



Australian Government

Comcare

COMCARE MODERN SLAVERY STATEMENT 2020–21



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A MESSAGE FROM OUR CEO

This Modern Slavery Statement (the Statement) is made by Comcare under Section 13 of the *Modern Slavery Act 2018* (Cth) (the Act) and covers the reporting period 1 July 2020 to 30 June 2021.

The Statement outlines Comcare's approach to understanding, identifying and addressing the risk of modern slavery in our operations and supply chain. It has been prepared in consultation with Comcare's senior executives and subject matter experts. As Comcare's accountable authority, I have approved the statement.

Comcare is committed to the intent of the Act and to identifying and addressing the risks and impacts of modern slavery in our operations and supply chains. We are a values-led organisation, committed to responsible and sustainable business practices. We recognise our role in respecting and promoting the fundamental human rights of our employees, suppliers and stakeholders. We will endeavour to continue to work with suppliers who reflect our commitment.



Susan Weston PSM
3rd December 2021

ABOUT COMCARE

Comcare was formed in 1988 as a statutory authority of the Australian Government. As a work health and safety regulator, scheme administrator and an insurer and claims manager, Comcare's purpose is to promote and enable safe and healthy work.

As the workers compensation authority, Comcare's responsibilities include administration of the Commonwealth's workers compensation scheme under the *Safety, Rehabilitation and Compensation (SRC) Act 1988*. As at 30 June 2021, this scheme covered 408,123 full-time equivalent (FTE) employees, of whom 183,537 were Australian Government employees and 224,586 worked for licensee organisations who self-insure their workers' compensation liabilities.

Comcare also had 419,317 FTE employees covered under the federal *Work Health and Safety Act 2011* (WHS Act), of whom 248,986 were Australian Government or Australian Defence Force employees and 170,331 were employees of licensee organisations. Additionally, Comcare manages claims in relation to the *Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005* (ARC Act) and the Parliamentary Injury Compensation Scheme (PICS) established under the *Parliamentary Entitlements Act 1990*.

Comcare provides expert advice and services to Safety Rehabilitation and Compensation Commission (SRCC) and the Seafarers' Safety, Rehabilitation and Compensation Authority (Seacare), however Comcare does not control or own any other entities.

As at 30 June 2021, we employed 544 ongoing employees and 89 non-ongoing employees under the *Public Service Act 1999*. These employees are based in Comcare's various offices across Australia – in Canberra, Sydney, Newcastle, Melbourne, Adelaide, Brisbane, Perth, Darwin and Launceston.

COMCARE'S INVESTMENTS

Comcare's financial investments are primarily made to meet current year obligations to make compensation claim payments, to fund Comcare's operating expenses and to meet future claims liabilities. The objectives are to have funds available to meet payments as and when they fall due, and to minimise the variability in funding ratio and annual premiums as a result of interest rate movements.

The financial institutions which hold Comcare's funds are currently all Australian banks, and investments held are all term deposits. Banks in Australia are highly regulated and Comcare only invests in low risk, high quality investments. Comcare invests according to its Credit Risk Framework Guidelines, including ensuring that investments are made with institutions classified by the Australian Prudential Regulation Authority as an Authorised Deposit-Taking Institution or which are a Commonwealth, State or Territory of Australia.

Comcare conducts an annual assessment of investment institutions ensuring that all have made a commitment toward managing modern slavery risk by publishing their own Modern Slavery Statement.

ADDRESSING COVID-19

Comcare has reviewed the potential impact of COVID-19 across its supply chains and has not identified any significant impacts or risks, based on the largely Australian-based supply chain.

To address the operational impact of COVID-19, Comcare implemented a COVID-safe plan for all its offices, which enabled it to effectively manage the temporary closure of offices across its network during the last 2 years. Comcare continuously reviews and updates the COVID-safe plan and business continuity plans to ensure it is well placed to manage any potential impact on its operations or supply chain.

COMCARE'S SUPPLY CHAIN

Comcare procures goods and services in accordance with the requirements of the Commonwealth Procurement Rules (CPRs). The CPRs are issued by the Minister for Finance (Finance Minister) under section 105B (1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Comcare is a prescribed corporate Commonwealth entity listed in section 30 of the Public Governance, Performance and Accountability Rule 2014, and as such must comply with the CPRs when undertaking any procurement.

