



MODERN SLAVERY STATEMENT

This Modern Slavery Statement is made pursuant to the Commonwealth *Modern Slavery Act 2018* (the Act) by Latrobe Regional Hospital and relates to the financial year 1 July 2019 to 30 June 2020.

1. Identify the reporting entity

Latrobe Regional Hospital (LRH) is a health service established under section 181 of the Health Services Act 1988 (Vic).

LRH is Gippsland's specialist referral and trauma centre and is the region's largest public sector employer with more than 2200 staff.

LRH is a purpose-built teaching hospital which has 313 beds and points of care to support a population of more than 270,000. As a teaching hospital, LRH is closely affiliated with Monash University's School of Rural Health and Federation University, providing placements and clinical experience for students.

We offer services such as cardiac care, surgery, medical, renal, emergency care, aged care, obstetrics, mental health, pharmacy, allied health and rehabilitation. Medical and radiation oncology are offered at the Gippsland Cancer Care Centre on site.

LRH is the main provider of acute mental health services in Gippsland with inpatient care at the hospital and community mental health services and teams in the Latrobe Valley, Sale, Bairnsdale, Yarram, Orbost, Warragul and Wonthaggi.

The Macalister Unit has 10 acute beds for older people with complex needs relating to mental illness as well as 10 nursing home beds.

2. Describe the structure, operations and supply chains of the reporting entity

Health Share 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. Latrobe Regional Hospital purchases the goods and services it needs from the suppliers who are party to HCV 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>.

HSV is accommodating Modern Slavery requirements in these arrangements and will update health services about supply chain outcomes delivered through these arrangements.

Latrobe Regional Hospital procure by:

- HSV-led cluster sourcing – led by HSV on behalf of participating health services (as mentioned above)
- Health service led cluster sourcing – led by a major health service on behalf of participating health services, where lead health service ensures modern slavery requirements.
- LRH individual procurement activities are guided by Procurement Policies and also ensure modern slavery requirements are adhered to.

HSV and Latrobe Regional Hospital 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

3. Describe the risk of modern slavery practices in the operations and supply chains of the reporting entities that the reporting entity owns

Latrobe Regional Hospital 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. Latrobe Regional Hospital recognises the importance of this activity and will endeavour to conduct a risk assessment in the FY2020-21 reporting period. In the interim, Latrobe Regional Hospital has engaged with HSV to understand the general modern slavery risks within our supply chains

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

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. Latrobe Regional Hospital

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 Latrobe Regional Hospital's 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 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.

HSV will continue to assess and address additional risks within healthcare supply chains caused by the COVID-19 pandemic.

4. Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls to assess and address those risks including, due diligence and

Latrobe Regional Hospital has not been able to undertake any actions to assess and address modern slavery risks in the FY2019-20 reporting period

Latrobe Regional Hospital 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. Latrobe Regional Hospital recognises the importance of this activity and will endeavour to undertake these actions in the FY2020-21 reporting period. In the interim, Latrobe Regional Hospital has engaged with HSV to understand the actions that HSV has undertaken to assess and address the modern slavery risks in Latrobe Regional Hospital's supply chains.

In recognition of the significant role that HSV has in health service supply chains and the substantial resourcing constraints placed on Latrobe Regional Hospital as a result of the COVID-19 pandemic, HSV undertook numerous activities between 1 July 2019 and 30 June 2020 to address modern slavery risks in Latrobe Regional Hospital's supply chains.

HSV has 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 upholds the Australian Government's position on modern slavery. HSV has 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.

The amendment to the Procurement Policy consolidates HSV's position on modern slavery, which will in turn inform other internal governance amendments and educational resources for the health sector. The modern slavery section of HSV's website contains information and resources to assist reporting entities required to submit a Modern Slavery Statement

As part of its due diligence, 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. In addition to its inclusion in the ITS, this clause has 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.

To further enhance its approach to due diligence, HSV is developing a Supply Chain Management dashboard. The dashboard will synthesise and analyse HSV 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 supplier questionnaires;
- and
- Manage remediation actions arising from due diligence or supplier questionnaires.

In addition to these activities, HSV has facilitated training workshops for HSV staff and key health service stakeholders on modern slavery practices and the requirements of the Act.

The significant impact that COVID-19 has had on health procurement and supply chains has meant that HSV has had to postpone planned supplier engagement activities, however these remain an important part of the modern slavery program of work. While the priority for the first reporting period was to implement actions to address identified high-risk areas, HSV will continue to investigate what actions it can take in response to the modern slavery risks caused by the COVID-19 pandemic.

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.

5. Describe how the reporting entity assess the effectiveness of such actions.

Latrobe Regional Hospital has not been able to implement mechanisms to assess the effectiveness of their actions

Latrobe Regional Hospital has been significantly impacted by the COVID-19 pandemic, which has resulted in reduced capacity to implement mechanisms to assess the effectiveness of actions taken to address our modern slavery risks. Latrobe Regional Hospital recognises the importance of this activity and will endeavour to introduce assessment mechanisms in the FY2020-21 reporting period. In the interim, Latrobe Regional Hospital has engaged with HSV to understand the effectiveness of the assessments they have conducted.

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 FY2020-21 reporting period.

6. Describe the process of consultation with any entities that the reporting entity owns or controls.

Latrobe Regional Hospital does not own or control any other entities.

7. Include any other information that the reporting entity considers relevant.

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 will contain:

- 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.

Latrobe Regional Hospital intends to implement the toolkit once it becomes available.

Closing Statement

Latrobe Regional Hospital is confident that the steps taken this year have built a strong foundation for a robust modern slavery framework. We recognise there is more to do and Latrobe Regional Hospital is committed to continually improving our approach, partnering with our stakeholders and working to eradicate modern slavery.

Delegated Authority

This statement was approved by the Latrobe Regional Hospital's Board on

25 / 05 / 2021

Name:

LINDA McCOY

Title:

BOARD CHAIR

Signature:



