

Northern Health

Northern Health

ABN: 42 986 169 981

185 Cooper Street, Epping VIC 3076

Modern Slavery Statement

1 July 2019 to 30 June 2020

Contents

Introduction	3
Overview of Northern Health	3
What We Buy.....	4
Who We Buy From	4
Consultation with Reporting Entities.....	4
Modern Slavery Risks for Northern Health	5
Our Risk Management Approach	6
Our Global Supply Chain Risks.....	6
Actions to Address Modern Slavery Risks	7
Northern Health Actions	7
HSV Actions	7
Moving Forward – HSV Toolkit.....	8
Closing Statement	9

Introduction

This Modern Slavery Statement is made pursuant to the Commonwealth *Modern Slavery Act 2018* (the Act) by Northern Health and relates to the 2019-20 reporting period (1 July 2019 to 30 June 2020). Due to the impact of the COVID-19 pandemic, Northern Health has also included activities undertaken between the end of the reporting period and 1 January 2021.

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 provide a range of primary, secondary and some tertiary health care services:

- Emergency and intensive care:
 - 105,000+ patients visit the emergency department each year.
 - 300+ patients present to Emergency on average each day.
 - 60+ paediatric patients are seen on average per day.
 - 90+ ambulance arrivals each day.
- Acute medical, surgical and maternity services:
 - 3,600+ babies are delivered annually.
 - 100,000+ patients treated each year.
 - 330+ surgical procedures performed each week.
- Sub-acute, palliative care and aged care:
 - 3,000+ patients treated each year.
- Specialist clinics and community-based services.
 - 4,300+ specialist outpatient appointments attended on average each week.

Northern Health has approximately 5,500 employees across our campuses (3,500 FTE). We have a capable, accountable and high performing workforce.

What We Buy

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.

Who We Buy From

A large proportion of our non-labour procurement is through Health Services Victoria (HSV) contracts with the balance of procurement undertaken directly by Northern Health.

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.hpv.org.au/contracts-and-documents/contracts>.

