



## Modern Slavery Statement

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

### **Mandatory Criteria 1 : Identify the reporting entity**

Ballarat Health Services is a health service established under section 181 of the *Health Services Act 1988* (Vic). ABN 39 089 584 391.

On 1st November 2021, Ballarat Health Services amalgamated with Wimmera Health Care Group, Stawell Regional Health and Edenhope and District Memorial Hospital to form Grampians Health. Grampians Health will become the future reporting entity and remains committed to identifying and addressing its modern slavery risks, and maintaining responsible and transparent supply chains in its operations.

### **Mandatory Criteria 2 : Describe the reporting entity's structure, operations and supply chains**

Ballarat Health Services is the main public referral health service to a catchment population of around 250,000 people across the Grampians region and has been providing quality care for more than 160 years.

It delivers care across all settings: in hospital and increasingly in the community and people's homes. It is the largest public provider of residential aged care in Australia. Additionally, Ballarat Health Services is the main teaching, training and research provider in the region and does this through affiliations with several universities and teaching institutions.

HealthShare 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. Ballarat Health Services 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 BHS purchases medical consumable products, implants, medical equipment (including maintenance), pharmaceuticals, food and nutrition, PPE, textiles, consultancy services, facility management, IT and marketing.

### **Mandatory Criteria 3: Describe the risks modern slavery practices in operations and supply chains**

Ballarat Health Services recognises that the extensive nature of our global supply chains may expose us to modern slavery risks. Given HSV's significant role in Ballarat Health Services' supply chains, HSV has helped identify the general risks of modern slavery that may be present.

Ballarat Health Services has taken a targeted, risk-based approach to assessing modern slavery risks within its operations and supply chains, consistent with the UN Guiding Principles on Business and Human Rights.

Additionally, this approach has enabled Ballarat Health Services to continue addressing areas of higher modern slavery risk while managing significant resourcing constraints due to the COVID-19 pandemic. As a health service with a largely skilled workforce, Ballarat Health Services considers the risk of modern slavery within its direct business operations to be relatively low. In line with a risk-based approach, these risks will continue to be examined in subsequent reporting periods.

Ballarat Health Services has been significantly impacted by the COVID-19 pandemic, which has resulted in reduced capacity to conduct a detailed risk assessment of our operations and supply chains. Ballarat Health Services recognises the importance of this activity and in conjunction with HSV, has conducted a risk assessment in the FY2020-21 reporting period.

HSV has scoped the general modern slavery risks in health service supply chains by drawing on academic research and international and domestic reports and analysis. Ballarat Health Services may be exposed to a number of modern slavery risks due to the diversity of products and services sourced by HSV and the associated geographic locations, industries and regulatory systems further down those supply chains.

Some of the general risk areas present in Ballarat Health Services' supply chain include:

- Labour practices in offshore manufacturing facilities such as in South-East Asia, for medical consumables and IT equipment;
- Labour practices in the sourcing of raw materials, including cotton and rubber; and
- Industry risks associated with textiles, electronics and cleaning services.

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.

Given the level of complexity in such extensive supply chains, HSV will continue to refine its risk assessment methodology to further improve the visibility of high-risk areas within health supply chains in Victoria.

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

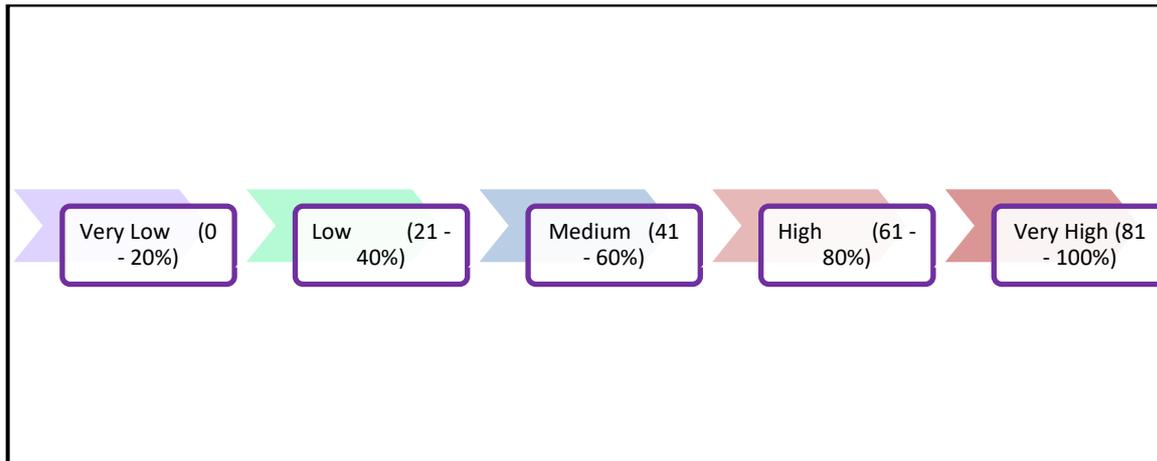
- Increased global demand due to supply chain shortages, particularly in the category of personal protective equipment;
- Shorter production windows;
- Increased unemployment and a fear of loss of income;
- Factory closures; and
- Inability of vulnerable migrant workers to return to home countries.

