

MODERN SLAVERY STATEMENT FINANCIAL YEAR 2022-23

THE ROYAL VICTORIAN EYE AND EAR HOSPITAL

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Contents

Introduction	3
Overview of the Eye and Ear	3
Supply Chain	4
Risks in our operations and supply chain	4
Actions taken	6
Assessing the effectiveness of actions taken	7
Closing statement - Approval and signature.....	8

Introduction

This Modern Slavery Statement is made in accordance with the Commonwealth Modern Slavery Act 2018 (the Act) by The Royal Victorian Eye and Ear Hospital (Eye and Ear) and relates to the financial year 1 July 2022 to 30 June 2023.

The Eye and Ear commenced its journey in 2020 with an initial Modern Slavery Statement and has been working closely with HealthShare Victoria (HSV) to ensure the principles of the Modern Slavery Act are understood and addressed in the hospital's supply chain processes and employer relations.

In accordance with the Modern Slavery Act, the Eye & Ear has submitted three previous statements for the financial years of 2019-20, 2020-21 and 2021-22.

Overview of the Eye and Ear

The Eye and Ear is a health service established under section 181 of the Health Services Act 1988 (Vic) and is a stand-alone entity that does not own or control any other entities.

The Eye and Ear is Australia's only specialist Eye and ENT hospital and has been providing care for over 160 years.

The hospital operates from a central hub in East Melbourne and is the largest provider of ophthalmology and ENT services in Victoria, including all the state's public cochlear implants.

The Eye and Ear provide a range of surgical, specialist clinic and emergency services, in 2022-2023 it provided the following:

Emergency:

- 42,387 presentations
- 90% of emergency patients are seen-in-time
- 71% of patients with a length of stay in ED of less than 4 hours

Surgical Services

- 9,971 patients admitted from elective surgery waiting list
- 100% of Category 1 elective surgery patients admitted within 30 days
- 84% of Category 1, 2 and 3 elective patients were admitted within clinically recommended time

Specialist Clinics

- 155,040 appointments
- 90% of urgent referred patients attended their first appointment within 30 days
- 71% of routine referred patients attended their first appointment within 365 days

In 2022-23 the Eye and Ear employed 1,050 staff, for a total of 597 FTE, across Nursing, Medical, Allied Health and Administrative labour categories.

Supply Chain

HealthShare Victoria (HSV) is a state-wide procurement organisation that partners with Victorian public health services to procure best-value goods and services. HSV continues to work 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. The Eye and Ear purchase goods and services from suppliers who are party to HSV collective agreements.

In March 2022, HSV opened their new distribution centre in Tarneit, where they stock more than 2000 medical and healthcare-related goods. The Eye & Ear was part of the first tranche of Health Services to receive goods from this distribution centre. As such, it is recognised that HSV has a significant role in our health service supply chain.

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 per annum.

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

In addition, the Hospital works with another 450 suppliers with a total recurrent spend of \$36 million. These suppliers provide a broad range of surgical implants, stationery, printing, support services such as cleaning, patient meals, portering, gardening, courier, biomedical engineering and general maintenance.

The main focus during the last financial year under the Modern Slavery Act 2018 has been to continue to work with HSV to undertake supplier risk assessments within HSV Collective Purchasing Agreements, which are reported with findings in this statement.

In this reporting period, the Eye and Ear intends to continue to work collaboratively with HSV to identify mitigation efforts to combat modern slavery risks, and foster collaboration between the Hospital and suppliers to address these risks.

Risks in our operations and supply chain

(Criterion 3)

There is growing evidence that demonstrates a high occurrence of modern slavery in the sourcing of raw materials and the production of healthcare goods, including gloves, surgical instruments, patient clothing, uniforms and footwear of healthcare professionals, sheets, towels, 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.

The sourcing of raw materials and the production of these healthcare goods often involves hazardous working conditions, labour exploitation, child labour and other

abuses. There is a high risk that Australian businesses are exposed to modern slavery risks and that Australian goods and services are tainted by modern slavery. This risk may be heightened for large companies and other entities with extensive, complex and/or global supply chains.

Increased life expectancy and an ageing population are expected to increase demand for healthcare goods and services in Australia in the years ahead, further increasing the risk of modern slavery within complex global supply chains.

In the last statement, it was advised that HSV had conducted their macro & micro assessments in relation to HSV contracted suppliers (Collective agreements). HSV has written to all very high, high 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. As Goods and services procured through HSV collective agreements account for a large proportion of the Hospital's non-salary expenditure the Hospital continued to concentrate its efforts within this cohort and has relied on HSV to undertake risk assessments of suppliers through the HSV collective agreements.

In assessing suppliers, HSV used a modern slavery risk assessment tool, comprising a macro and micro assessment.

