



MODERN SLAVERY STATEMENT FINANCIAL YEAR 2020/21 THE ROYAL VICTORIAN EYE AND EAR HOSPITAL

The Royal Victorian Eye and Ear Hospital
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Introduction

This Modern Slavery Statement is made according to the Commonwealth Modern Slavery Act 2018 (the Act) by The Royal Victorian Eye and Ear Hospital and relates to the financial year 1 July 2020 to 30 June 2021.

The Royal Victorian Eye and Ear Hospital commenced its journey in 2020 with an initial Modern Slavery Statement and has been working closely with HealthShare Victoria to ensure the principles of the Modern Slavery Act are understood and addressed in the hospital's supply chain processes and employer relations.

Hospital Values

1. Integrity – We act ethically, accept personal accountability, communicate openly and honestly and treat everyone with trust and respect
2. Care – We treat patients with respect, are compassionate, thoughtful, and responsive to their needs, and sensitive to diversity
3. Teamwork – We communicate openly, respect diversity of views and skills, and work effectively with partners and in multi-disciplinary teams to deliver the best outcomes for patients
4. Excellence – We give our personal best at all times, deliver exemplary customer service, monitor performance and seek leading-edge ways to improve it

Our Commitment

The Royal Victorian Eye and Ear Hospital is committed to implementing the principles of the Modern Slavery Act as it aligns with the above values of the hospital, in particular, to treat everyone with trust and respect. In addition, through its Strategic Priorities, the hospital aims to support sustainable practices by fostering and promoting environmental and sustainable principles that protect the health and wellbeing of our staff and community.

About us and our Supply Chain

The Royal Victorian Eye and Ear Hospital is a health service established under section 181 of the Health Services Act 1988 (Vic) and is a stand-alone entity that does not own or control any other entities.

The Royal Victorian Eye and Ear Hospital is Australia's only specialist eye, ear, nose, and throat hospital and has been providing care for over 150 years.

The hospital operates from a central hub in East Melbourne, Victoria. The hospital also provides support for service delivery in other outpatient and community settings in rural Victoria and via telemedicine facilities. As the largest public provider of ophthalmology and ENT services in Victoria the hospital delivers more than half of Victoria's public eye surgery and all of Victoria's public cochlear implants.

In 2020-2021, the Eye and Ear cared for approximately 53,139 patients throughout Victoria, providing over 170,000 episodes of care.

The Eye and Ear have over 60 different outpatient clinics for the diagnosis, monitoring, and treatment of vision and hearing loss and provides a 24-hour Emergency Department for patients requiring urgent care and treatment for their eyes, ears, nose, or throat.

Since its beginnings in 1863, when the hospital was an infirmary treating diseases of the eye and ear amongst Melbourne's poor, the hospital has grown in size and reputation. As a world leader in eye, ear, nose, and throat services, the hospital is now at the cutting edge of research and teaching. This is supported through close association with the University of Melbourne Departments of Ophthalmology and Otolaryngology, the Centre for Eye Research Australia (CERA), the Hearing CRC, and the Bionics Institute.

The Hospital set up an Ophthalmology Outreach Clinic at the Victorian Aboriginal Health Service (VAHS) in Fitzroy. This clinic provides ophthalmology services for both adult and paediatric Aboriginal and Torres Strait Islander patients in a culturally safe environment. Both the eye and ear clinics are run in partnership with VAHS. These clinics are now well established and are fully utilised, continuing during the COVID 19 pandemic.

The hospital is currently undergoing a major redevelopment to create a modern internal structure and improve access for patients, visitors, and staff, details of which are available in the [2020-2021 Annual Report](#).

Supply Chain

HealthShare Victoria (HSV) is a state-wide procurement organisation that partners with Victorian public health services to procure best-value goods and services. HSV continues to work 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. The Royal Victorian Eye and Ear Hospital purchase 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 our health service supply chain.

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 per annum.

HSV contracts cover a broad range of services, equipment, and supplies across several 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.hpv.org.au/contracts-and-documents/contracts>.

In addition, the Hospital works with another 450 suppliers with a total recurrent spend of \$36M. These suppliers provide a broad range of surgical implants, stationery, printing, support services such as cleaning, patient meals, portering, gardening, courier, biomedical engineering, and general maintenance.

The main focus during the last financial year under the Modern Slavery Act 2018 (Cth) has been to undertake supplier risk assessments within HSV Collective Purchasing Agreements, which are reported with findings in this statement under criteria four.

