



# **Modern Slavery Act Statement**

1 July 2023 to 30 June 2024

## **Modern Slavery Act Statement**

This Modern Slavery Act Statement is made pursuant to the Commonwealth *Modern Slavery Act 2018* ("the Act") by Bendigo Health, and relates to the financial year 1 July 2023 to 30 June 2024.

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

Bendigo Health is a Public Health Service incorporated pursuant to the provisions of the *Health Services Act 1988* (Vic.). Our ABN is 26 875 445 912 and our registered address is 100 Barnard Street in Bendigo, Victoria.

Bendigo Health has evolved into a large regional health service that aims to provide Excellent Care, Every Person. Every Time. Our values of Caring, Passionate and Trustworthy were decided upon by our staff and they are the basis of the promise we make to one another and to our communities. We believe that every person deserves a great care story.

The range of health care services we provide and the number of people who can be treated each year continues to grow, with a focus on caring for more people closer to home. We believe in equity of access for regional and rural communities and want people of all cultures, ages and backgrounds to feel safe when they are in our care.

We provide a comprehensive range of clinical services to the people of the Loddon Mallee region from our various locations, ranging from acute tertiary health care services through to sub-acute services, specialist outpatient clinics, community services and aged care. We provide services in emergency, maternity, women's health, medical imaging, pathology, rehabilitation, community services, residential aged care, mental health care, community dental, hospice, palliative care, cardiology, cancer services and renal dialysis.

We also provide services to other health services and community health services across the Loddon Mallee region, such as shared ICT services, materials management, procurement and project management services, and funding to support new initiatives such as carer support groups and climate change adaptation activities or support communities recover after natural disasters such as floods.

As our region's largest employer, the organisation attracts exceptional people and volunteers and has a staff headcount of just over 5,000 people.

While our main hospital campus is in Bendigo, our services extend to other locations in Echuca, Swan Hill, Kyneton, Castlemaine and Mildura.

Our consolidated revenue in 2023-24 was \$786.653 million.

## Our care at a glance:



**127,980**

Service events provided by our Specialist Clinics



**61,459**

People came to our Emergency Department for treatment



**54,112**

People admitted to our hospital



**16,955**

Operations performed



**18,323**

Ambulance arrivals handled by our Emergency Department



**1,658**

Admissions of children aged 16 and under to our Children's Ward



**1,792**

Babies delivered



**5,018**

Staff employed



**772**

Bed service

## *The Victorian public health supply chain*

HealthShare Victoria (HSV) is a Victorian public sector entity established on 1 January 2021 as an independent, commercially oriented provider of supply chain services (surety, procurement and logistics) to Victoria's public health sector.

HSV's purpose is to partner with Victoria's public health services and suppliers to ensure the right products and services are delivered to the right place at the right time, supporting better value for our public health services and better outcomes for their patients.

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. Bendigo Health purchases goods and services from suppliers who are party to HSV collective contracts. As such, it is recognised that HSV has a significant role in health service supply chains.

HSV contracts cover a broad range of services, equipment and supplies. Examples of sourcing categories covered are ventilators, beds, mattresses, patient beds and trolleys, treatment chairs, hypodermic needles and syringes, gloves, pharmaceutical products, IV fluids, agency labour, catering supplies and non-emergency patient transport.

For contracts entered into by HSV and other state government entities that we use, Bendigo Health relies on those entities to undertake appropriate supplier due diligence.

HSV has worked in partnership with public health services to determine the optimum method to perform annual risk assessments on health services' suppliers and their supply chains, and developed a Modern Slavery Position Statement and Modern Slavery Risk Mitigation Program. This includes HSV's commitment to undertake annual risk assessments for health service's suppliers and not just HSV's suppliers. This approach was taken to reduce workload on Victoria's 81 public health services and reduce duplicated requests for information sent to suppliers.

#### *Bendigo Health's supply chain*

In addition to the state-wide supply chain coordinated by HSV, Bendigo Health has a large multi-layered supply chain that is used to purchase an extensive range of goods and services required for the delivery of our health care operations, including medical consumables, medical equipment, personal protective equipment, linen services, uniforms, staffing (labour hire and contractors) plus foods and catering.

In addition to healthcare specific products and services, we also purchase goods and services related to our corporate business functions, including office administration, building and construction, engineering, non-clinical labour hire, security, cleaning, information technology infrastructure and software, utilities and property leases.

Bendigo Health does not directly purchase raw materials and transform them into goods, we rely on other businesses in the supply chain to undertake this transformation and then market, sell, warehouse and transport the produced goods to our locations. We also purchase an extensive range of services from local and Victorian (majority), Australian and, in some cases, overseas suppliers.

