



2021-22  
**Joint Modern  
Slavery Statement**

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for

**CBHS HEALTH FUND LIMITED  
ABN 87 087 648 717**

and

**CBHS CORPORATE HEALTH PTY LTD  
ABN 85 609 980 896**



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# 1 INTRODUCTION

## 1.1 Purpose

This document is the Joint Modern Slavery Statement (**Joint MSS**) of CBHS Health Fund Limited (**CBHS Health**) and CBHS Corporate Health Pty Ltd (**CBHS Corporate**). Both entities are referred to in this Joint MSS as the **CBHS Group** or **Group**.

The Joint MSS covers the period 1 July 2021 to 30 June 2022.

Each Group entity is a reporting entity within the meaning of section 5 of the Commonwealth Government's Modern Slavery Act 2018 (**Act**).

The Group's Joint MSSs for the last two financial years contain details of our modern slavery risks (**MS Risks**) management strategies. We do not repeat those details in the present document, and we strongly urge the reader to consult those Joint MSSs for the details of the strategies.

The present document only provides updates of the activities we carried out during the immediately past financial year under the MS Risks Management Strategies set out in two previous Joint MSSs.

## 2 STRUCTURE & OPERATIONS OF CBHS HEALTH

### 2.1 Legal Structure

CBHS Health is a public company limited by guarantee within the meaning of the Corporations Act 2001.

### 2.2 Organisational Structure

#### 2.2.1 Board of Directors

CBHS Health has a Board whose composition, powers and functions are governed by relevant requirements in the Corporations Act 2001, prudential standards of the Australian Prudential Regulation Authority (**APRA**) and CBHS Health's Constitution.

#### 2.2.2 Group Chief Executive Officer

The day-to-day affairs of CBHS Health are managed by the Group Chief Executive Officer (**Group CEO**) under a delegated authority from the Board. Also, the Group CEO serves as an executive director on the Board.

#### 2.2.3 Business units & functional areas

Direct reports of the Group CEO are members of the Executive Leadership Team (ELT) and are responsible for a business unit or functional area. The current business units or functional areas are:

- (a) Legal and Company Secretariat;
- (b) Strategy (which includes Product Development and Project Management Office);
- (c) Finance and Accounting;
- (d) Marketing;
- (e) Sales and Partnerships;
- (f) Operations (which includes Claims, Provider Relations, Fraud Control and Support Services);
- (g) People and Culture (human resources);
- (h) Information Services;
- (i) Risk Management and Compliance; and
- (j) Internal Audit.

### 2.3 Business

CBHS Health is a registered restricted access private health insurer under the Private Health Insurance (Prudential Supervision) Act 2015.

## 2.4 Operations

The core operations of CBHS Health are:

- (a) Developing private health insurance and health-related products and services;
- (b) Marketing and promoting its products and services;
- (c) Selling its products and services;
- (d) Establishing and maintaining accounts for its policy holders (**Members**);
- (e) Entering and maintaining arrangements with hospitals and other healthcare providers for Members
- (f) Assessing and paying the Members' claims;
- (g) Data and information security operations;
- (h) Finance and accounting operations
- (i) Risk Management, and Compliance (including legislative and regulatory reporting); and
- (j) Recruiting and managing employees.

## 2.5 Employees

Employees of CBHS Health fall under the following categories:

- (a) Permanent;
- (b) Part-time;
- (c) Casual; and
- (d) Fixed term.

All employees are ordinarily resident in Australia.

## **3 STRUCTURE & OPERATIONS OF CBHS CORPORATE**

### **3.1 Legal Structure**

CBHS Corporate is a proprietary company within the meaning of the Corporations Act 2001. It is 100%-owned subsidiary of CBHS Health.

### **3.2 Organisational Structure**

#### **3.2.1 Board of Directors**

CBHS Corporate has a Board whose composition, powers and functions are governed by relevant requirements in the Corporations Act 2001, prudential standards of APRA and its Constitution.

#### **3.2.2 Chief Executive Officer**

The day-to-day affairs of CBHS Corporate are managed by its Chief Executive Officer under a delegated authority from the Board. Also, the Chief Executive Officer serves as an executive director on the Board.

#### **3.2.3 Business units & functional areas**

CBH Corporate has a management services agreement with CBHS Health under which CBHS Corporate's operations are carried out by the business units and functional areas identified for CBHS Health in Section 2.2.3 above.

### **3.3 Business**

CBHS Corporate is a registered open-access private health insurer under the Private Health Insurance (Prudential Supervision) Act 2015.