COVID19 Pandemic

The COVID19 pandemic continues to have significant impacts. In the last reporting period, COVID-19 has intensified and continues to put pressure on the healthcare workforce. The Hospital continues to respond and focus on its operations in delivering high-quality patient care and keeping staff safe. This is achieved by minimising the impacts of supply chain constraints on medical supplies and equipment, ensuring that staff have adequate PPE supplies, including a program for fit check and testing of N95 masks. These constraints have effectively been managed through the set-up of the state-wide supply chain in Victoria, where the program has a regular push allocation model for these supplies.

The Hospital acknowledges the impact that COVID-19 continues to have on global supply chains, especially the significant increase in demand for personal protective equipment, global shortages of raw material, the high number of backorders and understands that most medical supplies and equipment are not manufactured in Australia.

Modern slavery risks area

The Royal Victorian Eye and Ear Hospital continues to be significantly impacted by the COVID-19 pandemic which places challenges on the healthcare workforce. There have also been unexpected shortages of medical consumables and medications. Globally, manufacturers have shortages for raw materials or parts which affect PPE requirements in this current COVID19 pandemic period. All these shortages threaten our goal to deliver the right care to the right patient at the right time. In addition, the Hospital is currently involved in a redevelopment project which nears completion mid-2022. The Hospital has reduced capacity to complete a detailed risk assessment on its operations and supply chains and we continue to work with HealthShare Victoria (HSV) who are providing us with training & assessments to identify the general risks of modern slavery that may be present.

The Royal Victorian Eye and Ear Hospital note that the health service has not caused or contributed to modern slavery practices, but rather, the health service is linked to risks that exist offshore and in high-risk geographies. The Hospital recognises that the extensive nature of its global supply chains may expose it to modern slavery risks. Given all of the above at the moment the hospital is largely reliant on HSV as they play a significant role in The Royal Victorian Eye and Ear Hospital's supply chain.

We understand that there is growing evidence that demonstrates a high occurrence of modern slavery in the sourcing of raw materials and the 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, the Hospital uses these goods to ensure the overall health and well-being of patients. Across Australia, we are reliant on these imports from global supply chains for the supply of these essential products to health services.

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. 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 aging population along with the current pandemic are expected to increase 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.

Amongst the health sector, there is a general understanding that the highest risk is the procurement of medical and surgical equipment and medical supplies (raw material and manufacturing), due to:

- 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;
- Working conditions, labour exploitation, child labour, and other abuses particularly at lower tiers of the supply chain in countries with fewer human rights regulations
- Industry risks associated with textiles, electronics, and cleaning services.
- Surgical and examination gloves usually manufactured in Malaysia, Thailand, and Sri Lanka;
- Surgical instruments, includes, scissors, forceps, scalpels which are mostly manufactured in Pakistan;
- Linens, gowns, or other garments are mainly manufactured in India and Pakistan;
- Healthcare equipment manufacturing mostly occurs in Asia

COVID-19 has increased modern slavery risks in these supply chain areas. These risks include:

- Increased global demand due to supply chain shortages;
- Shortage of raw material;
- Shorter production windows;
- Increased unemployment and a fear of loss of income;
- Factory closures; and
- The inability of vulnerable migrant workers to return to their home countries.

The Hospital has regular forums with HSV who are continuing to assess and address additional risks within healthcare supply chains caused by the COVID-19 pandemic.

Our Actions

The following actions were undertaken during the 2020-21 reporting period to address modern slavery risks in The Royal Victorian Eye and Ear Hospital's supply chains:

1. Attended forums held by HSV modern slavery training programs facilitated by the Supply Chain Risk Manager. The program is supporting Victorian health services to address modern slavery risks in their operations and supply chains. The program is called Community of Learning and is assisting us with further understanding of the modern slavery risks, supplier engagement, due diligence and remediation, and how to conduct the risk assessments.
2. Commenced drafting additional information to include in our Procurement procedure around modern slavery in health supply chains and capturing allegations of modern slavery practice(s), complaints management, and remediation processes. This is due to be approved in the next reporting period.
3. Submitted the Hospital's first Modern Slavery Statement
4. Included a modern slavery clause in some Invitation to Supply (ITS) documentation and templates to ensure prospective suppliers acknowledge their responsibility to health services. This clause will be incorporated into executed contracts.
5. Updated the Supplier Code of Conduct to include modern slavery. The Supplier Code is communicated to suppliers as part of our tender process and is incorporated into our due diligence process This was used recently in the tender for eye implants.
6. Commenced updating templates for Tenders and contracts to include modern slavery clauses
7. Developed a modern slavery risk assessment tool with the assistance of HSV
8. Updated the Hospital's Code of conduct for staff, which incorporates human rights, it is the principles of expected behaviour and conduct of the Hospital's staff, volunteers, and outlines professional, social, and ethical expectations and the values of the Hospital.
9. The Hospital's Suspected Corruption and Protected Disclosure Policy has been renamed to Improper Conduct and Public Interest Disclosures Policy, which sets out the protections for persons who make disclosures of improper conduct and establish a system for such conduct to be investigated.
10. Internal Audit and compliance with policies – as part of the hospital's Strategic Internal Audit Plan, the hospital's policies and procedures were reviewed and assessed as compliant with HSV policies.

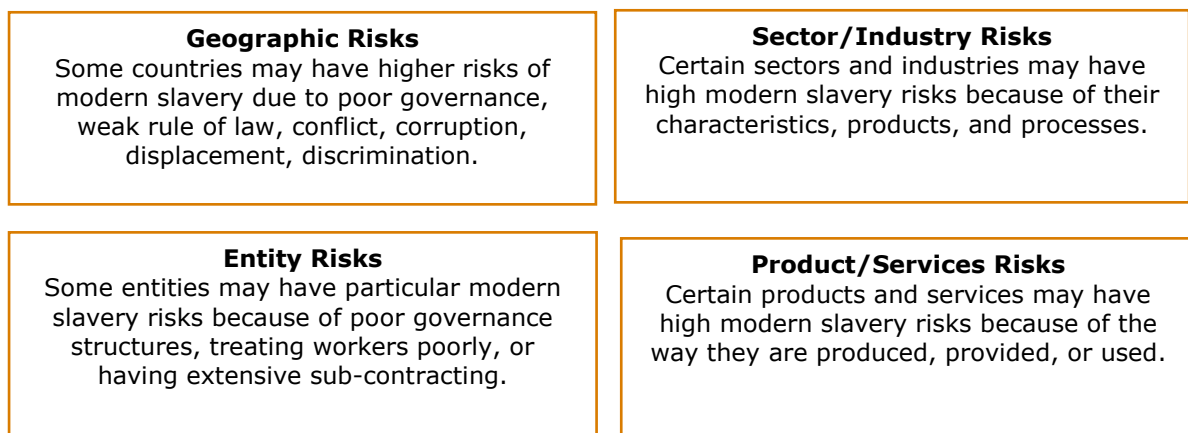
Risk Assessment in Supply Chain

In the financial year 2020/21, HSV Data and Analytics identified 93 suppliers from Supplier Spend Data for the period July-December 2021 for the Royal Victorian Eye & Ear Hospital.

In assessing suppliers, the modern slavery risk assessment tool (Tool), comprising of macro assessment and micro assessment components, was utilised.

Modern Slavery Macro Assessment Tool

The macro assessment identified modern slavery risks across four categories.



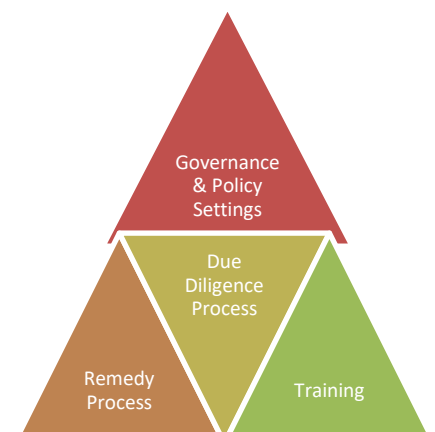
This involved considering whether there is a high prevalence of modern slavery in a particular sector or industry, or associated with a particular good or service, or in the location that the product or service is sourced or produced from. The macro assessment also considered whether the nature of the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

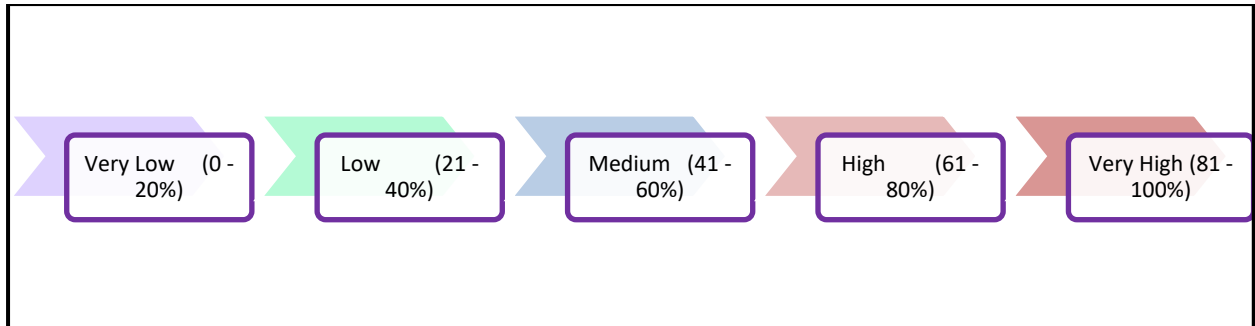
The micro assessment involved risk identification across four categories.

