



MODERN SLAVERY STATEMENT

The modern Slavery Statement is made pursuant to the Commonwealth Modern Slavery Act 2018 (the Act) by **West Gippsland Healthcare Group** and relates to the financial year **1st July 2022 to 30 June 2023**.

About West Gippsland Healthcare Group

West Gippsland Healthcare Group (WGHG) ABN: 39 261 883 406, located at 41 Landsborough St Warragul VIC 3820, is a public hospital established under section 181 of the Health Services Act 1988 (Vic). The incorporation came into effect in May 1997 when services across the community came together under the one umbrella name, West Gippsland Healthcare Group.

West Gippsland Healthcare Group (WGHG) is a consumer-focused health organisation providing acute care, residential care and community health services to almost 60,000 people in the rural, urban residential, agricultural and industrial areas located within the Baw Baw Shire and beyond. WGHG's main hospital campus is in Warragul with Allied and Community Health-based hubs in Warragul, Rawson and Trafalgar and residential aged care facilities in Warragul and Trafalgar. It also operates the Warragul Linen Service and is part of the Gippsland Regional Health Alliance joint venture. Employing around 1,500 staff, WGHG is the largest employer in West Gippsland.

Our annual reports can be viewed [here](#) where you can find out more about WGHG including Our Vision, Mission and Values.

Health Share Victoria (HSV) is our state-wide provider of supply chain services that partners with Victoria's 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.

WGHG purchases the majority of goods and services it requires from suppliers who are party to HSV collective agreements. As such, we recognise the significant role HSV has in health service supply chains.

HSV collective arrangements cover a broad range of services, equipment and supplies across a number of categories including beds, mattresses, patient trolleys, syringes, personal protective equipment (PPE), catering supplies, haemodialysis, infusion pumps, medical gases, locum agency, orthopaedic prostheses, surgical instruments, sutures, waste management services, gas and electricity and non-emergency patient transport. A full list of HSV's sourcing categories can be found at: <https://healthsharevic.org.au/contracts-and-tenders/>

Describe the risk of modern slavery practices in the operations and supply chains of the entity.

WGHG supply chain activities consist of the following procurement approaches to the market:

- Group sourcing activities:
 - HSV-led cluster sourcing – collectively led by HSV on behalf of participating health services.
 - Health service led cluster sourcing – collaborative procurement by a group of health services, where the lead health service ensures modern slavery requirements
- Direct sourcing activities where WGHG directly engages with each supplier on its own.

Modern Slavery risks within the health care sector (HSV collective procurement ‘on contract’)

The vast majority of WGHG’s procurement spend takes place through HSV collective arrangements. Suppliers engaged under these collective arrangements cover a number of known high risk spend categories including: gloves; surgical instruments; patient clothing; uniforms and footwear of health care professionals; sheets, towels, and other textiles; and electronic health care equipment. 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.

HSV upholds the Australian Government’s position on modern slavery. There is no place for modern slavery in the Australian community or in supply chains of Australian goods or services. HSV is in a unique position to use their substantial leverage over the conduct of suppliers and market practices to drive positive change to address modern slavery risks in the healthcare sector supply chains.

Modern Slavery risks within WGHG’s direct sourcing (‘off contract’)

In relation to our direct sourcing activities, WGHG acknowledges that there is a risk of modern slavery practices, especially upstream within tier two suppliers (manufacturers for our direct tier one suppliers) within the supply chain. We continue to progress in this space to better understand these risks, especially in relation to the procurement of linen stock materials and consumables within our commercial laundry business unit; this is a major spend category within our ‘off contract’ spend and has been assessed as a very-high level risk due to the nature of the products being sourced and potential upstream geographic manufacturing locations of the raw materials and source of labour.

Modern slavery risk assessment measures

HSV assists mandated health services in assessing modern slavery risk within their supply chains. Each year they perform a risk assessment across the sectors’ annual spend data using analytics to evaluate potential modern slavery occurrences within the health service supply chains within Collective Purchasing Agreements. This analysis identified 384 suppliers for all health services (299 LY).

Following this analysis, HSV invited 130 collective suppliers accessed by WGHG during the reporting period (102 previous year) to complete a Modern Slavery Supplier Questionnaire (modern slavery assessment tool).

Response rate & supplier risk ratings

Of the 130 invited suppliers, 94 responded (72%) whilst 6 declined and 30 did not respond.

The table below shows the assessment outcomes for suppliers, outlining the risk categories in which the suppliers fall.

| Risk Category | No. Suppliers | |
|---------------|---------------|------|
| | 2022 | 2023 |
| Very High | 1 | 1 |
| High | 8 | 11 |
| Medium | 38 | 46 |
| Low | 31 | 34 |
| Very Low | 0 | 2 |

The assessment identified 1 very high and 11 high risk suppliers within WGHG's supply chain. It should be noted that these results do not imply WGHG has caused or contributed to modern slavery practices, but rather, WGHG is linked to risks which exist offshore and in high-risk geographies.

Note it is sometimes not unusual for a supplier to not respond particularly if they are required to lodge a Modern Slavery Statement with the Commonwealth. HSV at this point in time does not see this as an unwillingness to cooperate but rather is connected to varied responsibilities under the Act which includes the preparation of a statement for the Modern Slavery Register.

Describe the actions taken to assess and address risks of modern slavery

During this reporting period, HSV undertook its third annual supplier risk assessment of suppliers under HSV Collective Purchasing Agreements. The questionnaire continues to be refined in order to gain greater specific insights of the suppliers understanding and approach to modern slavery. This included an opportunity to highlight shifts and continuous improvements in how suppliers were dealing with modern slavery.

Similar to previous years, the HSV questionnaire focused on criterion under the Modern Slavery Act covering Policy, due diligence, remedy and training. Insights gained from this survey are summarised below for each of the four sections.

