

MODERN SLAVERY STATEMENT

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

Mandatory Criteria 1 & 2: Identify the reporting entity and describe its structure, operations and supply chains.

Bairnsdale Regional Health Service is a Health Service established under Section 181 of the Health Services Act 1988 (Vic) ABN 99 640 620 478

Bairnsdale Regional Health Service (BRHS) is a multifaceted and growing regional health system providing a comprehensive array of health care services to the East Gippsland community. BRHS is driven by the vision to be an innovative leader in the health care field and provide outstanding person centred services to our community.

Three campuses in Bairnsdale provide a wide range of professional specialties including emergency, acute, sub-acute, maternity, residential aged care, allied health, community health, oral health, information technology, administration, finance and extensive support services.

To progress the wide array of procurement requirements at BRHS, we work very closely with HealthShare Victoria (HSV) which is a state-wide procurement organisation who 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. BRHS purchases the goods and services it needs to support the provision of patient care 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 continues to actively work with approximately 500 tier-one suppliers and is responsible for a wide array of contracts with a spend value of over \$1billion.

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://healthsharevic.org.au/contracts-and-documents/contracts>. HSV acknowledges the impact that COVID-19 has had on global supply chains, particularly in light of the significant increase in demand for personal protective equipment. HSV will undertake activities to investigate whether supply chains were restructured as a result of the significant procurement challenges faced during the pandemic.

BRHS had in excess of 1,000 staff employed in 2020/2021 and the Annual Report which includes extensive and updated details of the activities of the Health Service can be located [at our BRHS internet page here](#).

Mandatory Criteria 3: Describe the risks modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity own or controls.

BRHS has continued to take 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.

BRHS has again been significantly impacted by the COVID-19 pandemic, which has somewhat limited our capacity to conduct a detailed risk assessment of our operations and supply chains. BRHS continues to actively engage with HSV to understand the general modern slavery risks within our supply chains. Further, as a Health Service with a largely skilled workforce employed under the terms and conditions of the relevant Enterprise Agreements, BRHS 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 further examined in subsequent reporting periods.

BRHS recognises that the extensive nature of our global supply chains may expose us to modern slavery risks. Given HSV's significant role in BRHS' supply chains, HSV continues to assist us to identify the general risks of modern slavery that may be present.

BRHS recognises that Modern Slavery practices are major violations of human rights and serious crimes, where coercion, threats, or deception are used to exploit victims and undermine or deprive them of their freedom. Modern slavery practices include trafficking in persons, slavery-like practices (including forced labour and forced marriage) and the worst forms of child labour (including using children for prostitution or in hazardous work).

BRHS also recognises that Modern Slavery can affect any country and the United Nations estimates there are more than 40 million victims of modern slavery worldwide. 16 million of these victims are exploited in the private economy. Most of these victims are exploited in the Asia-Pacific region, in which the supply chains of a significant number of large businesses operating in Australia are based. Modern slavery can occur in any sector or industry, and at any point in a supply chain, including those part of a supply chain located in Australia.