The macro assessment identified modern slavery risks across four categories:

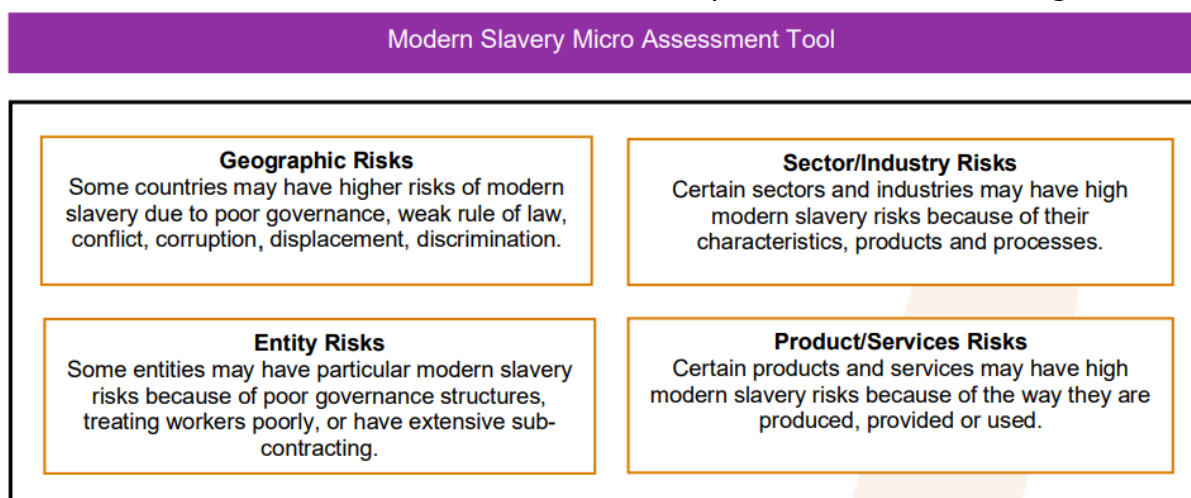


Figure 1.

This involved considering whether there is a high prevalence of modern slavery in a particular sector or industry, associated with a particular good or service, or in the location where the product or service is sourced or produced. The micro 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 risks and determining what risk mitigation strategies suppliers already had in place and what risks would need to be managed.

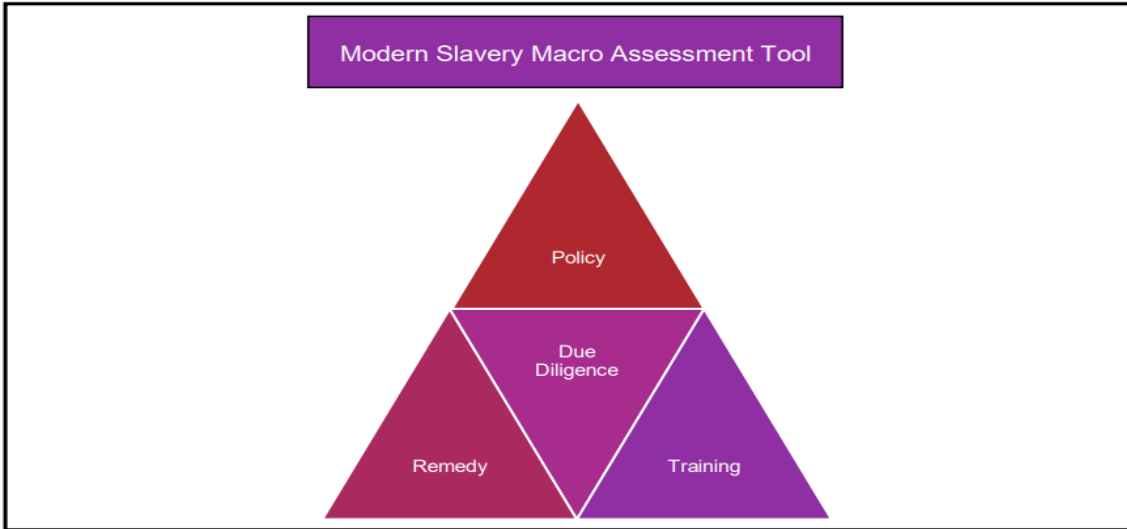
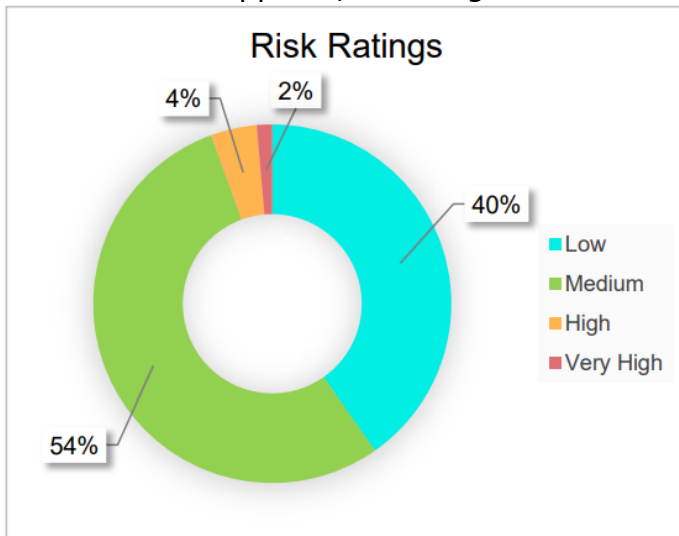


Figure 2

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 rated as either very low, low, medium, high or very high.