In relation to specific local WGHG measures undertaken over the course of the current reporting period, WGHG gained valuable insights into one of its high risk spend categories following the tender release for linen textile supplies. Responses to the modern slavery model clauses included within the tender provided greater understanding of the potential supply chain risks with each prospective panel suppliers.

Policy

This section reviews the policies and procedures suppliers have in place when encountering Modern Slavery issues. The intent was to see how many suppliers had a policy, if it was communicated to staff, and how is it monitored.

Insights gained:

- 74 suppliers (79%) had policies in place regarding Modern Slavery and all had communicated the policy they have in place to staff (59 LY).
- 74 suppliers (79%) have systems in place to monitor compliance for their policy (58 LY).

Due Diligence

This section reviews what the supplier is doing to actively mitigate modern slavery. Reviewing what screening processes of suppliers are in place, the mapping of their supply chain and a compliance overview of procedures.

Insights gained:

- 83 Suppliers (88%) have a role within their team that is responsible for identifying and overseeing modern slavery risks in relation to the goods and services they provide (LY 71).
- 37 suppliers (39%) have mapped their supply chain on multiple layers and levels to confirm high transparency over operations (LY 32).
- 75 suppliers (80%) have a system or process in place to screen prospective suppliers (LY 66).
- 66 suppliers (70%) conduct risk assessments inclusive of modern slavery (LY 63).
- 64 suppliers (68%) conduct audits that it includes Modern Slavery (LY 53).

Responses showed an increase in the number of suppliers who have a dedicated role or team member to oversee modern slavery risk, thus strengthening the governance framework for modern slavery risk.

Training

This section reviews the training and materials a supplier has across its operation/s to educate and bring awareness to modern slavery.

Insights gained:

- 81 suppliers (86%) train their staff to identify, assess and respond to modern slavery risks (LY 65).
- 58 Suppliers (62%) offer training to various levels of staff and throughout its supply chain (LY 47).

Our key procurement staff continue to attend HSV hosted modern slavery community of learning sessions provided to health services over the reporting period.

Remedy

This section reviews what processes and remedial action plans the organisation has to respond to allegations of Modern Slavery.

Insights gained:

- 60 Suppliers (64%) have remedy/ action plans to respond to allegations of Modern Slavery (LY 54).

The comparative risk ratings of suppliers year-on-year provides a measure of the effectiveness of raising awareness of modern slavery risk through risk assessments, and other actions taken by HSV with its high to very-high risk rated suppliers. HSV will continue to focus on those suppliers who obtained a high to very-high risk rating and assist these suppliers to work collaboratively in reducing human rights impacts on modern slavery through supplier engagement sessions and Community of Learning sessions for health services.

WGHG intends to continue to work collaboratively with HSV to identify mitigation efforts to combat modern slavery risks, and foster collaboration between WGHG and suppliers to seek to address these risks.

Describe how the entity assesses effectiveness of actions

WGHG remains committed to upholding the Australian Government's position on modern slavery and we align with the HSV's Modern Slavery Position Statement and Risk Mitigation Program documents.

In the three reporting years to date, the impact of the COVID-19 pandemic on healthcare services has delayed our ability to assess the effectiveness of measures undertaken to date, outside of what HSV has orchestrated for the suppliers we access under the HSV collective purchasing arrangements.

With the health sector becoming more COVID enduring in terms of business operations, we will continue to mature in our understanding of the Modern Slavery Act and work actively with HSV to embed the learnings and risk management tools into our end-to-end procurement cycle.

In the next reporting period (2023-24) WGHG will focus on:

- The adoption of the latest HSV Modern Slavery Risk Assessment tool (released October 2023).
- Continue to actively work with HSV to better understand the 12 very high/high risk level suppliers used in our supply chain and actions that can be taken to reduce these modern slavery risks;
- Build on the insights gained from responses received from panellists under the linen sourcing activity in FY23 and seek second round responses from the updated modern slavery supplier assessment questionnaire to deep dive further into our understanding of their modern slavery risks to demonstrate continuous improvement.
- Develop a modern slavery risk register for high risk suppliers rated under both HSV led and WGHG sourced procurement activities, including information on annual spend and trends in risk ratings and current insights and control plans.
- Provide targeted education and training for the Executive and Procurement and Supply Chain teams via the HSV online modern slavery training module.

Describe the process of consultation with related entities

West Gippsland Healthcare Group does not own or control any other entities.

We do however work collaboratively with fellow participating Gippsland public hospitals via the regional Gippsland Health Alliance joint venture. Both our Chief Procurement Officer and Supply Manager partake in regular steering and working group committees that are actively supported by and attended by HSV representatives to discuss, amongst other procurement matters, modern slavery requirements and compliance.

Closing Statement

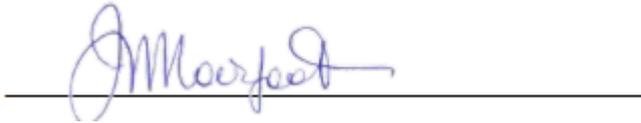
WGHG continues to mature in its understanding of modern slavery risks within its supply chain and in its pursuit to build capability and capacity to identify such risks and address them.

West Gippsland Healthcare Group is committed to this journey and to improving our approach, partnering with our stakeholders and working to eradicate modern slavery.

Statement of Annexure

This Modern Slavery Statement was reviewed and approved by the Chair of the West Gippsland Healthcare Group (as defined by the Modern Slavery Act 2018 (Cth)) on 28th December 2023 on behalf of the Board of Directors.

This statement was ratified by the West Gippsland Board of Directors at the 4th April 2024 board meeting.



Joanne Moorfoot
Board Chair, West Gippsland Healthcare Group