



# TUH- Modern Slavery Act Annual Statement for the Period Ending 30 June 2022



---

*The Act defines modern slavery as including eight types of serious exploitation: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour. The worst forms of child labour means situations where children are subjected to slavery or similar practices, or engaged in hazardous work.*

---

## Our Business

This statement is submitted on behalf of the reporting entity **Queensland Teachers' Union Health Fund Limited (TUH)** ACN 085 150 376, registered office Fortitude Valley, Queensland and all entities within the TUH group.

TUH is a not-for-profit entity operating a Private Health Insurance benefit fund under the provisions of the *Private Health Insurance Act 2007*. TUH provides private health insurance under the brands 'TUH' and 'Union Health'.

TUH was founded in 1972 as the Queensland Teachers' Union Health Society.

TUH also provides health related services at the Health Hub in Fortitude Valley, QLD, including dental and optical dispensary. Affiliated services offered at the Health Hub include optical screening and testing, physiotherapy, remedial massage, podiatry and audiology.

A wholly owned subsidiary entity, TUH Health Care Services Pty Ltd, provides care coordination services for individuals suffering from chronic disease.

As an entity with consolidated revenue in excess of \$100m TUH was required to submit a modern slavery statement for the first time in 2020. This is our third annual reporting statement.

## Structure

There has been no change to TUH structure as reported in 2021 and remains as detailed below.

The TUH group includes two wholly owned subsidiary entities:

- Union Health Pty Ltd (non-operating); and
- TUH Health Care Services Pty Ltd.

TUH issues private health insurance policies directly (including via online sales) and through brokers or arrangements with various unions.

TUH directly employs all workers within the TUH group, including those that support our wholly owned subsidiary entities. The process of identification and management of modern slavery risks is centralised

and consistent across all entities within the TUH group. This Modern Slavery Statement is submitted on behalf of the TUH group and authorised by the respective Board of each group entity after consultation and approval by the TUH Executive Management Team and the TUH Risk Committee of the Board.

TUH employs approximately 160 people, providing services to approximately 78,730 insured individuals across Australia. Our largest membership base is in our home-state of Queensland.

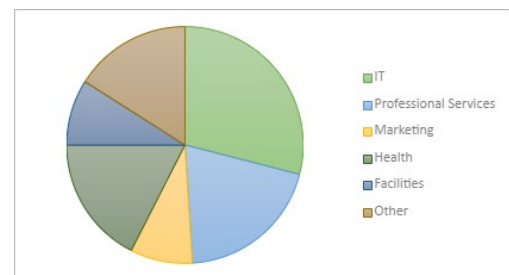
## Operations

Activities undertaken by TUH to pursue our business objectives and strategy include:

- Direct employment of workers;
- Provision of private health insurance services (marketing, sales, membership administration, claims administration, contact centre, product design and pricing);
- Associated support services within our business, delivered to internal ‘customers’ such as claims auditing, finance support, information technology, human resources, risk and compliance, and facilities maintenance;
- Direct health care services – care coordination, dental and optical dispensary services;
- Indirect health care services via contractors – optical examination, physiotherapy, audiology, podiatry and remedial massage;
- Distribution of travel and pet insurance on behalf of other insurers;
- Property leasing (as an owner of leased commercial premises); and
- Sponsorship activities.

## Supply Chains

The products and services that contribute directly to TUH’s operations include:



## Services

- Mail house and postage
- Banking
- Data processing
- Professional services such as legal and taxation advice, actuarial services and internal and external audit
- Recruitment
- Health insurance sales brokerage
- Training and development
- Accreditation
- Archiving and off-site back-up / disaster recovery
- Marketing creative
- Website development
- Data analytics
- Hardware maintenance
- Consultancy services
- Software, including development and support
- Provider contracting – allied health / hospital / medical

- Financial investment via funds management
- Insurance brokerage and underwriting
- Employee assistance program
- Industry representation and advocacy

- Office and grounds cleaning and maintenance
- Architecture and office fit-out
- Waste disposal
- Office security