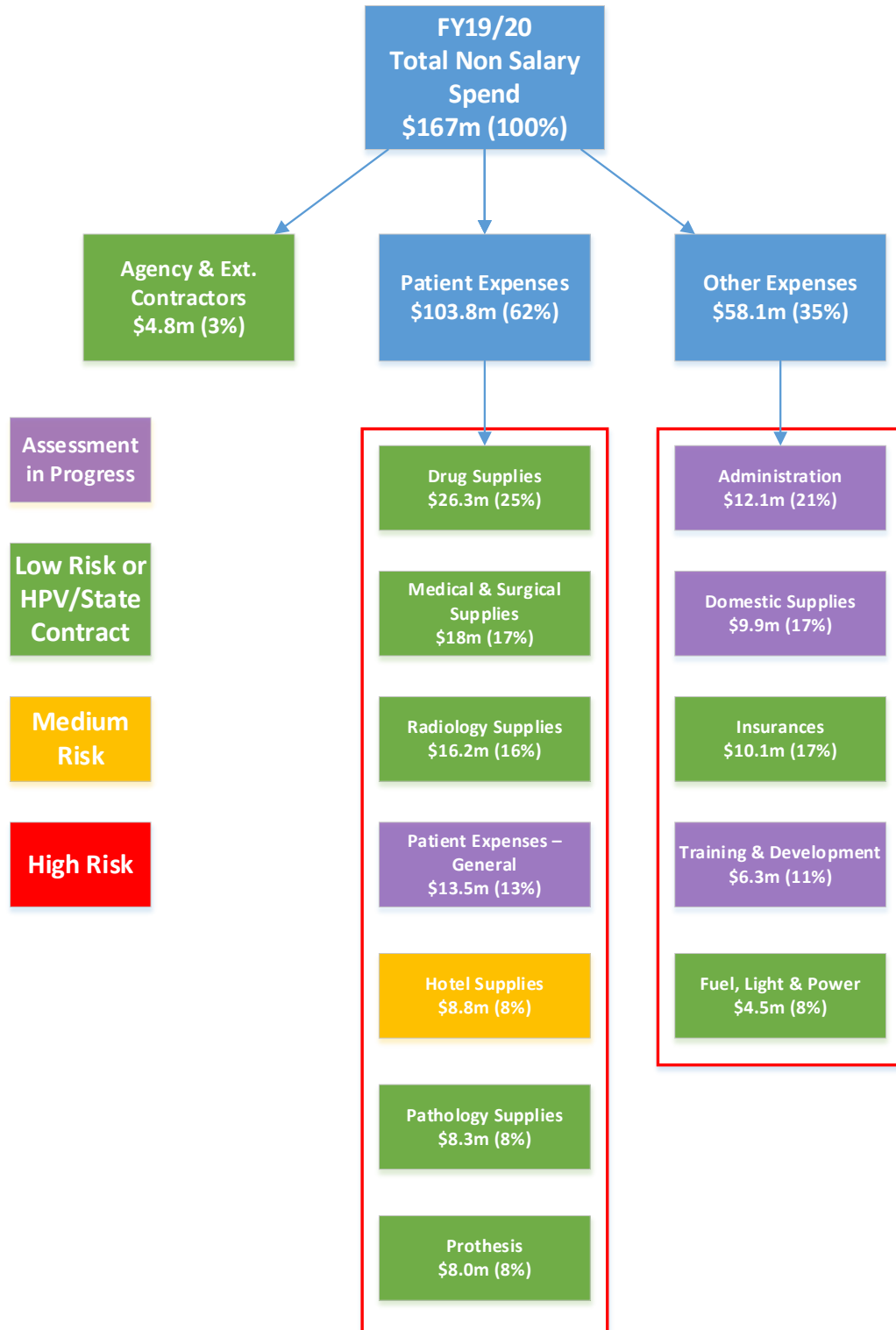
Consultation with Reporting Entities

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.

Modern Slavery Risks for Northern Health

We have a targeted, risk-based approach to assessing modern slavery risks within our operations and supply chains, consistent with the UN Guiding Principles on Business and Human Rights (see Figure 1).

Figure 1: Northern Health's Operations & Supply Chain High Level Risk Assessment



Our Risk Management Approach

As a health service with a largely skilled workforce, we consider the risk of modern slavery within our direct business operations to be low. In line with our risk-based approach, we review and monitor these risks going forward.

Outside of our direct business operations, we undertake risk assessments on our tier one suppliers for the procurement activities we directly manage. We rely on HSV to provide assurance regarding the procurement activities they manage on our behalf.

This approach enables us to address areas of higher modern slavery risk within our resourcing, which has been constrained during the COVID-19 pandemic.

Our Global Supply Chain Risks

We recognise the extensive nature of our global supply chains expose us to modern slavery risks. Given HSV's significant role in Northern Health's supply chains, HSV has helped identify the general risks of modern slavery that may be present. HSV scoped the general modern slavery risks in health service supply chains by drawing on academic research and international and domestic reports and analysis.

We are exposed to modern slavery risks due to the diversity of products and services sourced and the associated geographic locations, industries and regulatory systems further down those supply chains.

General risk areas present in our supply chain include:

- Labour practices in offshore manufacturing facilities, some of which are located in South-East Asia;
- Labour practices in the sourcing of raw materials, including cotton and rubber; and
- Industry risks associated with textiles, electronics and cleaning services.

In addition, the following high risk areas specific to the healthcare sector include:

- 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.

In concert with HSV we are assessing and addressing risks associated with the COVID-19 pandemic.

Actions to Address Modern Slavery Risks

Northern Health Actions

We have undertaken the following actions to address modern slavery risks:

- **Training:** procurement personnel attended Procurement and Supply Australasia (PASA) round table discussions and modern slavery workshops facilitated by HSV;
- **Procurement Procedures:** updated procurement procedures with the required due diligence and remediation requirements, including the incorporation of modern slavery risk identification and management in procurement planning processes;
- **Modern Slavery Policy:** created a Modern Slavery Policy and incorporated this into our Procurement Policy to establish our position on modern slavery;
- **Modern Slavery clause in contracts:** developed a contract clause that prohibits conduct or activities that would constitute Modern Slavery and compels suppliers to comply with the Modern Slavery Act;
- **Supplier due diligence questionnaire:** implemented 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;
- **Organisation awareness:** published modern slavery factsheet on the Northern Health Supply and Procurement Intranet Training site;
- **Risk registers:** included modern slavery in the organisational risk register for approval at the Executive Clinical Governance Committee in March 2021. This will subsequently be reported to the Audit and Risk Committee; and
- **Risk assessments:** undertook a high-level risk assessment of large non-HSV, non-Government suppliers.

