



Australian Government

Comcare

COMCARE MODERN SLAVERY STATEMENT 2019–20



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A MESSAGE FROM OUR CEO

This Modern Slavery Statement (the Statement) is made by Comcare under section 14 of the *Modern Slavery Act 2019* (Cth) (the Act) and covers the reporting period 1 July 2019 to 30 June 2020.

The Statement outlines Comcare's approach to understanding, identifying and addressing the risk of modern slavery in our operations and supply chain. It has been prepared in consultation with Comcare's senior executives and subject matter experts, and with independent external support. As Comcare's accountable authority, I have approved the statement.

Comcare is committed to the intent of the Act and to identifying and addressing the risks and impacts of modern slavery in our operations and supply chains. We are a values-led organisation, committed to responsible and sustainable business practices. We recognise our role in respecting and promoting the fundamental human rights of our employees, suppliers and stakeholders. We will endeavour to continue to work with suppliers who reflect our commitment.



Sue Weston, CEO
11 March 2021

ABOUT COMCARE

Comcare was formed in 1988 as a statutory authority of the Australian Government. As a work health and safety regulator, scheme administrator and an insurer and claims manager. Comcare's purpose is to promote and enable safe and healthy work.

As the workers compensation authority, Comcare's responsibilities include administration of the Commonwealth's workers compensation scheme under the *Safety, Rehabilitation and Compensation (SRC) Act 1988*. As at 30 June 2020, this scheme covered 397,496 full-time equivalent (FTE) employees, of whom 183,612 were Australian Government employees and 213,884 worked for licensee organisations who self-insure their workers' compensation.

Comcare also had 415,827 FTE employees covered under the federal *Work Health and Safety Act 2011* (WHS Act), of whom 249,044 were Australian Government employees and 166,783 were employees of licensee organisations. Additionally, under the *Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005* (ARC Act), Comcare manages asbestos Commonwealth claims, as well as compensation claims under the Parliamentary Injury Compensation Scheme (PICS).

The SRC Act establishes the Safety Rehabilitation and Compensation Commission (SRCC), to which Comcare provides secretariat and other assistance. Comcare also provides secretariat, policy and legislative support to the Seafarers' Safety, Rehabilitation and Compensation Authority (Seacare), however Comcare does not control or own any other entities, including Seacare.

As at 30 June 2020, we employed 556 ongoing employees and 78 non-ongoing employees under the *Public Service ACT 1999*. These employees are based in Comcare's various offices across Australia – in Canberra, Sydney, Newcastle, Melbourne, Adelaide, Brisbane, Perth, Darwin and Launceston.

COMCARE'S INVESTMENTS

Comcare's financial investments are primarily made to meet current year obligations to make compensation claim payments, to fund Comcare's operating expenses and to meet future claims liabilities. The objectives are to have funds available to meet payments as and when they fall due, and to minimise the variability in funding ratio and annual premiums as a result of interest movements.

The financial institutions which hold Comcare's funds are currently all Australian banks, and investments held are all term deposits. Banks in Australia are highly regulated and Comcare only invests in low risk, high quality investments. Comcare invests according to its Credit Risk Framework Guidelines, including ensuring that investments are made with institutions classified by the Australian Prudential Regulation Authority as an Authorised Deposit-Taking Institution or which are a Commonwealth, State or Territory of Australia.

Over the next reporting period, Comcare will continue to assess the commitment of our chosen investment institutions toward managing modern slavery risk.

ADDRESSING COVID-19

Comcare has reviewed the potential impact of COVID-19 across its supply chains and has not identified any significant impacts or risks, based on the largely Australian-based supply chain.

To address the operational impact of COVID-19, Comcare is transitioning its employees to flexible working arrangements, as well as providing mental health assistance to affected employees.

COMCARE'S SUPPLY CHAIN

Comcare procures all goods and services in accordance with the requirements of the Commonwealth Procurement Rules (CPRs). The CPRs are issued by the Minister for Finance (Finance Minister) under section 105B(1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Comcare is a prescribed corporate Commonwealth entity listed in section 30 of the Public Governance, Performance and Accountability Rule 2014, and as such must comply with the CPRs when undertaking any procurement.

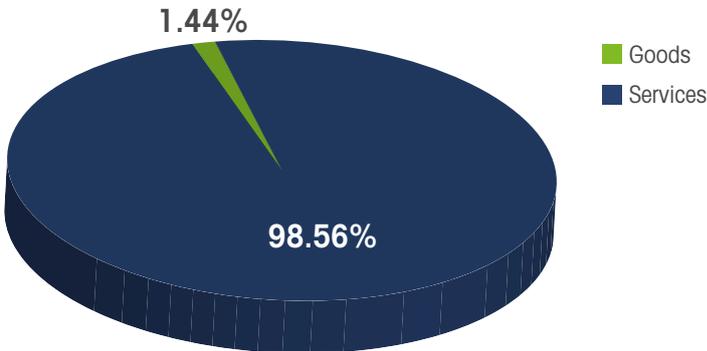
In accordance with the requirements of the CPRs, Comcare primarily utilises external contractual arrangements for the procurement of its goods and services. This includes leveraging the Commonwealth Contracting Suite, Digital Transformation Agency's Digital Marketplace, other government agency panels and contractual arrangements through coordinated procurements.

