



## MODERN SLAVERY STATEMENT

This Modern Slavery Statement is made pursuant to the Commonwealth *Modern Slavery Act 2018* (the Act) by Latrobe Regional Hospital and relates to the financial year 1 July 2020 to 30 June 2021.

### 1. Identify the reporting entity.

Latrobe Regional Hospital (LRH) is located 150km east of Melbourne at Traralgon West and is one of the region's largest employers with more than 2,400 staff.

LRH has 328 beds and 36 treatment chairs and cares for a population of more than 270,000 as a provider of specialist services to the Gippsland region.

We offer services such as cardiac care, surgery, medical, renal, emergency care, aged care, obstetrics, mental health, pharmacy, allied health and rehabilitation. Medical and radiation oncology are offered by the Gippsland Cancer Care Centre on site.

LRH is the main provider of acute mental health services in Gippsland with inpatient care at the hospital and community mental health services and teams in the Latrobe Valley, Sale, Bairnsdale, Yarram, Orbost, Warragul and Wonthaggi.

Our Macalister Unit has 10 acute beds for older people with complex needs relating to mental illness as well as 10 nursing home beds.

### 2. Describe the reporting entity's structure, operations and supply chains.

Latrobe Regional Hospital located at 10 Village Avenue, Traralgon West, Victoria, 3844, ABN: 18 128 843 652, is a public health service established under the Health Services Act 1988 (Vic).

We provide public hospital services in accordance with the principles of the National Health Care Agreement (Medicare) and the Health Services Act 1988 (Vic).

Health Share Victoria (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. Latrobe Regional Hospital 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>

As part of our operations LRH purchases medical consumable products, implants, medical equipment (including maintenance), pharmaceuticals, food and nutrition, linen services, utilities, agency labour, radiology services, vaccine and pharmaceuticals, PPE, textiles, consultancy services, facility management, IT and marketing.

### **3. Describe the risk of modern slavery practices in the operations and supply chains of the reporting entities that the reporting entity owns or controls.**

Latrobe Regional Hospital recognises that the extensive nature of our global supply chains may expose us to modern slavery risks, and has engaged with HSV to understand the general modern slavery risks within our supply chains.

HSV and Latrobe Regional Hospital 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.

Latrobe Regional Hospital is at a low risk of modern slavery practices within the organisations direct operations due to all employees being employed under the relevant Enterprise Business Agreement.

Latrobe Regional Hospital procure by:

- HSV-led cluster sourcing – led by HSV on behalf of participating health services
- Health service led cluster sourcing – led by a major health service on behalf of participating health services, where lead health service ensures modern slavery requirements.

LRH individual procurement activities are guided by Procurement Policies and also ensure modern slavery requirements are adhered to.

Latrobe Regional Hospital understands that its supply chains may be impacted by modern slavery practices. Some general risks in our supply chain include:

- Labour practices in offshore manufacturing facilities such as South East Asia, for medical consumables and equipment and ICT equipment;
- Labour and manufacturing in overseas facilities for textiles including uniforms;
- Labour for the cleaning industry.

In addition to general risks, HSV has identified the following high risk areas specific to the healthcare sector:

- Surgical and examination gloves;
- Surgical instruments; and
- Linens and gowns.

COVID-19 may have increased modern slavery risks in some supply chains. These risks include:

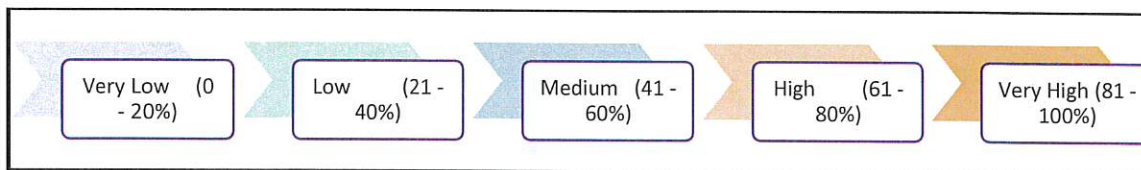
- Increased global demand due to supply chain shortages, particularly in the category of personal protective equipment;
- Shorter production windows;
- Increased unemployment and a fear of loss of income;
- Factory closures; and
- Inability of vulnerable migrant workers to return to home countries.