### **Mandatory Criterion Three: Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity**

#### *HealthShare Victoria*

HSV's Purchasing Policy 5 Collective Purchasing and Supply Chain (HSV PP5) outlines HSV's commitment to assisting mandated health services to minimise modern slavery risk. Part of HSV's role in this regard is to conduct risk assessments of those suppliers on HSV collective purchasing contracts to evaluate the potential of modern slavery risk in health service supply chains.

The supplier risk assessment was undertaken by way of a questionnaire provided to all identified suppliers. The methodology applied this year is consistent with the previous three periods. Due to the fiscally constrained environment, HSV this year implemented its own in-house questionnaire. The questionnaire included 20 central questions, with additional questions asked where the initial supplier responses posed an opportunity for further specific insights to be gathered or gleaned from their understanding and approach to modern slavery risk.

The supplier risk assessment was divided into two sections:

1. Supplier details – this section of the questionnaire sought to identify the supplier's organisational structure, operational location/s and the industry sector/s they work in, which addresses criteria one, two and three under the Act. The responses in this section attract a twenty per cent (20%) weighting to the overall risk rating of the supplier.

2. Modern slavery risks – this section of the questionnaire sought to understand the supplier’s response to modern slavery risks, based on the 4 sub-sections in the Act of policy, due diligence, training and remedy:
  - policy – this sub-section requested information on the supplier’s policies around modern slavery,
  - due diligence – this sub-section covered what actions were being taken by the supplier to mitigate risk and what visibility they had over the operations they oversee,
  - training – this sub-section sought to understand what roles within the supplier’s organisation were being trained in modern slavery and how they shared awareness of the issue within their organisation,
  - remedy – this sub-section requested information about the supplier’s processes when modern slavery acts or incidents occurred, and if any current allegations are under investigation.

These questions address criteria four and five under the Act and account for a weighting of eighty per cent (80%) of the overall risk rating of the supplier. These sub-sections allow HSV to identify where weaknesses in mitigation may be occurring, allowing broader awareness regarding which organisations are having difficulty and this could significantly help lower their modern slavery risk.

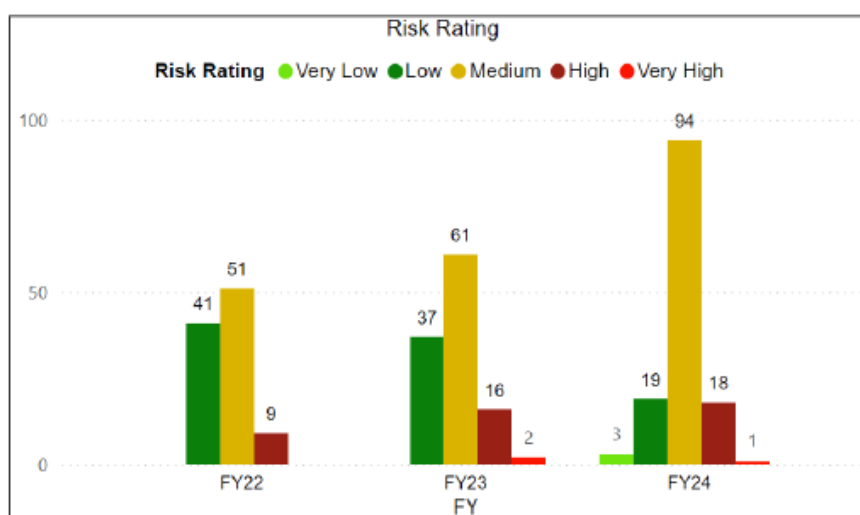
HSV identified a total of 442 suppliers from the Victorian public health services’ supplier spend data for the period FY23-24. Of these suppliers, 173 supplied goods and/or services to Bendigo Health.

Of our 173 invited suppliers, 132 suppliers responded, 3 declined to participate and 38 did not respond, equalling a response rate of 76%. Where suppliers did not respond, HSV reviewed their Modern Slavery Statements published for the 2022-23 reporting period to obtain an understanding of each supplier’s awareness of risk in their supply chain. Risks include where the requirements of the Act were not addressed sufficiently, where the statement did not adequately identify the risks and areas for improvement or actions, where no process for remediation was evident, etc. HSV reviewed these statements, and, utilising an in-house developed scoring sheet, was able to derive a risk-rating for this cohort.

