

Northern Health

Northern Health
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Modern Slavery Statement

1 July 2022 to 30 June 2023

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Introduction

This Modern Slavery Statement is made pursuant to the Commonwealth Modern Slavery Act 2018 (the Act) by Northern Health and relates to the financial year 1 July 2022 to 30 June 2023.

Overview of Northern Health

Northern Health provides quality health care services to the rapidly expanding communities in the Northern suburbs of Melbourne and is the major provider of acute, maternity, sub-acute and ambulatory specialist services in the region.

Northern Health services a region with high levels of industry, communities with diverse economic circumstances and high numbers of families from a refugee or migrant background. These are some factors which combine to have a significant impact on the health and wellbeing of the population. Northern Health presents a strong philosophy of working within the local community, to address these challenges and deliver excellent inpatient care.

Northern Health's campuses comprise Broadmeadows Hospital, Bundoora Centre, Craigieburn Centre, and Northern Hospital in Epping.

Northern Health provides a range of primary, secondary and some tertiary health care services:

- Emergency and intensive care:
 - 111,000 patients visit the emergency department each year.
 - Over 300 patients present to Emergency on average each day.
 - Over 60 paediatric patients are seen on average per day.
 - Over 90 ambulance arrivals on average each day.
- Acute medical, surgical and maternity services:
 - 3,300 babies are delivered annually.
 - 100,000 patients treated each year.
 - 300 elective surgeries performed each week.
- Sub-acute, palliative care and aged care:
 - 3,000 patients treated each year.
- Specialist clinics and community-based services.
 - 4,400 specialist outpatient appointments attended on average each week.

Northern Health has a capable, accountable and high performing workforce of approximately 8,623 employees (5,700 FTE).

Structure, Operations and Supply Chain

What we buy

Medical consumable products, implants, medical equipment (including maintenance), pharmaceuticals, food and nutrition, linen services, utilities, agency labour, radiology services, vaccines and pharmaceuticals, PPE, textiles, consultancy services, facility management, IT and marketing.

Who we buy from

A large percentage of Northern Health's spend is on Health Share Victoria (HSV) contracts. A number of non-catalogue purchases are made under Blanket Purchase Agreements managed by Melbourne Health. The remainder of purchases are B2B transactions.

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

HSV works with approximately 449 tier-one suppliers and is responsible for more than 65 contracts with a spend value of over \$1.16 billion.

HSV contracts cover a broad range of services, equipment and supplies across a number of categories including ventilators, beds, mattresses, patient trolleys, treatment chairs, hypodermic needles and syringes, gloves, pharmaceutical products, IV fluids, agency labour, catering supplies, laundry and linen services and non-emergency patient transport. A full list of HSV's sourcing categories can be found at <https://www.HSV.org.au/contracts-and-documents/contracts>.

HSV acknowledges the impact that COVID-19 has had on global supply chains, particularly in light of the significant increase in demand for personal protective equipment. HSV will undertake activities to investigate whether supply chains were restructured as a result of the significant procurement challenges faced during the pandemic.

Outside HSV contracts, Northern Health has contracts valued at approximately \$280m. Eighty-two percent of this spend is spread across the top 10, tier-one suppliers. Supplier categories include Medical Specialty Services, Pharmaceuticals & IV Fluids, Clinical Support Services & Supplies and Facilities Management.

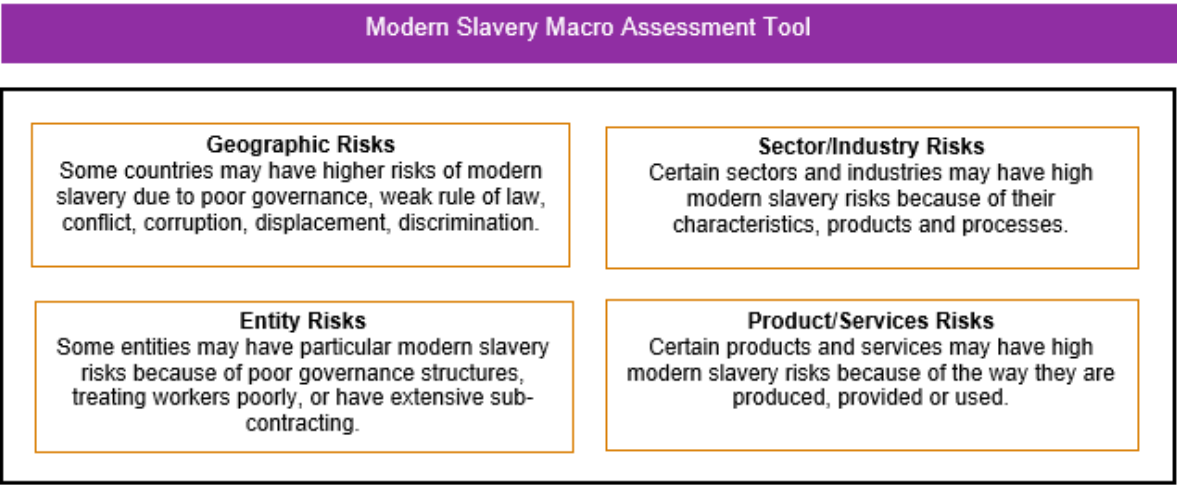
The tier-one suppliers engaged by Northern are based in Australia, United States, Germany, Denmark and Ireland. All of these countries show a low prevalence with high government response to modern slavery on the Global Slavery Index. (<https://www.globallslaveryindex.org/2018/data/maps/#prevalence>)