Modern slavery supplier risk ratings

This section illustrates the all-inclusive, combined macro and micro assessment outcomes for suppliers, outlining the risk categories in which the suppliers fall.



Risk Category	No. Suppliers
Very High	1
High	3
Medium	39
Low	29
Very Low	0

Actions taken

(Criterion 4)

The following actions were undertaken by the Eye and Ear during the 2022-23 reporting period to address modern slavery risks in supply chains:

1. As part of a rolling three-year internal audit program, the hospital's policies and procedures were reviewed, which included the effectiveness of our documentation relating to the management of Modern Slavery risks. There were no adverse

findings from the audit, however, the following two items were identified as areas for further improvement:

- i. Conduct risk assessments for high-risk suppliers outside of the non-HSV Supplier data.
 - ii. Contract manager roles and responsibilities to include reviewing modern slavery risks during review periods of the contracts.
2. In December 2022, the Hospital submitted its third Modern Slavery Statement.
3. The focus of our third reporting period of 2022-23 was to continue to work collaboratively with HSV to identify mitigation efforts to combat modern slavery risks, and foster collaboration between the Eye and Ear and suppliers to seek to address these risks. The Eye & Ear joined and participated in the HSV Risk Mitigation Program. This group has been formed to allow HSV to seek the view of health services to support reporting for criteria 3 and 4. This is intended for health services to use a risk assessment questionnaire as a single-sector approach.
4. We continue to update our existing contracts, which are actioned during the renewal of contracts process.
5. There was one major tender for Construction works for the Vertical Transport upgrade, the suppliers were assessed against the Modern Slavery Act 2018 requirements and found to be compliant.
6. Contracts and Procurement staff continued to attend Community of Learning (COL) forums held by HSV on modern slavery facilitated by the Supply Chain Risk Manager. The HSV forums continue to support Victorian health services in addressing modern slavery risks in their operations and supply chains. HSV provided these forums monthly to health services.
7. Uploaded the fundamentals of the HSV modern slavery-specific e-learning modules onto the hospital MyLearning portal, with the anticipation to go-live 2023-24.
8. The Eye and Ear hospital holds investments with the Victorian Funds Management Corporation (VFMC), which provides investment and funds management services to Victorian public authorities. As part of their ESG framework, VFMC have provided a Modern Slavery statement, which details their risk assessment, how they are addressing those risks, their effectiveness review and actions taken to continuously improve their program.

Assessing the effectiveness of actions taken

(Criterion 5)

1. The Eye and Ear will continue to work in partnership with HSV to understand and comply with its modern slavery obligations, which should assist in reducing modern slavery risks within the Health Service's supply chain. Part of this approach is to continue to participate in the HSV Risk Mitigation Program, working with the consultation group to provide suppliers with a single-sector approach.
2. The health service will take actions to ensure all key personnel undertake the necessary training requirements by:

- i. Providing a staff forum to communicate Modern Slavery obligations of health services to key staff. The Hospital intends to invite Healthshare Victoria as subject matter experts to the hospital's staff forum to expand our staff's knowledge base and awareness.
 - ii. Continue training of Contract Managers to monitor adherence to modern slavery risks during review periods of the contracts.
 - iii. Monitor completion of modern slavery training modules for relevant staff.
3. Key management staff to continue to be involved in the Modern Slavery Community of Learning sessions provided by HSV.
4. Where required, the health services will update all, procedures, documentation and supply agreements.

Closing statement - Approval and signature

The 2022-23 Modern Slavery Statement has been prepared by The Royal Victorian Eye and Ear Hospital and outlines the steps taken as an organisation to identify, manage and mitigate specific risks around modern slavery in our operations and supply chains.

The hospital is confident that the steps taken this year continue to build on the foundation for a robust modern slavery framework. The hospital recognises there is more to do and will continue to refine and further improve its approach and assessment to identify and respond to the risk of modern slavery practices within our organisation.

Having HealthShare Victoria continue to take a lead role in assessing and managing the sector's wider risks of Modern Slavery benefits the Victorian Public Health Service and provides a single supplier sector approach.

This statement has been prepared in accordance with the Australian Modern Slavery Act 2018 which came into effect on 1 January 2019.

The Board of The Royal Victorian Eye and Ear Hospital approved this statement on 14 December 2023.



Brendon Gardner
Chief Executive Officer