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

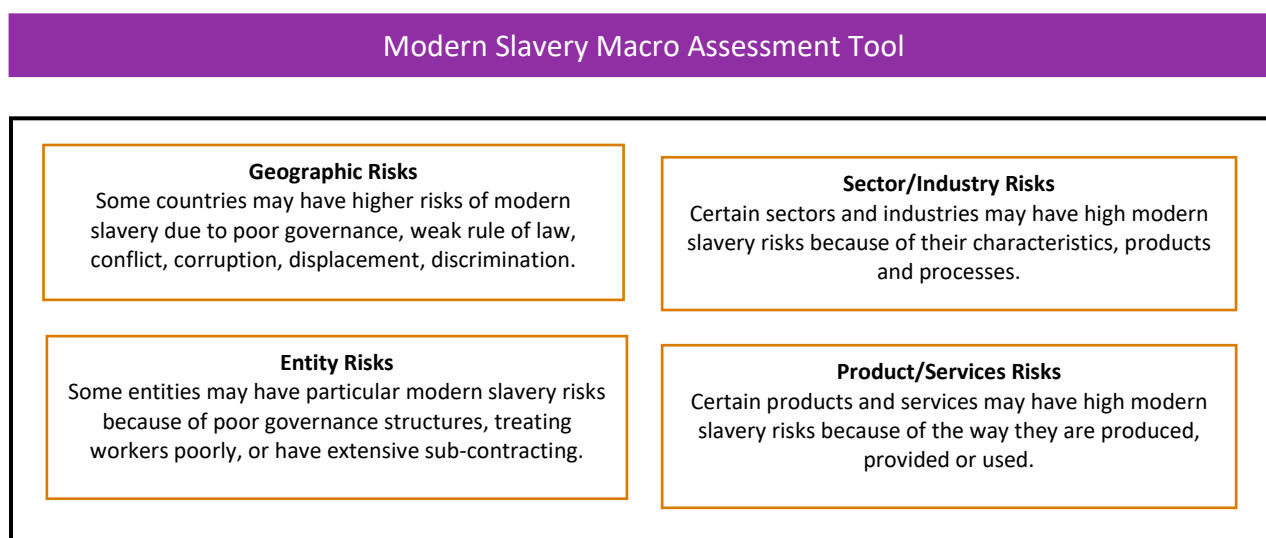
The COVID-19 pandemic has heightened the risk of modern slavery in the health care sector. The International Labour Organisation has predicted that between 20.1 million and 35 million more people will be in working poverty than in the pre COVID-19 estimate. The COVID-19 pandemic has posed unprecedented challenges, disrupting supply chains, causing many workers to lose their jobs, and being forced to look for opportunities in informal economies, which are rife with exploitation. Businesses are contending with difficult human rights trade-offs to secure their financial viability. It is noted that the COVID-19 pandemic has also provided employers with stronger incentives and greater latitude for exploitation as there is reduced scrutiny of labour standards.

Increased life expectancy and an ageing population is expected to impact on demand for health care goods and services in Australia in the years ahead, further increasing the risk of modern slavery within complex global supply chains.

BRHS continues to liaise actively with HSV in progressing the Modern Slavery supplier risk assessment process. Further, BRHS works closely with HSV in addressing the present needs of the service and recognises the HSV Procurement Policy¹ which outlines HSV's commitment to assist mandated health services by assessing and addressing modern slavery risk in health service supply chains within Collective Purchasing Agreements, with a view to assisting mandated health services with meeting their Reporting Requirement under the Act. It should also be noted that BRHS has also developed a Modern Slavery Policy which was finalised at the end of the 2020/2021 financial year.

In the review of HSV Data and Analytics relevant to BRHS, 87 suppliers were identified for assessment from Supplier Spend Data for the period FY2021 (July-December).

In the process of assessing suppliers, a modern slavery risk assessment tool (Tool), comprising of macro assessment and micro assessment components was utilised. The macro assessment process identified modern slavery risks across the following four categories:-