Comcare also manages its own limited tender procurements, both through approaches to market, and through credit cards for purchases with low value.

COMCARE'S SPEND CATEGORIES

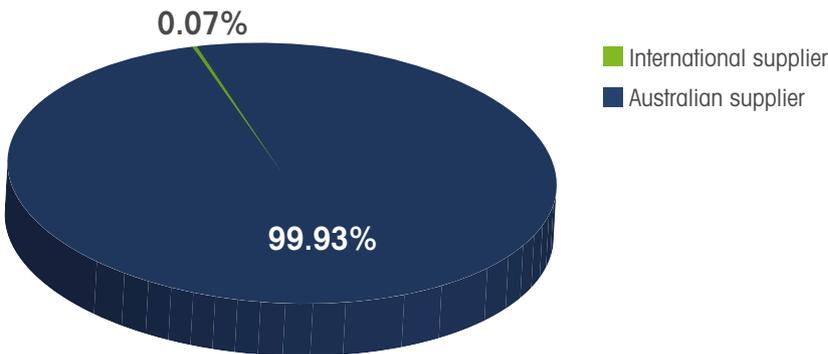
As a service provider itself, Comcare primarily procures goods (1.44%) and services (98.56%).

COMCARE GOODS AND SERVICES



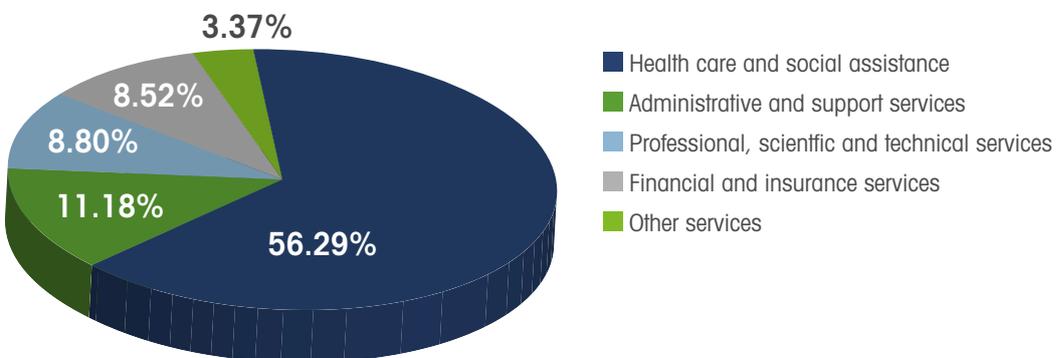
Comcare primarily procures the goods and services from Australian suppliers (99.93%) with 0.07% of its total spend, related to software and healthcare services, being procured outside of Australia.

LOCATION OF COMCARE SUPPLIERS



The below graph shows Comcare's Top 5 category spend for goods and services procurements in the Financial year reporting period 2019-2020.

TOP 5 CATEGORIES FOR COMCARE GOODS AND SERVICES PROCUREMENTS



TYPES OF SUPPLY CHAINS

Comcare's supply chains include a mix of outsourced arrangements in relation to core IT infrastructure, together with relatively simple supply chains for services and products required for day-to-day operations from a number of Australian based suppliers. The table below sets out the types of products and services Comcare procures.

Procurement Categories	Products and Services
Administrative and Support Services	Property services, Cleaning and Recruitment services
Financial and Insurance Services	Financial and investment Services, Insurance and Actuarial Services
Healthcare Services	Claims Management, Medical assessment, rehabilitation and mental health care support services
Other Services	Trade and maintenance services
Professional, scientific and technical services	Application development services, ICT Managed Services, ICT security services, infrastructure support and hardware Professional services, including application development, project management, short-term specialist service replacement. Advisory and legal services

CONTROL OF SUPPLY CHAINS

Comcare's supply chains are controlled with strict contracting arrangements as defined by the CPRs and Comcare's Contract Management Framework which provides guidance on the contract management process as well as tools and templates to assist Contract Managers effectively manage contracts. The Comcare Contract Management Guide provides a clear, standardised approach to managing and administering contracts for goods and services purchased from suppliers. The main objective of contract management is to ensure commitments and obligations from buyers and suppliers are effectively met, by delivering value for money outcomes and managing risk.