The table below summarises Bendigo Health’s supplier risk ratings over the last 3 years:

Risk Category	Supplier percent in each risk category		
	2022	2023	2024
Very High	0%	0%	0%
High	6%	10%	10%
Medium	36%	40%	55%
Low	29%	25%	11%
Very Low	0%	0%	2%
Non-Response	29%	25%	22%

### Supplier risk ratings (actual number)



Comparison of the three years of data shows that there is an overall increase in the total number of suppliers with medium ratings. This is also reflected when the ratings are considered on a percentage basis, with most suppliers falling within the 'medium' risk rating. It's expected that this may be because suppliers are gaining a better understanding of modern slavery risk and this is being reflected in their ability to respond to certain questions in a positive way, indicating that some actions have been taken.

As suppliers in the high rated cohort gather greater understanding and uplift in capability on addressing modern slavery risk, we expect this number/percentage to also decrease over time, acknowledging new suppliers coming into HSV may require time to reflect this uplift.

Suppliers were asked which country/ies they have manufacturing facilities in. The HSV questionnaire posed this question by asking suppliers to indicate the countries grouped in 'zones' according to the risk. For example: if a supplier manufactures in Australia, they tick the Zone 1 option (very low) as Australia is categorised as a very low risk country for modern slavery risk. The following table summarises the manufacturing location for Bendigo Health's suppliers:

Country Risk Rating	Supplier Count
Zone 1 - Very Low (Australia, Britain, Switzerland, UK)	31
Zone 2 - Low (Greece, Italy, Slovakia)	20
Zone 3 - Medium (Argentina, China, Malaysia, Thailand)	24
Zone 4 - High (Cayman Islands, Venezuela, Mexico)	11
Zone 5 - Very High (Afghanistan, PNG, Philippines)	46
<b>Totals</b>	<b>132</b>

Suppliers were grouped into industries and the following table summarises the top 5 sectors for Bendigo Health's suppliers:

Top 5 – Industry Selection	Supplier Count
Health Care Supplies	36
Health Care Equipment	29
Health Care Equipment & Services	18
Health Care Distributors	8
Health Care Providers & Services	7
<b>Totals</b>	<b>98</b>

The data in the two above tables can be considered 'global' factors to the extent that they are not capable of being readily influenced or changed by the supplier. Whilst significant in terms of the degree of modern slavery risk a supplier may be exposed to, and the corresponding risk rating, these factors overall have limited impact on the risk rating due to the methodology adopted by HSV. This methodology assumes that though global factors play a significant role in the degree of modern slavery risk that a supplier may face, other factors, inherent to the supplier and which the supplier has a higher degree of control over, are factors which are actionable and therefore should be highlighted accordingly in the overall risk rating of the supplier.

**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 Policy section of HSV's questionnaire reviewed 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. The results are outlined below:

- Of the 132 respondents, 119 suppliers have policies in place regarding modern slavery. This is an increase from the 98 suppliers with a policy in FY22-23,
- 95 suppliers with a policy communicated it to their own suppliers (an increase from 84 in FY22-23),
- Of the suppliers with a policy, 100 had a system in place to monitor compliance (an increase from 84 in FY22-23).

HSV requested the suppliers rated high and very-high risk to provide a copy of their modern slavery policy for review and feedback. Of the 48 suppliers requested, 25 provides copies of their policies.

The due diligence section of HSV's questionnaire reviewed what the supplier is doing to actively mitigate modern slavery. This includes reviewing what screening processes of suppliers are in place, the mapping of their supply chain and a compliance overview of procedures. The results are outlined below:

- 110 suppliers (83%) have a role that is responsible for identifying and overseeing modern slavery risks in relation to the goods and/or services they provide,
- 48 suppliers have mapped their supply chain on multiple layers and levels to confirm high transparency over operations,

- 99 suppliers have a system or process in place to screen prospective suppliers before engaging with them,
- 98 suppliers conduct risk assessments inclusive of modern slavery (an increase from 82 in FY22-23),
- 73 suppliers conduct audits that includes modern slavery.

The training section of HSV's questionnaire reviewed the training and materials a supplier has across its operations to educate and bring awareness of modern slavery to staff. The results are outlined below:

- 109 suppliers train their staff to identify, assess and respond to modern slavery risks (14% increase from FY22-23),
- 56 suppliers provide modern slavery training to other entities and staff in their supply chain.

The remedy section of HSV's questionnaire reviewed what processes and remedial action plans the supplier has to respond to allegations of modern slavery. The results are:

- 112 suppliers have remedy or action plans to respond to allegations of modern slavery, an increase of 60% from FY22-23.