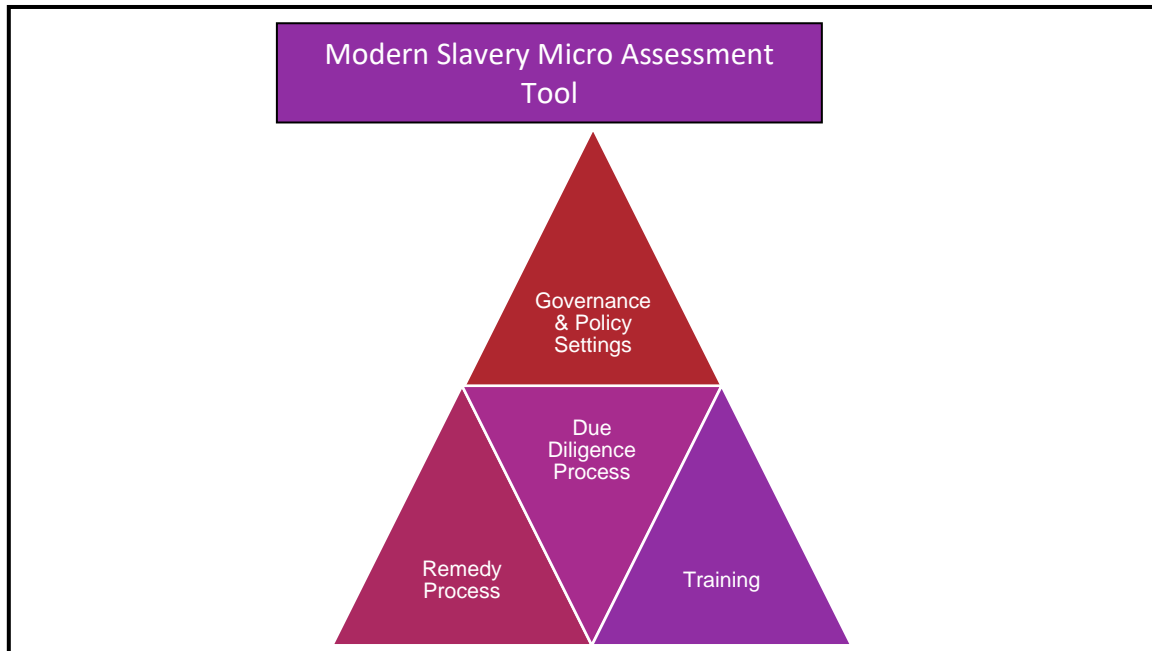


This process involved considering whether there is a high prevalence of modern slavery in a particular sector or industry, or associated with a particular good or service, or in the location that the product or service is sourced or produced from. The macro assessment also considered whether the nature 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.

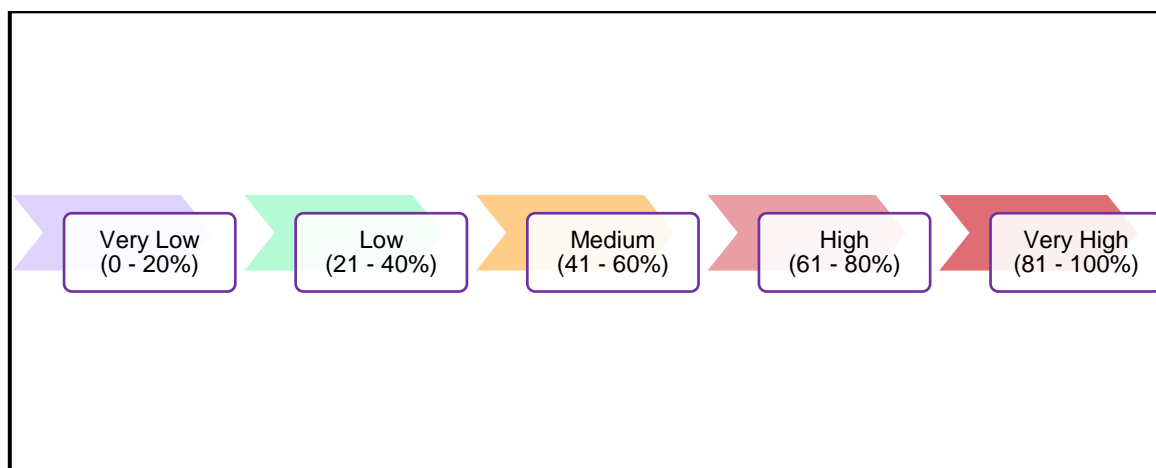
The micro assessment process facilitated a detailed analysis by identifying and assessing possible modern slavery risk and in determining what risk mitigation strategies suppliers already had in place and what risks would need to be managed.

Micro assessment involved risk identification across four categories as follows:-

¹ HSV Procurement Policy, POL400 (October 2020) p. 4. See also, HSV Modern Slavery Toolkit (2020), p. 6.