### Products

- Utilities – power, water, telecommunications
- Office supplies and consumables – stationery, cleaning supplies etc
- Office fit-out – furniture, kitchen appliances, air conditioners etc
- Technology – PCs, laptops, phones, printers etc
- Promotional / marketing collateral

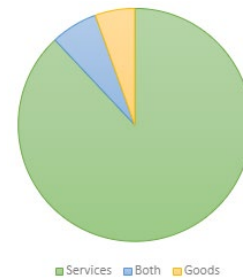
- Uniforms
- Membership cards
- Catering
- Gift cards
- Medical disposables and consumables
- Medical equipment
- Dental and Optical retail products
- Subscriptions

TUH has a mix of stable longer-term relationships and short-term fee for service engagements with our suppliers. All services subject to contracted terms are managed within the TUH Risk and Compliance Management System.

The vast majority of our services suppliers and direct product distributors are based in Australia. The following table details supply origination for those entities assessed to date.

Origin of Supply Assessment	Number
Australian	81%
Non-Australian	19%

Product country of origin and secondary suppliers (providing goods/services to entities we directly contract with) is varied and in most cases, not immediately transparent. TUH recognises this as our most significant exposure point to modern slavery risks. With TUH nature of operation and principal activity being the provision of Private Health Insurance, the extent of physical goods supply, where the risk is higher, is limited. TUH’s highest risk rests within the supply chain associated with our Health Hub operation which involves procurement of medical supplies and consumables.



## Modern Slavery Risks

TUH considers that there is a very low risk that our operations may directly result in modern slavery practices – this assessment is based on the nature of the service that we provide and the governance frameworks we have in place, for example, TUH operates under an approved enterprise agreement, has well defined values and codes of conduct, and maintains a strong grievance / whistleblowing procedure.

TUH have assessed the risks that our operations or actions in our supply chains may contribute to modern slavery. This is also considered to be a low risk. TUH has strong procurement practices that take into account a range of factors in assessing prospective suppliers. Request for tender assessment mechanisms are not driven solely by cost minimisation but also take into account factors such as competency and experience, reputation, strategic alignment and whether any conflict of interest may arise.

TUH considers that there is a risk that our operations, products or services may be connected to modern slavery through the activities or supply chains of our direct suppliers. In the context of procured services, the most significant risk areas are those where supply chains utilise lower-qualified workers such as cleaning / landscaping labour. Within procured product supply chains, the most significant risks for TUH are in the use of Tier-2 or lower component manufacturers in recognised high-risk industries such as manufacturing of garments, electronic goods, disposables, consumables and retail goods where minimising production costs may be a business priority.

As a consumer of health-related goods and in particular, personal protective equipment, for which there has been a rapid and substantial increase in demand and physical disruption to distribution networks during the COVID-19 pandemic; TUH continues to recognise that these environmental factors may influence the prevalence of risks in our supply chains and that this issue has potentially increased as COVID-19 implications continue to dominate manufacturing and distribution channels. While TUH has widened our procurement activities and engaged with new providers to ensure an adequate supply of goods to be able to deliver our services safely, we remain vigilant to supply chain risk. With external supply chain expenditure in our Health Hub business below \$5M per annum, risk while present, is anticipated to be relatively low.

## Assessing and Addressing Actual/Potential Modern Slavery Risks

In the period 1 July 2021 to 30 June 2022:

### Due diligence activities

- Continued to utilise Modern Slavery Risk Assessment measures.
- Continued with supply chain mapping and modern slavery risk assessment for contracted service and supply entities. Refer the following table for the summarised results of these assessments. The risk rating is based on an internal risk matrix with the highest risk assigned to circumstances of physical goods supply. The lowest risk is assigned to Australian-based professional service supply.
- Reviewing related policies and procedures to identify opportunities to align to modern slavery risk management practices.
- Commenced scoping for expansion of the risk assessment process to non-contracted suppliers.