### **3.4 Operations**

The core operations of CBHS Corporate are:

- (a) Developing private health insurance and health-related products and services;
- (b) Marketing and promoting its products and services;
- (c) Selling its products and services;
- (d) Establishing and maintaining accounts for Members;
- (e) Assessing and paying the claims of Members; and
- (f) Carrying out legislative and regulatory reporting.

### **3.5 Employees**

CBHS Corporate has no employees. Its operations are carried out CBHS Health's employees identified in Section 2.5 above.

## 4 GROUP SUPPLY CHAINS

### 4.1 Tier 1 suppliers as primary focus

The Group's supply chains are divided into two main categories, namely:

- (a) Third parties with whom the Group has a direct contractual arrangement and who invoice the Group directly for the goods or services provided to the Group (**Tier 1 Suppliers**); and
- (b) Third parties who supply goods or services to Tier 1 Suppliers (**Other Suppliers**).

For reasons of practicability, the Group considered it can best manage the MS Risks in its supply chains by focusing on Tier 1 Suppliers. That view found support in the fact that the Group only has contractual relationships with its Tier 1 Suppliers and not with Other Suppliers. However, the Group is positioned to leverage the relationship with Tier 1 Suppliers to achieve MS Risks management outcomes in the operations of Other Suppliers.

### 4.2 Industry sectors of Tier 1 suppliers

The following table provides details of the industry sectors and geographical locations of Tier 1 Suppliers.

Reference	Supply chains industry sectors	Location of main operations
1.	Financial Auditing and Actuarial	Australia
2.	Insurance and Banking	Australia
3.	Investment Management	Australia
4.	Legal Advisers and Consultants	Australia
5.	Hospital Contracting and Regulatory Reporting	Australia
6.	Information, Communication and Technology (including hardware, software, and internet services suppliers)	Australia and Overseas
7.	Landlord and Property Management	Australia
8.	Recruitment and Human Resources Consultants	Australia
9.	Marketing and Advertising	Australia
10.	Printing and Mailing Services	Australia
11.	Clinical and Health Services (including hospitals, general practitioners, optometrists, dentists, and ancillary health service providers)	Australia





## 5 RISKS OF MODERN SLAVERY PRACTICES

### 5.1 Relevant MS risks

We determined that the Group and its supply chains may reasonably face the following MS Risks in their operations. The risks are linked to the modern slavery offences in the Act.

Reference	Modern slavery offence	Risks
1.	Slavery	The risk that the Group or its supply chains may exercise powers of ownership over another person, including the power to make the person an object of purchase and use their labour in an unrestricted way.
2.	Servitude	The risk that the Group or its supply chains may significantly restrict the personal freedom of a person to the extent that the person is not free to stop working or leave their place of work.
3.	Forced labour	The risk that the Group or its supply chains may prevent a person from stopping to work or exercise the freedom to leave their place of work.
4.	Debt bondage	The risk that the Group or its supply chains may pledge the services of a person for a debt that is manifestly excessive or may not apply the person's services to liquidate the debt, or the length and nature of the services may not be limited and defined.
5.	Worst forms child labour	The risk that the Group or its supply chains may exploit a child through slavery or similar practices or engage the child in hazardous work which may harm the child's health, safety, or morals.
6.	Deceptive recruiting for labour or services	The risk that Group or its supply chains may deceive a person about whether they will be exploited through a type of modern slavery.

## **6 MANAGING MODERN SLAVERY RISKS – GENERAL**

### **6.1 Introduction**

As detailed in our last two Joint MSSs, the Group has in place an overarching Modern Slavery Act Compliance Program whose critical elements are:

- (a) Anti-modern Slavery Policy;
- (b) Supporting MS Risk management policies and procedures; and
- (c) ELT accountabilities for MS identification and management.

### **6.2 Group compliance**

During the financial year, the Group complied with its Anti-MS Policy in relation to the Group's own operations (see Section 8 for details).

The Anti-MS Policy is yet to be fully communicated to all our Tier 1 Suppliers. Section 7 below provides information on the extent to which we communicated the Policy to our Tier 1 Suppliers.

### **6.3 Assessing effectiveness of anti-MS policy**

The Group has assessed its Anti-MS Policy as an effective step in the Groups MS Risks management and, because of it, laid the foundation for a systematic approach to MS Risks management in the operations of the Group and its supply chains.

### **6.4 Planned activities for next financial year**

The Group will review the Anti-MS Policy by taking into consideration several matters including:

- (a) Any identified strengths and weaknesses during the first-three years of Policy's operation;
- (b) Organisational changes that had impacts on the policy and its administration;
- (c) Developments in the domestic, overseas, and international MS risk management literature and case studies; and
- (d) Lessons learnt from the experiences of other Australian reporting entities and domestic, overseas, and international organisations involved in the detection or prevention of MS practices.