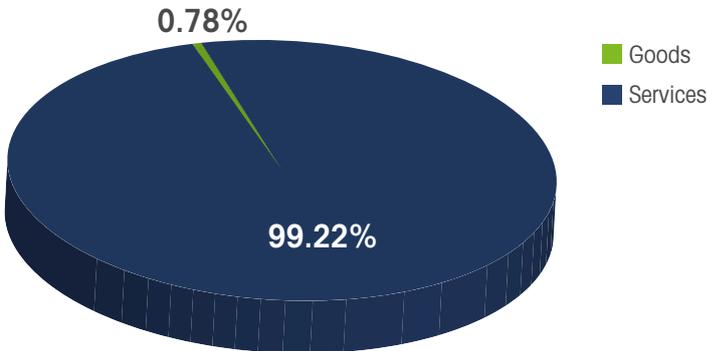
In accordance with the requirements of the CPRs, Comcare primarily utilises external contractual arrangements for the procurement of its goods and services. This includes leveraging the Commonwealth Contracting Suite, Digital Transformation Agency's Digital Marketplace, other government agency panels and contractual arrangements through coordinated procurements.

Comcare also manages its own limited tender procurements, both through approaches to market, and through credit cards for purchases with low value.

COMCARE'S SPEND CATEGORIES

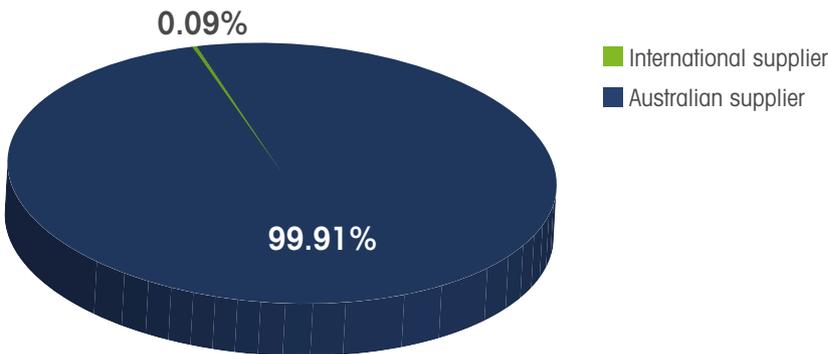
Comcare primarily spends on goods (0.78%) and services (99.22%).

COMCARE GOODS AND SERVICES



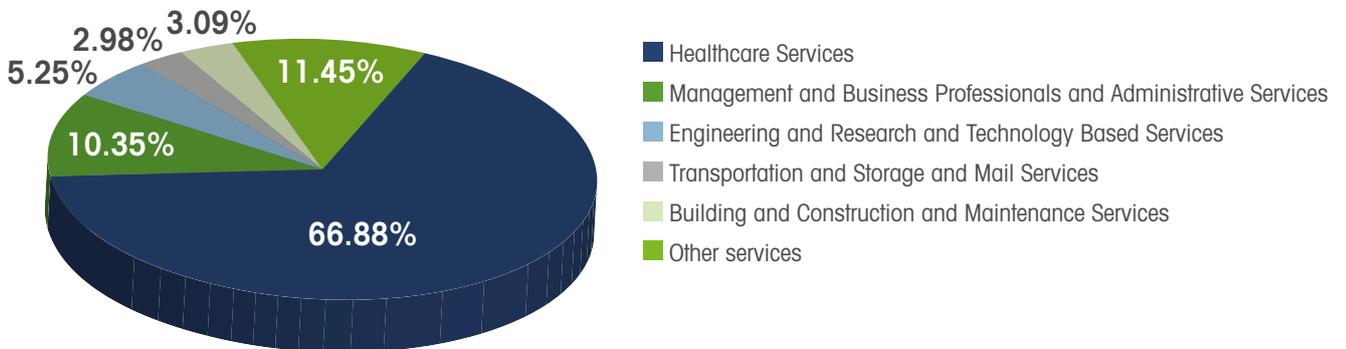
Comcare primarily procures goods and services from, or makes payments to, Australian suppliers (99.91%) with 0.09% of its total spend, related to software and healthcare services, being procured from overseas suppliers.