HSV Actions

In recognition of the significant role that HSV has in health service supply chains, HSV has undertaken numerous activities to address modern slavery risks in Northern Health's supply chains.

HSV established a modern slavery program of work and appointed a Supply Chain Risk Manager to implement the program and support Victorian health services to address modern slavery risks in their operations and supply chains. The program encompasses health service education and support, supplier engagement, due diligence and remediation, amongst other activities.

HSV updated its Procurement Policy to include a statement on combatting modern slavery in health supply chains and capturing allegations of modern slavery practice(s) in its remit of complaints management, enabling the development of remediation processes. The Procurement Policy is an important internal document that outlines HSV's position on procurement governance and activities, including its response to Government policy.

HSV has included a modern slavery clause in some Invitation to Supply (ITS) documentation to ensure prospective suppliers acknowledge their responsibility to health services that are reporting entities pursuant to the Act. This clause has also been incorporated into select executed contracts.

As well as specific modern slavery provisions, suppliers wishing to conduct business with HSV, public hospitals or any other branch of the Victorian Government 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.

HSV is developing a Supply Chain Management dashboard. The dashboard synthesises and analyses supply chain data, providing additional capability to detect and prevent modern slavery risk in health supply chains. This platform will enable HSV to:

- Conduct in-depth supply chain mapping (tier one+);
- Develop detailed modern slavery risk analysis and dashboard reporting;
- Screen prospective suppliers for modern slavery risk as part of ITS due diligence activities;
- Assess incumbent suppliers on modern slavery risk through tailored questionnaires; and
- Manage remediation actions arising from due diligence or supplier questionnaires.

Finally, HSV has facilitated training workshops for HSV staff and key health service stakeholders on modern slavery practices and the requirements of the Act.

Case Study

HSV was made aware of allegations of forced labour in the manufacturing of a clinical product currently sourced under HSV's collective agreements. HSV did not have a direct relationship with the manufacturer and it engaged all tier-one suppliers within the category to determine if the manufacturer was involved in their supply chains and, if so, what corrective actions were implemented to address any modern slavery risks.

Suppliers were asked to provide evidence of their commitment to the Supplier Code of Conduct, which requires suppliers to proactively identify modern slavery risks. HSV received detailed survey responses from all suppliers, including details of social responsibility audit non-conformities and remediation actions. This information was used to assess all tier-one suppliers and will inform future engagement activities.

Moving Forward – HSV Toolkit

HSV has developed a toolkit to assist health services implement the Act.

Northern Health is using the toolkit to build on the actions we have already undertaken. We are using the toolkit to help conduct our supplier risk assessments, due diligence and remediation activities.

The toolkit contains:

- A modern slavery plan to support the implementation of the governance structures, policies, processes and risk registers needed to underpin a successful modern slavery framework;
- Advice on implementing a modern slavery policy;
- A modern slavery risk register to capture and address the key modern slavery risks that a health service might cause, contribute or be directly linked to;
- A modern slavery risk assessment tool, including advice on modern slavery risk assessments, supplier questionnaires for ITS due diligence and incumbent suppliers and advice on how to interpret questionnaire results;
- A modern slavery fact sheet to facilitate staff training; and
- Supplier contract considerations, including the addition of modern slavery clauses in contracts.

Monitoring the Effectiveness of Actions

We recognise the importance of monitoring and assessing the effectiveness of our actions. We were impacted by the COVID-19 pandemic, which reduced our capacity to do this in 2019-20 but we are committed to rigorous monitoring and assessment of our actions in 2020-21.

We also recognise that HSV has introduced several mechanisms to monitor the effectiveness of their actions. Health service representatives who attend HSV training 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. HSV's senior leadership has also 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.

Closing Statement

Northern Health is confident that we have taken strong steps in 2019-20 to build a robust modern slavery framework. We recognise there is more to do and are committed to improving our approach, partnering with our stakeholders and working to eradicate modern slavery.

In 2020-21, Northern Health is undertaking risk assessments on our tier one suppliers and monitoring and assessing the effectiveness of our actions as we go about addressing modern slavery risks.

This statement was approved by the Board of Northern Health on 25 February 2021.



Ms Jennifer Williams AM

Board Chair