## **7 MANAGING MODERN SLAVERY RISKS IN SUPPLY CHAINS**

### **7.1 Supplier Code of Conduct**

During the financial year, we continued to distribute our Supplier Code of Conduct to our highest risk-rated Tier 1 Suppliers.

We have prioritised our highest risk-rated Tier 1 Suppliers in our Supply Chain's MS Risks management plan.

### **7.2 Inclusion of MS risk management clauses in supplier agreements**

During the financial year, we commenced including MS Risks management clauses in the agreements of new Suppliers.

Also, we included such clauses in Supplier agreements we renewed or reviewed.

We will continue this practice during this financial year also.

### **7.3 Assessment of effectiveness of supply chains MS risk management**

We considered that the distribution of our Supplier Code of Conduct to our highest risk-rated Tier 1 Suppliers was effective for various reasons including the following:

- (a) The Supplier Code of Conduct sets out our modern slavery risk management expectations of our Tier 1 Suppliers;
- (b) Our risk-based approach to the management of MS Risks practices in our supply chains requires us to apply limited resources to where the risks of these practices are highest; and
- (c) The acceptance of the Supplier Code of Conduct by Tier 1 Suppliers will provide the foundation for the conduct of future modern slavery due diligence on these suppliers.

We considered that the inclusion of MS Risks management clauses in Supplier agreements as an effective approach to managing MS Risks in our supply chains because we are now in position to enforce these clauses against our Suppliers.

### **7.4 Planned activities for next financial year**

In the next financial year, we will aim carry out the following activities:

- (a) Distribute our Supplier Code of Conduct to most of our medium risk-rated Tier 1 Suppliers;
- (b) Continue to include MS Risks management clauses in new third-party agreements and in any third-party agreement that is due for review or renewal; and

- (c) Provide further training to relevant ELT members and other third-party relationship managers on how to identify and assess MS Risks of Tier 1 Suppliers and on how to conduct modern slavery due diligence of suppliers.

## **8 MANAGING MS RISKS IN GROUP OPERATIONS**

### **8.1 Continued application of beneficial employee policies**

Our two previous MSSs provided details about our policies that delivered MS Risks management outcomes for employees.

The Group continued to follow those policies. The following are some of the actions the Group took under those policies:

- (a) All employees were sourced from Australia following internal and external advertisements of vacant positions;
- (b) All employees were given written employment contracts prior to commencing work for the Group;
- (c) Advice was obtained on current employment legislation, applicable awards and collective agreements and their requirements applied to the terms and conditions of employees' employment where necessary;
- (d) A Remuneration Policy was implemented to provide clarity regarding the basis and components of employees' remuneration;
- (e) The Group's Ethics Policy was reviewed and communicated to all new and existing employees;
- (f) The Group's Fair Workplace Policy was reviewed and communicated to all new and existing employees;
- (g) The Group's Workplace Health and Safety Policy was reviewed and communicated to all new and existing employees;
- (h) The Group's Whistleblower Protection Policy was reviewed and communicated all new and existing employees; and
- (i) Senior management reported regularly to the Board's People and Remuneration Committee on the above actions.

### **8.2 Assessment of effectiveness of controls**

We considered the above actions were effective in managing the risks of modern slavery practices in the Group's operations.

We did not receive any reports under our Whistleblower Protection Policy during the financial year that would have indicated weaknesses in the existence and application of our beneficial employee policies.

### **8.3 Planned activities for next financial year**

We will continue to apply our beneficial employee policies during the next financial year.

Also, we will include modern slavery risks management in our own operations in either our annual employee engagement survey or risk culture assessment so that we can obtain and study employees’ views on how we have met their expectations in this area.

## 9 PROCESS OF CONSULTATION WITH GROUP ENTITIES

As mentioned in Section 3, CBHS Corporate is a 100%-owned subsidiary of CBHS Health and relies on the latter’s business units, executive leadership team (ELT) and employees to carry out its operations.

MS Risks management accountabilities and responsibilities of the ELT were exercised in relations to the operations of both Group entities.

Relevant ELT members either contributed to the draft of this Joint MSS or were consulted during its drafting.

The Board of each entity considered and approved the draft Joint MSS.

The Board of each entity accepted management’s recommendation that the Chairman of CBHS Health Board be authorised to sign this Joint MSS on behalf of the CBHS Group.

## 10 SIGNING

This MSS was approved by the Boards of CBHS Health Fund Limited and CBHS Corporate Health Pty Ltd.

Name	Position	Signature	Date
<b>Peter MacCuspie</b>	Chairman, CBHS Health Fund Limited		