It has been evident in working with suppliers that whilst they want to work collaboratively on reducing human rights impacts of modern slavery, this does require greater efforts, understanding and commitment. HSV will continue to focus on assisting suppliers with their response to modern slavery in the coming years through the Community of Learning sessions for health services along with supplier engagement sessions, which will focus on areas such as introductory supply chain mapping and processes providing remedies to allegations of Modern Slavery.

Bendigo Health is working with HSV to develop the skills and knowledge of its Procurement Services team in relation to modern slavery risks in our supply chain.

Risks we have identified in our supply chain include:

- Sourcing of raw materials and production of clinical consumables, including gloves, surgical instruments, staff uniforms, sheets, towels and other textiles, and electronic health care equipment,
- Cleaning services,
- Security services,
- Sourcing of raw materials and production of ICT equipment.

To identify and manage risks in our supply chain, we have implemented modern slavery requirements in relevant procurement policies and procedures, a modern slavery risk assessment tool for tenders and contracts, and modern slavery clauses and a modern slavery questionnaire in our tender and contract templates. The results of the questionnaire is summarised in a spreadsheet. These tools are based on HSV's model clauses and templates.

Bendigo Health's expectation is that if at any time a supplier becomes aware of modern slavery practices in its operations and supply chains used in the performance of a contract, the supplier must as soon as reasonably practicable take action to remove these practices from its operations and supply chains. Reasonable requests for information made by Bendigo Health must be responded to by a supplier, with failure to do so giving rise to a breach of the agreement.



Most Bendigo Health contracts are for three year terms, with options to extend of one or two years. Consequently, it will be approximately five years before all contracted suppliers have made these formal undertakings to support our efforts in combating modern slavery.

HSV offers training sessions for Procurement staff on the risks of modern slavery, and operates a Community of Practice (CoP). The Director Procurement attends the CoP sessions. At the time of this report, Bendigo Health is in the planning stage of making HSV's modern slavery online training modules available for all employees via our Learning Management System (LMS), which will in-turn make it available to staff at other Loddon Mallee health services who share our LMS.

Overall, Bendigo Health has committed to assisting in efforts to combat modern slavery through the actions mentioned above and in ongoing support of efforts to minimise, if not eliminate, modern slavery from our supply chain.

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

The actions taken by Bendigo Health will raise the awareness of the risks of modern slavery within the organisation and with our suppliers.

We recognise that our actions to review and assess our suppliers to identify and address modern slavery risks in our operations and across our supply chain will be an ongoing and evolving process that we are committed to continue to build upon. To this end, we set ourselves annual goals to reach so we can look back and assess the effectiveness of our approach and inform our next steps.

The most effective action is the contractual changes that have occurred. These new obligations on suppliers will increase awareness and scrutiny and it's expected that change will continue to occur, particularly at the level of state-wide collective contracts.

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

Bendigo Health receives funding for the purchase of special medical equipment or to provide additional care services to patients (e.g. oncology massages) from the Bendigo Health Foundation (as The Trustee for Bendigo Health Care Group Foundation Charitable Trust), with all administrative functions completed by Bendigo Health personnel.

Bendigo Health acts as the lead member of two Joint Ventures comprised of the Chief Executive Officers (CEOs) of the health services in the Loddon Mallee region – the Loddon Mallee Health Network (LMHN) and Loddon Mallee Rural Health Alliance (LMRHA). All procurement activities are completed by Bendigo Health on behalf of these Joint Ventures.

None of the above entities have consolidated revenues of >\$100M per annum, and all operate under Bendigo Health's policies and procedures, including procurement.

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

Bendigo Health is confident that the steps taken this year have continued to build a strong foundation for a robust modern slavery avoidance framework. We are committed to continually improving our approach, partnering with stakeholders, and working to eliminate modern slavery.

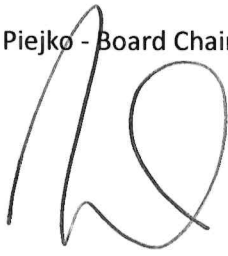
The Bendigo Health Board is pleased to see HealthShare Victoria (HSV) taking a leading role in assessing and managing the Victorian public health sector-wide risks of modern slavery. We look forward to seeing this central leadership role grow further in the next year as HSV assists us to conduct risk assessments of our non-HSV contracted suppliers.

**Closing Statement**

Bendigo Health recognises the importance of identifying and bringing modern slavery practices to an end and is committed to working with our supply chain to eliminate these practices.

This modern slavery statement was approved by the Board of Bendigo Health on 3/12/2024.

Dr Ewa Piejko - Board Chair



3/12/2024.