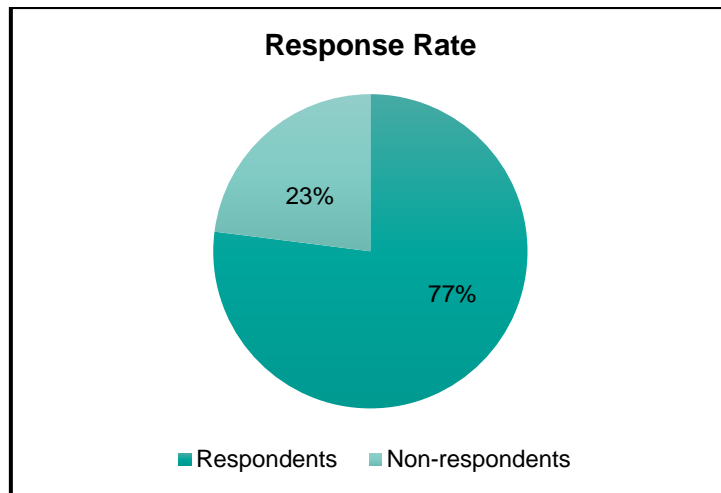


Both the macro and micro components included assigned weighting, rating, and risk scales, designed to allocate a modern slavery risk rating to suppliers. Suppliers were allocated one of the following risk ratings: very low, low, medium, high, or very high:-

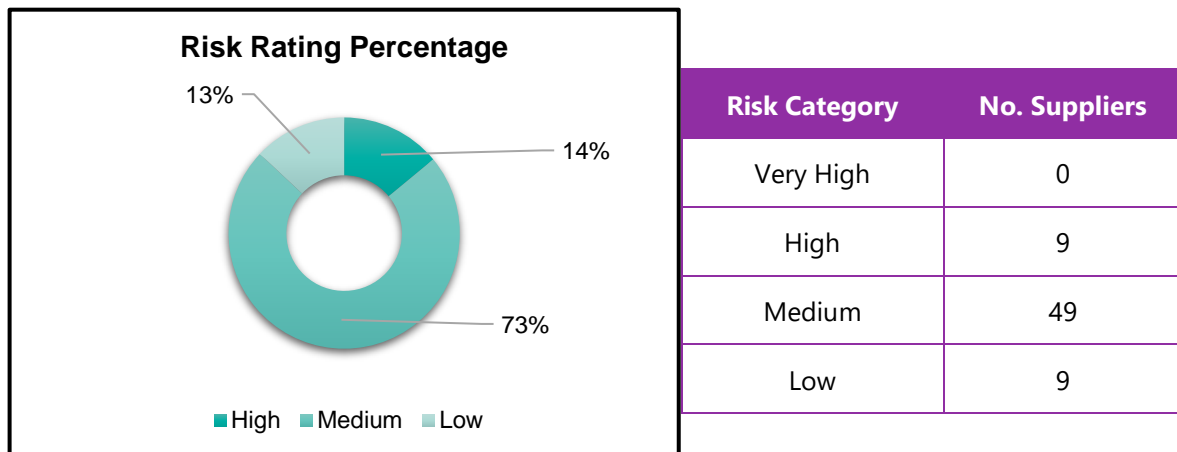


The Assessment Tool was operationalised in the form of a HSV Modern Slavery Supplier Questionnaire (Questionnaire) on the Informed365 platform, HSV's supply chain management platform. The Questionnaire was rolled out to all 87 suppliers on 3 May 2021 with a completion request date of 30 June 2021 to coincide with the conclusion of the second reporting period under the Act.

There were 67 respondents and 20 non-respondents, providing an overall response rate of 77 percent as follows:-



The all-inclusive, combined macro and micro assessment outcomes for suppliers is illustrated below and also outlines the risk categories in which the suppliers fall:-



Risk Category	No. Suppliers
Very High	0
High	9
Medium	49
Low	9

It should also be noted that BRHS has not caused or contributed to Modern Slavery practices, but rather, the service is linked to risks which exist off-shore and in high risk geographies.