Risk Category	Number
High - Physical goods supplied (directly or indirectly), especially goods manufactured offshore	5%
Medium - Services that may also include the supply of physical goods in material quantities	3%
Medium - Services provided from onshore that are 'low' skilled or unqualified in nature	6%
Medium - Skilled services provided from low-cost countries (directly or indirectly)	11%
Low - All other categories - generally service categories where the main inputs are skilled labour from within Australia	75%

#### Remediation activities:

- Integrating our approach to modern slavery risk management with a wider Environmental, Social, and Governance (ESG) framework. TUH's ESG Policy and ESG Strategy were approved by our Board in May 2022.
- Targeted due diligence with identified 'high-risk' suppliers. Additional assessments were undertaken guided by recommendations made by Grant Thornton Auditors, whom TUH commissioned to address the effectiveness of our actions to date. No adverse findings were determined with several TUH rated "high-risk" suppliers evidencing sound modern slavery risk controls.
- Publicly communicating our expectations of suppliers by developing, publishing and promoting the TUH Supplier Guidelines (these guidelines were revised in 2021).
- Where possible, implementing appropriate modern slavery contractual provisions with high risk and significant suppliers.
- Promoted the TUH Whistleblowing Policy as a grievance mechanism.
- Published an annual TUH Modern Slavery Statement.

#### ***Planned activities in the period 1 July 2022 to 30 June 2023:***

- Progressively apply the recommendations of our 2022 internal audit review, including maturing our modern slavery risk identification and management framework and reinforcing detailed and practical guidance for roles involved in procurement to minimise modern slavery risks at the point of engagement.

## Assessing the effectiveness of our actions

TUH assess the effectiveness of our actions in relation to identifying, assessing and addressing the risks of modern slavery in the same way that we would assess the effectiveness of any other risk management activities under our Risk Appetite Statement and Risk Management Strategy. This framework includes:

- Residual risk assessments (likelihood and consequence as well as risk velocity,) completed by risk owners on a regular basis.
- Operation of the 'three lines of responsibility (defence)' model of risk management
  - o Control self-assessment undertaken by risk owners (first-line).
  - o Control testing undertaken by the Risk and Compliance team (second-line)
  - o Annual review of the risk management framework by Internal Audit (third-line).
- Quarterly and by exception risk reporting to our Board Risk Committee.
- Monitoring of key risk indicators e.g. employee training completion rates (100% to date); the proportion of total suppliers rated high-risk (currently 4%); number of new high-risk suppliers engaged each quarter (zero in the 2021-2022 reporting period); the number of high-risk suppliers with appropriate contractual clauses in place (identified as a priority action area with a target of 100%).
- TUH has a designated Modern Slavery Risk register embedded within our Enterprise Risk Management system which serves to operationalise the management of Modern Slavery risk.

To independently assess effectiveness, TUH included Modern Slavery Risk management within our FY22 internal audit scope (outsourced to Grant Thornton).

This Internal Audit review assessed the full modern slavery process cycle, focusing on the controls and systems within the following areas:

- Screening and risk assessment of new or potential suppliers
- Monitoring and ongoing risk assessment of existing suppliers
- Investigation and remediation processes
- Board and senior management reporting
- Modern slavery awareness training
- Annual Modern Slavery Statement

The controls and systems within each review area were evaluated from a Design, Documentation and Implementation perspective. The resulting report was considered by our Audit and Risk Committees and the TUH Board. The report provides practical guidance on how TUH can develop a stronger Modern Slavery Risk Management framework - including uplifts to our supplier risk assessment process, improving documentation of the modern slavery risk framework, promoting the framework to our stakeholders, and strengthening oversight and reporting. These recommendations will be progressively actioned over FY23 and FY24.



Handwritten signature of Rob Seljak in black ink.

Rob Seljak  
*Chief Executive Officer TUH*  
Date:

Handwritten signature of John Battams in black ink.

John Battams  
*Chair Queensland Teachers' Union Health Fund Limited*  
Date:

Handwritten signature of Sarah Morris in black ink.

Sarah Morris  
*Director TUH Health Care Services Pty Ltd and  
Union Health Pty Ltd*  
Date: