

Eastern Health Modern Slavery Statement

FY 2023 - 2024

Introduction

This Modern Slavery Statement is made pursuant to the Commonwealth Modern Slavery Act 2018 (the Act) by Eastern Health and relates to the financial year 1 July 2023 to 30 June 2024.

Mandatory Reporting Criteria One and Two: Eastern Health's Structure, Operations and Supply Chain

Overview

Eastern Health is a health service established under section 181 of the Health Services Act 1988 (Vic) and is one of Melbourne's largest metropolitan public health services. We provide a range of emergency, surgical, medical and general healthcare services, including maternity, palliative care, mental health, drug and alcohol, residential care, community health and statewide specialist services to people and communities that are diverse in culture, age, socio-economic status, population and healthcare needs.

A more detailed description of Eastern Health's mission, vision and values can be found in the [Eastern Health Annual Report 2023 – 2024](#).

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 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. Eastern Health 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 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-tenders/contracts-and-documents>.

In addition to utilising HSV collective agreements, Eastern Health also procures goods and services directly from suppliers. Eastern Health spent \$475.1M on non-salary expenditure in FY 2023-2024. The expenditure with the top 100 suppliers was \$383.8M, including \$103.2M with 39 HSV suppliers.

Mandatory Reporting Criterion Three: Modern slavery risks in Eastern Health operations and supply chains

Given Australia's reliance on global supply chains for 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 healthcare equipment; Eastern Health's supply chain faces heightened geographic, industry and product modern slavery risks.

Some of the general risk areas present in Eastern Health'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.

Mandatory Reporting Criterion Four: Eastern Health's actions to assess and address Modern Slavery risks

Eastern Health has continued with its targeted, risk-based approach to assessing modern slavery risks with its operations and supply chains. Given its supplier base includes both HSV and non-HSV suppliers, Eastern Health has chosen to adopt HSV's modern slavery supplier risk methodology to ensure common assessment of both supplier types. To this end Eastern Health applied HSV's methodology to its largest non-HSV suppliers to broaden the supplier base assessed for modern slavery risk.

The HSV methodology assesses a supplier’s modern slavery policy framework, their training systems, due diligence of their own supply chain and their processes for responding to modern slavery. This information is assessed and assigned an individual and an overall risk rating. The risk assessment was split into two sections:

1. Supplier details – questions relating to the supplier’s details such as organizational structure, manufacturing location(s), industry sector, etc. These questions address mandatory criteria one, two and three under the Act. This section represents 20% of the weighting to the overall risk rating of the supplier.
2. Modern slavery risks – questions relating to the supplier’s response to modern slavery including what risk assessment and actions they are taking in their own supply chain. These questions address mandatory criteria four and five under the Act and represent 80% of the supplier’s overall risk rating.

The results of the risk assessment are shown in the table below. A total of 235 suppliers were invited to complete the risk assessment questionnaire and the total of 147 responses represents a 63% response rate.

RISK CATEGORY	FY 2022/23	FY 2023/24
Very High	2	2
High	9	16
Medium	66	75
Low	54	51
Very Low	0	3
Total	131	147

While the overall results are similar, there are subtle changes in the results. A number of suppliers have lowered their risk rating with the two suppliers rated as Very High last year now rated as High and the suppliers rated as Very High this year were previously rated as Medium or High.

Subsequent work by HSV with the Very High rated suppliers has seen the risk rating return to Medium. Eastern Health will actively work with all suppliers to improve their overall performance and emphasise that future contracts may be influenced by the suppliers’ commitment to improvement.

Mandatory Reporting Criterion Five: Effectiveness of Eastern Health's actions being taken to assess and address modern slavery risks

Previous reporting periods

Since undertaking the process of identifying and reducing modern slavery risks and supply chains, Eastern Health has made steady progress towards the objective. The milestones currently achieved that have been focused on Eastern Health's supply chains include:

- Establishing our Modern Slavery Standard as the governance framework for dealing with modern slavery.
- Instigating and building on the supplier risk rating system.
- Providing modern slavery awareness training to staff, in particular staff involved in the procurement process.
- Engaging with suppliers as part of the contract management process.

Actions to be taken for FY 2024-25

For the next reporting period, in addition to continuing with monitoring and improving its supply chain, Eastern Health will look to leverage HSV programs to move beyond a solely supply chain focus to improve operational awareness of modern slavery throughout the organisation. The International Labour Office report into Indicators of Forced Labour shows that victims of forced labour are often isolated and denied contact with the outside world. These people may not even know they are the victims of modern slavery and entitled to greater rights and freedoms.

HSV is developing modern slavery awareness packages to educate staff on the signs pointing towards potential victims of modern slavery. Over the coming reporting period, Eastern Health will look to roll out the HSV packages to train and support front-line staff in identifying and assisting potential victims of modern slavery.

Eastern Health will also work with HSV to engage with High and Very High risk-rated suppliers to assist them to improve their risk rating score through practices such as:

- Reviewing and improving their Modern Slavery policies.
- Providing access to resources on best practices.
- Providing access to online Modern Slavery risk management training.

For the coming reporting period (FY 2024-25), Eastern Health will also further engage with suppliers on Modern Slavery within our supply chain by:

- Establishing Eastern Health's Modern Slavery expectations with suppliers as part of the onboarding process by providing Eastern Health's Modern Slavery Standard, Modern Slavery Fact Sheet and details about the online training available.
- Regularly engage with high value or high-risk suppliers by having contract managers discuss Modern Slavery risk assessment and reporting with the suppliers during regular contract management meetings.
- Actively work with all suppliers to improve their overall performance and emphasise that future contracts may be influenced by the suppliers' commitment to improvement.

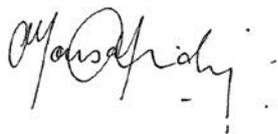
Mandatory Reporting Criterion Six: Consultation process with any entities Eastern Health owns or controls

Eastern Health does not own or control any other entities.

Closing statement

Eastern Health is committed to safe workplaces, to limiting the risk of modern slavery within its operations and supply chains, and to the eradication of modern slavery, and continues to examine and improve its supply chains and operations with the aim of identifying, mitigating, and eliminating modern slavery practices. Our intention is to build on the foundation already established with the cooperation of our staff and suppliers.

This statement was approved by the Board of Eastern Health on 13 December 2024.



Tass Mousaferiadis

Board Chair