Modern Slavery Risks for Northern Health

There is growing evidence that demonstrates a high occurrence of modern slavery in the sourcing of raw materials and in production of health care goods, including: gloves; surgical instruments; patient clothing; uniforms and footwear of health care professionals; sheets, towels, and other textiles; and electronic health care equipment. Daily, health services use these goods to ensure the overall health and well-being of Australians. Australia is reliant on these imports from global supply chains for the supply of these essential products to health services.

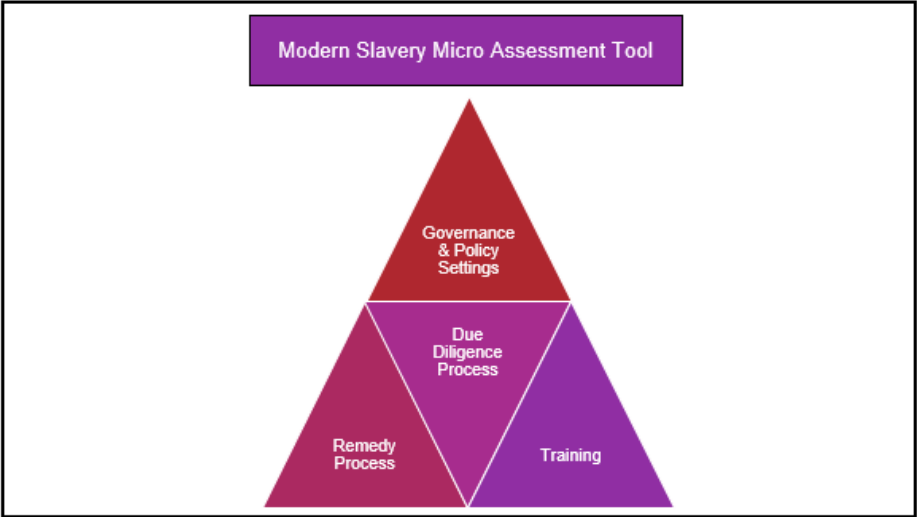
In assessing suppliers, a modern slavery risk assessment tool (“the risk assessment tool”), comprising a macro assessment and micro assessment component was utilised.

The macro assessment identified modern slavery risks across four categories.