Given HSV's significant role in Latrobe Regional Hospital's supply chains, HSV has helped identify the general risks of modern slavery that may be present.

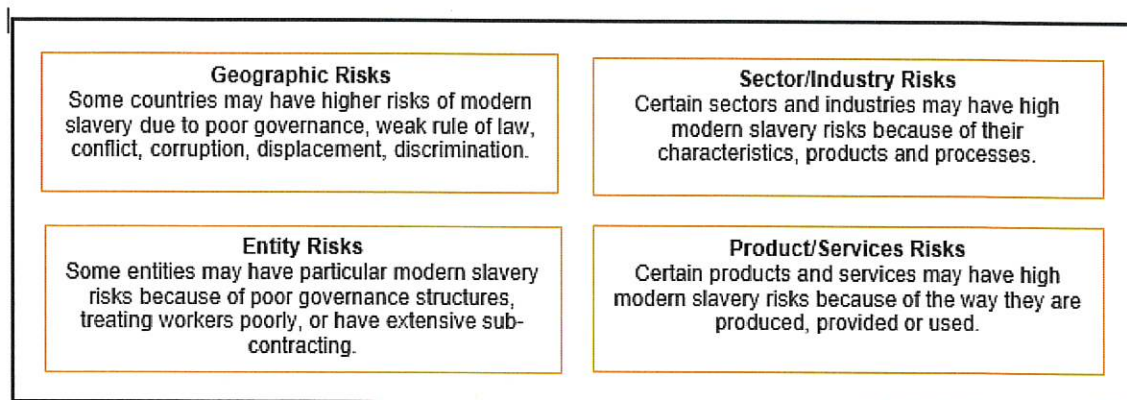


HSV Data and Analytics identified 105 suppliers for Latrobe Regional Hospital's FY2021. These suppliers were asked to complete a Modern Slavery Supplier Questionnaire with a response rate of 76 percent.

Of the respondent suppliers they were allocated a risk rating from Very Low to Very High using a modern slavery risk assessment tool comprising of macro and micro assessment components.



The macro assessment categories were Geographic Risks, Sector/Industry Risks, Entity Risks and Product/Services Risks as shown with further detail below.



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 categories:

- Governance and Policy Settings
- Due Diligence Process
- Remedy Process
- Training

From the Latrobe Regional Hospital respondent's suppliers 9 were categorised as High risk, 58 Medium Risk and 13 Low Risk.

Findings are consistent with industry and geographic profile for healthcare goods:

- E.g.: gloves; surgical instruments; patient clothing; uniforms and footwear of health care professionals; sheets, towels, and other textiles; and electronic health care equipment.
- Raw material sourcing

These findings are not unreasonable and should not infer from risk ratings that suppliers are disregarding modern slavery risk.

We acknowledge that the risks of modern slavery may be heightened in some of our groups supply chains and operations as a result of the geographical location of some suppliers, our areas of

operation, and the source of materials used in products supplied to us. We also acknowledge that, we lack visibility in certain overseas markets and this carries additional risks of modern slavery especially in secondary levels of our chain of suppliers and source materials used in our group's goods and services.

#### **4. Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls to assess and address those risks including, due diligence and remediation processes.**

As the designated COVID streaming hospital for Gippsland, Latrobe Regional Hospital has been significantly impacted by the COVID-19 pandemic, which has resulted in reduced capacity to undertake widespread actions to assess and address modern slavery risks in our operations and supply chains.

Latrobe Regional Hospital has however been able to undertake the following actions to assess and address modern slavery risks in the FY2020-21 reporting period:

- updated our Procurement Framework Policy to include Modern Slavery;
- undertook a review of our Procurement contracts and tender documents to include Modern Slavery clauses;
- updated our purchase orders to include Modern Slavery;
- added the ability to report any instances of Modern Slavery in the LRH supply chain via our website;
- made our board and senior management aware of our Modern Slavery obligations; and
- developing our assessments of direct suppliers based on spend data;
- published a modern slavery factsheet on our staff intranet site;
- Included modern slavery in our organisational risk register.