Suppliers to Comcare are required to comply with any laws, statutes, regulations, by-laws, ordinances or subordinate legislation in force from time to time, including in particular but not limited to the:

- > *Auditor-General Act 1997*
- > *Crimes Act 1914*
- > *Criminal Code Act 1995*
- > *Disability Discrimination Act 1992*
- > *Freedom of Information Act 1982*
- > *Environment Protection and Biodiversity Conservation Act 1999*
- > *Privacy Act 1988*
- > *Public Governance, Performance and Accountability Act 2013*
- > *Public Interest Disclosure Act 2013*
- > *Racial Discrimination Act 1975*
- > *Safety, Rehabilitation and Compensation Act 1988*
- > *Sex Discrimination Act 1984*
- > *Trade Practices Act 1974*
- > *Workplace Gender Equality Act 2012*
- > *Work Health and Safety Act 2011 or similar state and territory legislation*
- > *Taxation Legislation*
- > *Fair Work Act 2009.*

DISCLOSURES

All contracts valued at or above the relevant reporting threshold value of AUD\$400,000 (GST inclusive) are reported by Comcare on AusTender. Comcare contracts valued at or above AUD\$100,000 (GST inclusive) are published on the Comcare website biannually.

OUR MANAGEMENT OF MODERN SLAVERY RISK

Comcare recently established a new corporate Governance Framework to support decision making using the principles of stewardship, alignment, collaboration, flexibility, consistency and transparency. To operationalise this framework, a new governance committee structure has been established to clarify purpose, accountabilities and responsibilities. This new capability is charged with the ongoing governance of Comcare's Modern Slavery reporting.

Additionally, Comcare already adheres to practices which promote ethical and legally compliant business. Our policies and frameworks contribute to our commitment to prevent violations of human rights such as modern forms of slavery in our business including those that relate to the Comcare and APS Values, the APS Code of Conduct, diversity and inclusion, performance management, training and capability development, as well as our risk management and assurance frameworks.

We have risk mitigation and robust procurement processes in place including establishing clear standards for suppliers' employment practices, which includes the explicit consideration of modern slavery risks.

COMCARE'S MODERN SLAVERY RISK APPROACH AND ASSESSMENT

Comcare mapped its Tier 1 suppliers for procurements sourced directly from its own suppliers through analysis of its supplier expenditure, with the majority of these suppliers being Australian based.

Comcare found no instances in its operations and/or supply chain where modern slavery risks are caused, or contributed to, by Comcare. Rather, Comcare identified elements within its supply chain that indicate "risks that [you] may be directly linked to modern slavery practices", and for which Comcare is obliged to conduct due diligence and risk management to address those modern slavery risks.

Comcare utilises a due diligence and observance approach for the risk management of the suppliers it uses through its external arrangements.

COMCARE'S MODERN SLAVERY RISK ACTIONS

Comcare manages its operations and supply chain risk by conducting risk assessments, as well as by regularly reviewing the risk assessments conducted for updates where new risks are identified or where risks change.

The risks identified by Comcare within its supply chain focus around sectors, industries, goods, services and their country of origin that are prone to modern slavery risk, as well as the utilisation of entities for the procurement of goods and services that have a poor track record of modern slavery.

Comcare reviewed and updated its risk assessment practices to provide greater confidence around modern slavery risks being managed and mitigated appropriately. The following strategies have been utilised to support Comcare's improved capability:

- > updating procurement and contract management documentation to reflect Procurement Connected Policies and CPR's as they relate to modern slavery requirements
- > updating vendor management systems to include new supplier questions to address modern slavery risks in consideration of the Modern Slavery and Trafficking Supplier Questionnaire issued by the Australian Government with regular internal auditing of responses
- > identifying opportunities for modern slavery training to assist employees to identify, prevent and mitigate modern slavery risks across its procurement and operations, in addition to the modern slavery awareness sessions already provided to Comcare employees
- > regular engagement and collaboration with suppliers, other government entities and stakeholders to increase understanding of Comcare's supply chains and associated risks, and
- > using standard Commonwealth contracts to manage consistency with correct terms and conditions and with application of appropriate policy.

Comcare is committed to continuous improvement of its management of modern slavery risk and has identified a range of actions for implementation including:

- > regular engagement with suppliers and other government entities on procurement activities
- > refinement arising from lessons learned
- > deliberate effort to embed responsibility for managing human rights matters more generally across the organisation.

ASSESSING FOR EFFECTIVENESS

Comcare is taking a risk-based approach and is committed to providing ongoing risk mitigation tracking and governance oversight. Comcare will develop reporting and complaint processes for both internal and external use for modern slavery related incidents.

Comcare will conduct audits of its risk mitigations and implementation, as well as utilise its management and governance structures to ensure oversight and direct responsibility for decision making around modern slavery risk. The outcomes of these audits will inform the continuous improvement of our approach, and policies and procedures.