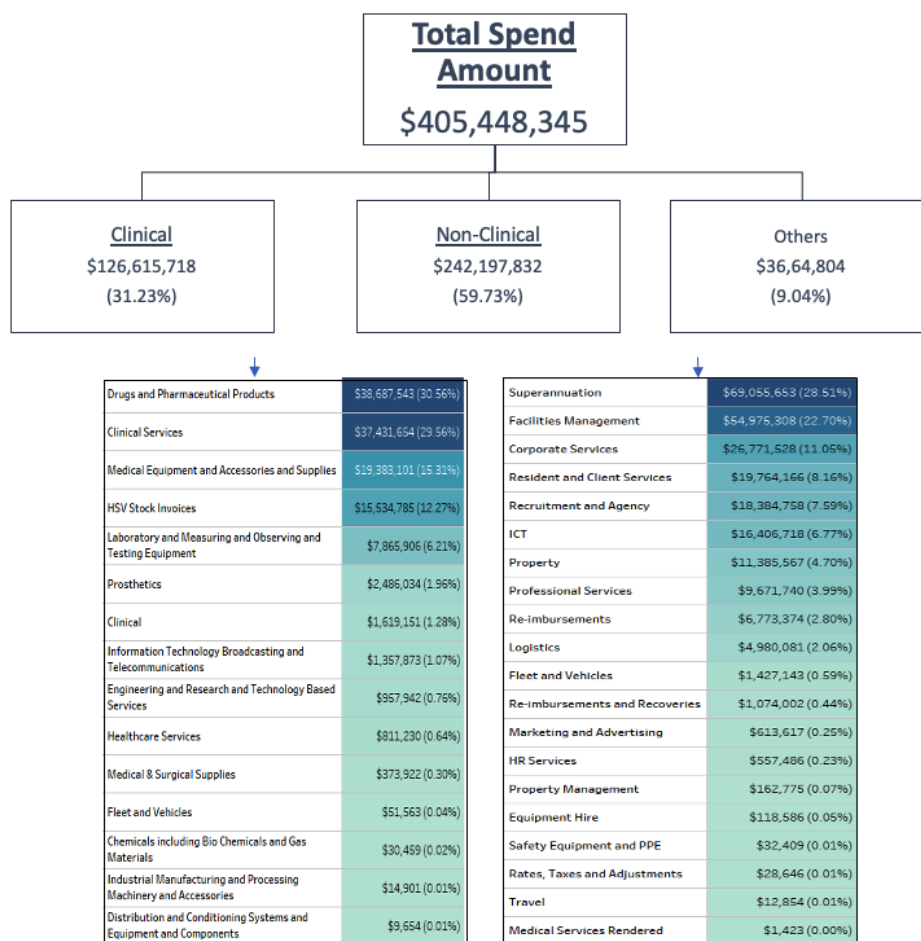
This involved considering whether there is a high prevalence of modern slavery in a particular sector or industry, or associated with a particular good or service, or in the location that the product or service is sourced or produced from. The macro assessment also considered whether the nature of the supply chain model carried a greater risk of modern slavery. This type of assessment provided a general understanding of the scope of modern slavery risks that suppliers may carry.

The micro assessment facilitated a detailed analysis by identifying and assessing possible modern slavery risk and in determining what risk mitigation strategies suppliers already had in place and what risks would need to be managed. Micro assessment involved risk identification across four areas as follows:



Both the macro and micro components included assigned weighting, rating, and risk scales, designed to allocate a modern slavery risk rating to suppliers. Suppliers were allocated one of the following risk ratings: low, medium, high or pending assessment.

A high-level snapshot of Northern Health's supplier category spend and risk profile using the risk assessment tool is provided below.



It is pleasing to advise that Northern Health has not identified any high-risk supplier spend categories in its supply chain.

Summary

As a health service with a largely skilled workforce, Northern Health considers the risk of modern slavery within its direct business operations to be relatively low. In line with a risk-based approach, these risks will continue to be examined in subsequent reporting periods.

Northern Health recognises that the extensive nature of its global supply chains may expose it to modern slavery risks. It is also recognised that the lingering effects of COVID-19 may have increased modern slavery risks in some supply chains. These risks include:

- Increased global demand due to supply chain shortages, particularly in the category of personal protective equipment
- Shorter production windows
- Increased unemployment and fear of loss of income
- Factory closures and
- Inability of vulnerable migrant workers to return to home countries

In collaboration, Northern Health and HSV will continue to assess and address additional risks within healthcare supply chains caused by the COVID-19 pandemic impact.

Northern Health has not identified any specific instance of modern slavery harm during this reporting period.

Actions to Assess & Address Modern Slavery Risks

During the last three reporting periods, Northern Health has implemented the following actions and imbedded them in practice:

- **Training:** Procurement personnel have attended Procurement and Supply Australasia (PASA) round table discussions and been involved in the Modern Slavery Community of Learning Workshops facilitated by HSV. A Modern Slavery Factsheet has been published on the Northern Health intranet site to raise awareness throughout the organisation.
- **Procurement Procedures:** Procurement procedures have been updated to include the required due diligence and remediation requirements, including the incorporation of modern slavery risk identification and management in procurement planning processes. A modern slavery risk assessment is now a mandatory part of the tender evaluation process based on the risk assessment of category of goods and service being tendered
- **Modern Slavery Policy:** A Modern Slavery Policy was developed in consultation with the Legal and Organisational Risk, approved by the Audit & Risk Committee and incorporated into Northern Health's Procurement Policy to establish its position on modern slavery. The updates were communicated to the organisation via email.
- **Modern Slavery clause in contracts:** All new contracts entered into by Northern Health include clauses that prohibit conduct or activities that would constitute Modern Slavery and compel suppliers to comply with the Modern Slavery Act. To date there has been no non-compliance reported or detected.
- **Supplier due diligence questionnaire:** Implementation of supplier due diligence questionnaires for tender documentation, to understand the risk of modern slavery in its supply chain and the actions taken (or not taken) by suppliers to respond to those risks. Where a category is rated as having a high risk of modern slavery, a weighting is applied in the evaluation stage of the tender process.
- **Supplier Code of Conduct:** As well as specific modern slavery provisions, suppliers wishing to conduct business with Northern Health must aspire and commit to meet the Supplier Code of Conduct. Under the Supplier Code of Conduct, suppliers are expected to proactively identify, address and – where required by legislation – report on risks of modern slavery practices in their business operations and supply chains.
- **Mandatory Minimum Standards:** As part of HealthShare Victoria (HSV) efforts to reduce the risk of modern slavery in the goods and services it sources on behalf of Victorian health services, Mandatory Minimum Standards are being introduced for suppliers under HSV collective purchasing agreements. The introduction of Mandatory Minimum Standards for all suppliers on HSV collective purchasing agreements supports the reduction of modern slavery risk in the Victorian public healthcare sector, through building capacity and raising awareness amongst HSV suppliers. These include:
 - Modern Slavery Policy;
 - Due diligence;
 - Grievance Mechanism, response and remediation;
 - Training; and
 - Determining Effectiveness.

Implementation of the Mandatory Minimum Standards amongst HSV will reflect a gradual uplift in modern slavery risk capability and awareness, given the nature and context of the Supplier's operations and supply chain. The main focus areas for the next reporting period are:

- **Improving due diligence:** While Modern slavery clauses have been incorporated into new contracts which the Supplier has entered, existing contracts will need to be updated as they are renewed or reviewed. The contract clauses are appropriate given:
 - Procurement value;
 - Supplier size; and
 - Modern slavery risk; and
 govern how suppliers respond to modern slavery risk within their supply chain and operations.
- **Supplier Onboarding:** Further improve the supplier on boarding process for NH to mitigate any risk of modern slavery harm for low value and low transaction suppliers; and
- **Stakeholder Engagement:** Continue to develop and implement a Modern Slavery Stakeholder Engagement Plan.

Complaints Handling

Northern Health is committed to ethical practices across all areas of the business and encourages reporting of any information regarding misconduct, the existence of an improper state of affairs, illegal activities, unethical behaviour, breaches of legislation, behaviour which is oppressive, discriminatory or grossly negligent, unsafe work practices, serious risks to public health, safety of the environment or any conduct which poses a serious risk to health and safety of any person at the workplace.

Northern Health recognises that complaints are to be treated seriously to ensure compliance with relevant legislation. The investigation process documented in the Northern Health complaints procedure supplements the complaints mechanism for Whistleblowers by dealing with investigations for all complaints not falling within Whistleblower legislation.

Assessing the Effectiveness of Actions

The focus of the third reporting period under the Modern Slavery Act 2018 (Cth) was to work collaboratively with HSV to identify mitigation efforts to combat modern slavery risks, and foster collaboration between Northern Health and suppliers to seek to address these risks.

The COVID-19 pandemic has continued to significantly impact Northern Health and has resulted in reduced capacity to implement mechanisms to assess the effectiveness of actions taken to address modern slavery risks. Northern Health recognises the importance of this activity and will endeavour to introduce assessment mechanisms in the FY2022-23 reporting period. In line with our commitment to continuously improve and further mature our policies and frameworks, systems and controls, and remediation mechanisms, we will make adjustment to our modern slavery maturity ratings where applicable.

Consultation with Reporting Entities

Northern Health controls the Northern Health Foundation. Northern Health has not consulted with the Foundation as it undertakes all procurement and supply activities on behalf of the Foundation.

Closing Statement

Northern Health has implemented processes and practices within its business, including its procurement practices and contractual terms, to minimise the risk of modern slavery within its tier-one suppliers and its supply chain more broadly.

Northern Health recognises there is more to do and is committed to continually improving its approach, partnering with its stakeholders and working to eradicate modern slavery.

This statement was approved by the Board of Northern Health on 23 November 2023.

A handwritten signature in black ink, appearing to read 'J. Williams', with a stylized, cursive script.

Jennifer Williams AM
Board Chair