Modern Slavery Micro Assessment Tool

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.



Modern Slavery Statement

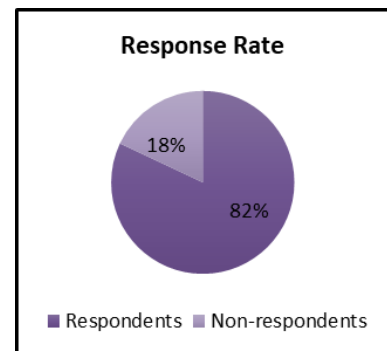


Operationalisation

The tool was operationalised in the form of an HSV Modern Slavery Supplier Questionnaire (Questionnaire) on the Informed 365 platform, HSV's supply chain management platform. The Questionnaire was rolled out to all 93 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.

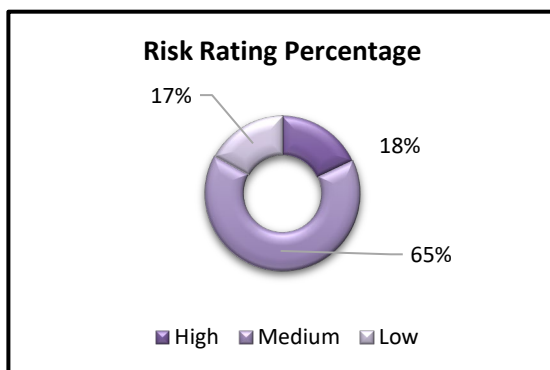
Response rate

There were 76 respondents and 17 non-respondents, providing an overall response rate of 82% percent.



Modern slavery supplier risk ratings

This section illustrates the all-inclusive, combined macro and micro assessment outcomes for suppliers, outlining the risk categories in which the suppliers fall.



Risk Category	No. Suppliers
Very High	0
High	14
Medium	49
Low	13

Ongoing assessment of modern slavery risks

The focus of the modern slavery work to date has been on continuing to gain a better understanding of our modern slavery risks and how these risks may be present in our operations and supply chain. This has been achieved by working closing with HealthShare Victoria.

Our people

As a Healthcare provider, we are of the view that the risk of modern slavery concerning our people is low, due to the level of skills and expertise in our workforce and with most staff working under negotiated employer agreements. The hospital's People & Culture team ensures we have the right staff to build and participate in a positive, high-performance culture that attracts the right people, and motivates, retains, and develops our people to meet the needs of our Health service. When recruiting new staff, we perform extensive pre-screening, which includes reference checks, right to work checks, criminal history checks, and, where applicable, education and professional qualification checks.

Supply chain

We have gained further insight and assurance into our suppliers following the implementation of the modern slavery risk assessment tool. We will continue to enhance our approach and methodologies by further developing and refining the tools and approaches in the 2021/22 reporting period.

Our next steps are to identify the gap between the suppliers contracted through HSV and The Royal Victorian Eye and Ear Hospital, with the hospital designing an assessment tool that will assist with the macro assessment. We will use the four modern slavery risk categories with risk ratings ranging from Low, Medium & High across these categories:

- Geographical
- Sector & industry
- Entity
- Products & Services

We will check if these suppliers have a Modern Slavery Statement in place, assess any risks, and will request these suppliers complete a survey/assessment on their modern slavery statement.

We are working with HealthShare Victoria to operationalise the questionnaire as part of a state-wide approach.

Approval and signature

The hospital is satisfied with the approach that has been made to date and, with assistance from HealthShare Victoria, most of the effort and resources have focused on assessing risks associated with our supply chain. The foundational work has provided a base whereby we can leverage the data collation, analysis, and due diligence performed to date and pave the way for enhanced monitoring in a consistent and streamlined approach in assessing and addressing modern slavery risk in our further reporting.

The hospital recognises there is more to do and will continue to refine and further improve our approach and assessment to identify and respond to the risk of modern slavery practices within our organisation.

This statement has been prepared following the Australian Modern Slavery Act 2018 which came into effect on 1 January 2019.

The Board of The Royal Victorian Eye and Ear Hospital approved this statement on 9 December 2021.



Brendon Gardner
Chief Executive Officer



Version control

Details	
Document No:	Modern Slavery Statement for FY2021
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