LOCATION OF COMCARE SUPPLIERS



The below graph shows Comcare's Top 5 category types for goods and services expenses in the 2020-2021 reporting period.

TOP 5 CATEGORIES FOR COMCARE GOODS AND SERVICES PROCUREMENTS



TYPES OF SUPPLY CHAINS

Comcare's supply chains include a mix of outsourced arrangements in relation to core IT infrastructure, together with relatively simple supply chains for services and products required for day-to-day operations from a number of Australian based suppliers. The table below sets out the types of products and services Comcare pays for or procures.

| Procurement Categories | Products and Services |
|---|--|
| Healthcare Services | Claims management, medical assessment, rehabilitation, mental health care support services, and drugs and pharmaceuticals for the prevention of treatment of disease. |
| Management and Business Professionals and Administrative Services | Professional services, including application development, project management, short-term specialist service replacement. Advisory and legal services. |
| Engineering and Research and Technology Based Services | Application development services, ICT Managed Services, ICT security services, infrastructure support and hardware. |
| Building and Construction and Maintenance Services | Construction and maintenance of facilities and buildings. This segment also includes trades such as general contractors, electricians, plumbers, carpenters, painters, roofing, landscaping, gardening and pest control. |
| Transportation and Storage and Mail Services | Services associated with cargo and personal transportation including file archive storage, mail and courier services. |

CONTROL OF SUPPLY CHAINS

Comcare's supply chains are controlled with robust contracting arrangements as defined by the CPRs and Comcare's Contract Management Framework which provides guidance on the contract management process as well as tools and templates to assist Contract Managers effectively manage contracts. The Comcare Contract Management Guide provides a clear, standardised approach to managing and administering contracts for goods and services purchased from suppliers. The main objective of contract management is to ensure commitments and obligations from buyers and suppliers are effectively met, by delivering value for money outcomes and managing risk.

Suppliers to Comcare are required to comply with any laws, statutes, regulations, by-laws, ordinances or subordinate legislation in force from time to time, including in particular but not limited to the:

- > Auditor-General Act 1997
- > Crimes Act 1914
- > Criminal Code Act 1995
- > Disability Discrimination Act 1992
- > Freedom of Information Act 1982
- > Environment Protection and Biodiversity Conservation Act 1999
- > Privacy Act 1988
- > Public Governance, Performance and Accountability Act 2013
- > Public Interest Disclosure Act 2013
- > Racial Discrimination Act 1975
- > Safety, Rehabilitation and Compensation Act 1988
- > Sex Discrimination Act 1984
- > Trade Practices Act 1974
- > Workplace Gender Equality Act 2012
- > Work Health and Safety Act 2011 or similar state and territory legislation
- > Taxation Legislation
- > Fair Work Act 2009
- > Modern Slavery Act 2018 (the Act).
- > Taxation Legislation
- > Fair Work Act 2009.

DISCLOSURES

All contracts valued at or above the relevant reporting threshold value of AUD\$400,000 (GST inclusive) are reported by Comcare on AusTender. Comcare contracts valued at or above AUD\$100,000 (GST inclusive) are published on the Comcare website biannually.

OUR MANAGEMENT OF MODERN SLAVERY RISK

Since our first Modern Slavery Statement, Comcare has established a new corporate Governance Framework to support decision making using the principles of stewardship, alignment, collaboration, flexibility, consistency and transparency. To operationalise the Governance Framework, a revised governance committee structure has been established to clarify purpose, accountabilities and responsibilities. This capability is charged with the ongoing governance of Comcare's Modern Slavery reporting.

Additionally, Comcare already adheres to practices which promote ethical and legally compliant business. Our policies and frameworks contribute to our commitment to prevent violations of human rights such as modern forms of slavery in our business including those that relate to the Comcare and APS Values, the APS Code of Conduct, diversity and inclusion, performance management, training and capability development, as well as our risk management and assurance frameworks.

We have risk mitigation and robust procurement processes in place including establishing clear standards for suppliers' employment practices, which includes the explicit consideration of modern slavery risks.