Latrobe Regional Hospital recognises the importance of this activity and will endeavour to undertake further actions in the FY2021-22 reporting period.

The focus of our second reporting period under the Modern Slavery Act 2018 (Cth) was to undertake supplier risk assessments within the HSV Collective Purchasing Agreements.

In the third reporting period, Latrobe Regional Hospital intends to work collaboratively with HSV to identify mitigation efforts to combat modern slavery risks, and foster collaboration between Latrobe Regional Hospital and suppliers to seek to address these risks.

#### **5. Describe how the reporting entity assess the effectiveness of such actions.**

During this reporting period, our focus was to gain a better understanding of our modern slavery risks and how such risks may be present in our operations and supply chains. At this early stage, we are unable to adequately assess the effectiveness of measures we have undertaken. However, we have commenced and will continue to work on developing frameworks and processes to ensure we can review the effectiveness of the actions we are taking to assess and address modern slavery risks in our operations and supply chains.

HSV has introduced several mechanisms for monitoring the effectiveness of the actions it has taken to date. LRH Representatives attend regular information sessions on the requirements of the Act periodically complete surveys to self-assess their progress against several criteria. The results are used to measure the success of engagement programs, inform future workshop content and identify potential gaps in training.

In addition to this, HSV's senior leadership, as a critical entity to LRH's supply chain, has taken ownership of the modern slavery program and progress is regularly discussed at senior committees.

Feedback from committee members is used to inform decision making and future activities within the program.

While the impact of the COVID-19 pandemic has delayed the implementation of further monitoring activities, LRH is maturing in its understanding of the Modern Slavery Act and is expanding its application to include risk assessments of suppliers, updating Terms of Trade and beginning roll out of supplier Modern Slavery Questionnaires.

**6. Describe the process of consultation with any entities that the reporting entity owns or controls.**

Latrobe Regional Hospital does not own or control any other entities.

**Closing Statement**

Latrobe Regional Hospital is confident that the steps taken this year have built a strong foundation for a robust modern slavery framework. We recognise there is more to do and Latrobe Regional Hospital is committed to continually improving our approach, partnering with our stakeholders and working to eradicate modern slavery.





# MODERN SLAVERY ACT 2018 (CTH) – STATEMENT ANNEXURE

## Principal Governing Body Approval

This modern slavery statement was approved by the *principal governing body* of

Latrobe Regional Hospital's Board

as defined by the *Modern Slavery Act 2018* (Cth)<sup>1</sup> ("the Act") on

15 November 2021

## Signature of Responsible Member

This modern slavery statement is signed by a *responsible member* of

Linda McCoy, Board Chair

as defined by the Act<sup>2</sup>:



## Mandatory criteria

Please indicate the page number/s of your statement that addresses each of the mandatory criteria in section 16 of the Act:

Mandatory criteria	Page number/s
a) Identify the reporting entity.	1
b) Describe the reporting entity's structure, operations and supply chains.	2 - 3
c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	3 - 5
d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	5
e) Describe how the reporting entity assesses the effectiveness of these actions.	5 - 6
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).*	Do not own
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.**	N/A

\* If your entity does not own or control any other entities and you are not submitting a joint statement, please include the statement 'Do not own or control any other entities' instead of a page number.

\*\* You are not required to include information for this criterion if you consider your responses to the other six criteria are sufficient.

- Section 4 of the Act defines a principal governing body as: (a) the body, or group of members of the entity, with primary responsibility for the governance of the entity; or (b) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed body within the entity, or a prescribed member or members of the entity.
- Section 4 of the Act defines a responsible member as: (a) an individual member of the entity's principal governing body who is authorised to sign modern slavery statements for the purposes of this Act; or (b) if the entity is a trust administered by a sole trustee—that trustee; or (c) if the entity is a corporation sole—the individual constituting the corporation; or (d) if the entity is under administration within the meaning of the *Corporations Act 2001*—the administrator; or (e) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed member of the entity.

