with HSV to greater understand the 9 very high/high risk level suppliers used in our supply chain and actions that can be taken to reduce these modern slavery risks;
- Undertake a tender process for the appointment of panel providers for linen sourced for use within our commercial linen business (identified as a potential high-risk category) and review tenderer responses and compliance with modern slavery standard clauses.
- Provide targeted education and training for the Procurement and Supply Chain team via the HSV online modern slavery training module.

Describe the process of consultation with related entities

West Gippsland Healthcare Group does not own or control any other entities.

We do however work collaboratively with fellow participating Gippsland public hospitals via the regional Gippsland Health Alliance joint venture. Both our Chief Procurement Officer and Supply Manager partake in regular steering and working group committees that are actively supported by and attended by HSV representatives to discuss, amongst other procurement matters, modern slavery requirements and compliance.

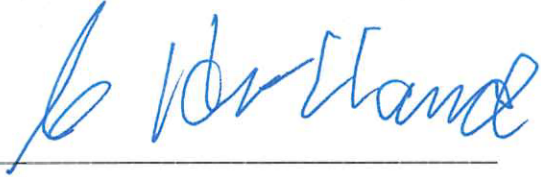
Closing Statement

WGHG continues to mature in its understanding of modern slavery risks within its supply chain and in its pursuit to build capability and capacity to identify such risks and address them.

West Gippsland Healthcare Group is committed to this journey and to improving our approach, partnering with our stakeholders and working to eradicate modern slavery.

Statement of Annexure

This Modern Slavery Statement was reviewed and approved by the West Gippsland Healthcare Group Board of Directors as defined by the Modern Slavery Act 2018 (Cth) on 27th April 2023.



Christine Holland
Board Chair, West Gippsland Healthcare Group