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

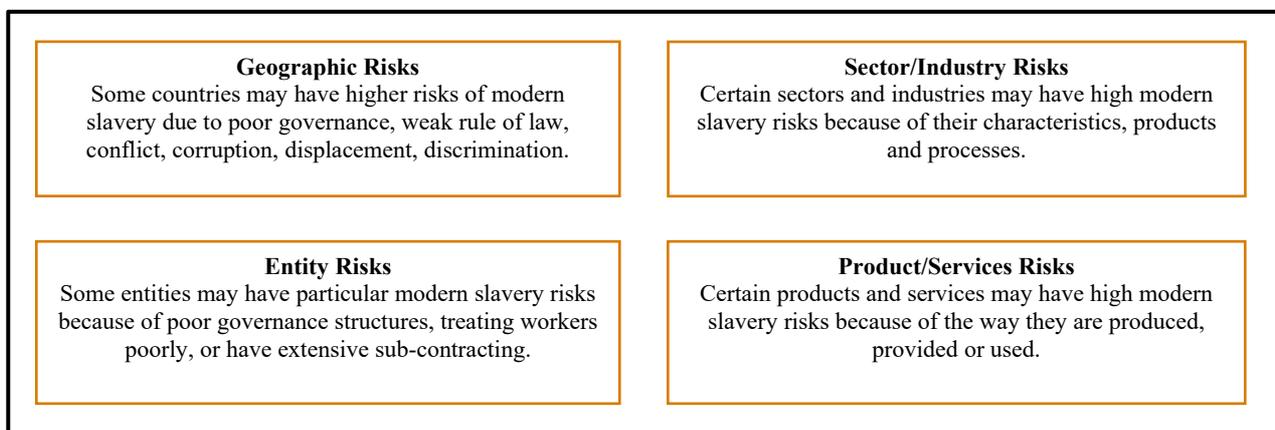
HSV Data and Analytics identified 126 suppliers for Ballarat Health Services FY2021.

These suppliers were asked to complete a Modern Slavery Supplier Questionnaire with a response rate of 82 percent.

Of the respondent suppliers they were allocated a risk rating from Very Low to Very High using a modern slavery risk assessment tool comprised 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 Ballarat Health Services respondent's suppliers, 1 was categorised at very high risk, 14 at high risk, 70 at medium risk and 18 at low risk.

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 suppliers and source materials used in our group's goods and services.

**Mandatory Criteria Four: Describe the actions taken to assess and address risks of modern slavery**

Ballarat Health Services has been significantly impacted by the COVID-19 pandemic, which has resulted in reduced capacity to undertake actions to assess and address modern slavery risks in our operations and supply chains.

Ballarat Health Services recognises the importance of this activity and in conjunction with HSV, will endeavour to undertake these actions in the FY2021-22 reporting period. In the interim, Ballarat Health Services has engaged with HSV to understand the actions that HSV has undertaken to assess and address the modern slavery risks in Ballarat Health Services' supply chains.

Ballarat Health Services has begun to implement modern slavery clauses and schedules into relevant policies, contracts and procurement activities to assist in the assessment and reporting of each suppliers modern slavery risks.

In the third reporting period, under the new entity Grampians Health, there is an intention to work collaboratively with HSV to identify mitigation efforts to combat modern slavery risks, and foster collaboration between Grampians Health and suppliers to seek to address these risks.

**Mandatory Criteria Five: Describe how the reporting entity assesses the effectiveness of actions**

HSV has introduced several mechanisms for monitoring the effectiveness of the actions it has taken to date. Representatives from mandated health services who attend 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.

In addition to this, HSV's senior leadership 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.

The impact of the COVID-19 pandemic has delayed the implementation of further monitoring activities, however HSV aims to define modern slavery key performance indicators within the FY2021-22 reporting period.

**Mandatory Criterion Six: Describe the process of consultation with any entities the reporting entity owns or controls**

Ballarat Health Services does not own or control any other entities.

**Mandatory Criterion Seven: Any other relevant information**

In order to support the implementation of the Act within health services, HSV has developed a toolkit to assist with meeting the requirements under the Act. 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.

The rollout and implementation of the toolkit will support health services to conduct their own risk assessment, due diligence and remediation activities.

Grampians Health intends to implement the toolkit in the coming statement period.

**Closing statement**

Ballarat Health Services has been significantly impacted by the COVID-19 pandemic, which has resulted in reduced capacity to implement the planned strategies in this reporting period. Notwithstanding, we have aligned our Procurement policies with the Modern Slavery Act and recognise the importance of identifying and bringing modern slavery practices to an end.

From 1st November 2021, Ballarat Health Services has amalgamated to become Grampians Health to become the future reporting entity and remains committed to working with its supply chain to eliminate these practices.

This statement was endorsed by the Leadership Team of Grampians Health (Ballarat) on 14th December 2021 and by the Board of Directors of Grampians Health.



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**Mr Bill Brown**  
Board Chair  
Grampians Health