Mandatory Criteria Four: Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes.

BRHS commenced the planning for a Modern Slavery Policy with HSV during the 2020/2021 financial year and endorsed a Modern Slavery Policy in June 2021. This policy establishes BRHS' approach to the management of Modern Slavery risks within our operations and supply chains in accordance with the Modern Slavery Act 2010 (Cth) "the Act". The Policy notes BRHS will adopt a risk-based approach for combatting Modern Slavery in its operations and supply chains. The Policy further outlines BRHS commitments as well as the key roles and responsibilities of the BRHS team.

BRHS has also been able to undertake the following actions to further enhance the focus on modern slavery risks in the FY 2020-2021 reporting period:-

- Enhanced our Board and Senior Management awareness of our Modern Slavery obligations;
- Continued to develop our assessments of direct suppliers based on spend data;
- Published a modern slavery factsheet on our staff intranet site.

BRHS recognises the importance of continuing to progress this high priority activity and will endeavour to undertake further actions in the FY 2021/2022 reporting period including the following:-

- Update our Procurement Framework Policy to include Modern Slavery;
- Review of our Procurement contracts and tender documents to include Modern Slavery clauses;
- Update our purchase orders to include Modern Slavery;
- Include modern slavery in our organisational risk register;
- Add the ability to report any instances of Modern Slavery in the BRHS supply chain via our website;

The focus of our second reporting period under the Modern Slavery Act 2018 (Cth) has been the supplier risk assessments process within HSV Collective Purchasing Agreements. In the third reporting period, BRHS intends to continue to work collaboratively with HSV to identify mitigation efforts to combat modern slavery risks, and foster collaboration between BRHS and suppliers to seek to address these risks.

Mandatory Criteria Five: Describe how the reporting entity assesses the effectiveness of actions taken to assess and address modern slavery risks.

During the reporting period of FY 2020-2021 our focus was to continue to enhance our understanding of our modern slavery risks and how they may be present in our operations and supply chains.

As the challenges of the current and ongoing COVID-19 situation continued to have a significant impact on BRHS throughout 2020/21 year, we have not been able to adequately assess the effectiveness of measures we have undertaken to date. However, we have commenced and will continue to work on developing frameworks and processes to ensure we can review the effectiveness of the actions we are taking to assess and address modern slavery risks in our operations and supply chains.

HSV continues to introduce numerous mechanisms for monitoring the effectiveness of the actions it has taken to date. BRHS representatives attend regular information sessions on the requirements of the Act, and look to progress the assessment against the criteria. The results are to be 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, as a critical entity to BRHS' supply chain, has taken a lead role in progressing the modern slavery program and this is key to actively progressing the requirements going forward. The feedback process will be used to inform decision making and future activities within the program.

Whilst the impact of the COVID-19 pandemic has somewhat impacted the implementation of further monitoring activities, BRHS is maturing in its understanding the Modern Slavery Act and is expanding its application to further include risk assessments of supplies, updating Terms of Trade and looking to begin the roll out of supplier Modern Slavery Questionnaires.

BRHS has also progressed the planning for further risk assessing of non-HSV suppliers in the new financial year and this activity will be a high priority going forward.

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

BRHS does not own or control any other entities.

Mandatory Criterion Seven: Any other relevant information


BRHS continues to plan, review and implement the measures required to further enhance the HSV implementation guidance provided to assist Health Services.

In order to continue to progress the implementation of the Act's requirements within the Health Service, BRHS will also continue to work very closely with HSV to continue to develop and enhance the practices and processes that underpin a successful Modern Slavery framework.

Closing statement

BRHS remains confident that the steps taken this year have continued to enhance the strong foundation for a robust modern slavery framework. We continue to recognise there is more to do and BRHS remains highly committed to continually improving our approach, working closely with HSV, partnering with our stakeholders and working to eradicate modern slavery.

This statement was approved by the Board of Bairnsdale Regional Health Service on 23rd December 2021.

Signature 

Chris Barry

Board Chair

Bairnsdale Regional Health Service