COMCARE'S MODERN SLAVERY RISK APPROACH AND ASSESSMENT

Comcare has aligned its categorisation of procurement expenditure with the Commonwealth Government's procurement information system www.tenders.gov.au, which uses a subset of the United Nations Standard Products and Services Code (UNSPSC) to categorise Commonwealth Government procurements. Having a consolidated and consistent tool has improved the mapping of Comcare's Tier 1 suppliers. This ensures greater consistency of data for goods and services sourced directly from its own suppliers through analysis of its supplier expenditure, with the majority of these suppliers being Australian based.

Comcare found no instances in its operations and/or supply chain where modern slavery risks are caused, or contributed to, by Comcare. Rather, Comcare identified elements within its supply chain that indicate "risks that [you] may be directly linked to modern slavery practices", and for which Comcare is obliged to conduct due diligence and risk management to address those modern slavery risks.

Comcare utilises a due diligence and observance approach for the risk management of the suppliers it uses through its external arrangements.

Comcare will continue to monitor risks in the procurement of ICT hardware and its investment portfolio, in recognition that these supply chains can pose higher levels of modern slavery risk. This will be undertaken in conjunction with a broader focus at the whole of government level.

COMCARE'S MODERN SLAVERY RISK ACTIONS

Comcare manages its operations and supply chain risk by conducting risk assessments, as well as by regularly reviewing the risk assessments conducted for updates where new risks are identified or where risks change.

The risks identified by Comcare within its supply chain focus around sectors, industries, goods, services and their country of origin that are prone to modern slavery risk, as well as the utilisation of entities for the procurement of goods and services that have a poor track record of modern slavery.

Comcare has reviewed and updated its risk assessment practices providing greater confidence that modern slavery risks are being managed and mitigated appropriately. The following strategies have been utilised to support Comcare's improved capability:

- > updated procurement and contract management documentation to reflect Procurement Connected Policies and CPR's as they relate to modern slavery requirements
- > updated vendor management systems to include new supplier questions to address modern slavery risks in consideration of the Modern Slavery and Trafficking Supplier Questionnaire issued by the Australian Government with regular internal auditing of responses
- > implemented modern slavery training to assist employees to identify, prevent and mitigate modern slavery risks across its procurement and operations, in addition to the modern slavery awareness sessions already provided to Comcare employees
- > increased engagement and collaboration with suppliers, other government entities and stakeholders to increase understanding of Comcare's supply chains and associated risks, and
- > standardisation using standard Commonwealth contracts (where applicable) to manage consistency with correct terms and conditions and with application of appropriate policy.

Comcare is committed to continuous improvement of its management of modern slavery risk and has identified a range of actions for implementation including:

- > regular engagement with suppliers and other government entities on procurement activities
- > refinement arising from lessons learned
- > deliberate effort to embed responsibility for managing human rights matters more generally across the organisation.

ASSESSING FOR EFFECTIVENESS

Comcare is taking a risk-based approach and is committed to providing ongoing risk mitigation tracking and governance oversight. Comcare has established reporting and complaint processes for both internal and external use for modern slavery related incidents.

Comcare has completed an audit of its risk mitigations and implementation, as a result some of the risk profiles have reduced in recognition of the remediation processes established. This includes the management and governance structures to ensure oversight and direct responsibility for decision making around modern slavery risk. The outcomes of these audits will continue to inform the continuous improvement of our approach, and policies and procedures.

ANNEXURE: MODERN SLAVERY ACT REPORTING REQUIREMENT

The table below outlines the seven mandatory criteria of the Act and corresponding sections of the Comcare Modern Slavery Statement.

| Modern Slavery Act requirement | Page number |
|---|---|
| section 16(1)(a) Identify the reporting entity | 3 |
| section 16(1)(b) Describe the structure, operations and supply chains of the reporting entity | 3, 4, 5 and 6 |
| section 16(1)(c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls | 7 and 8 |
| section 16(1)(d) 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 remediation processes | 8 |
| section 16(1)(e) Describe how the reporting entity assesses the effectiveness of such actions | 8 |
| section 16(1)(f) Describe the process of consultation with (i) any entities that the reporting entity owns or controls and (ii) for a reporting entity covered by a joint statement, the entity giving the statement | Do not own or control any other entities. |
| section 16(1)(g) Include any other information that the reporting entity considers relevant | Not required. |