

Introduction

This Modern Slavery Statement is made pursuant to the Commonwealth *Modern Slavery Act 2018* (the Act) by Central Gippsland Health Service and relates to the financial year 1 July 2020 to 30 June 2021.

Central Gippsland Health Service is confident that it is taking progressive steps to building a robust modern slavery framework

Reporting Criterion 1 and 2: Central Gippsland Health Service's its structure, operations and supply chains

Central Gippsland Health Service (CGHS) ABN: 85 050 485 681 is a health service established under section 181 of the *Health Services Act 1988* (Vic). CGHS is the major provider of health and aged care services in the Wellington Shire. We serve an immediate population of Central Gippsland and reach a wider community in East Gippsland in terms of more specialised services such as perinatal services, critical care and surgery.

CGHS is both a sub-regional and an integrated health service, providing a broad range of primary, secondary and tertiary services, including a near comprehensive range of Home and Community Care (HACC) services, through to adult intensive, coronary care and level 4 neonatal care.

The health service has acute campuses at Sale, Maffra and Heyfield; community and home support services are provided throughout the Shire of Wellington (with the exception of Yarram and District) with centres in Maffra, Sale, Heyfield, Rosedale and Loch Sport; and residential aged care services at Sale, Maffra and Heyfield. Employing approximately 1500 staff and volunteers.

The health service owns and runs two revenue units covering medical and non-medical services. Central Gippsland Health Medical Imaging provides imaging services to the hospital and community and Sale Central Linen Service provides linen to health services and hospitality venues across Gippsland.

CGHS works very closely with HealthShare Victoria (HSV) in majority of our wide ranging of procurement activity. HSV as a state-wide procurement organisation works in partnership with public health services in the Victorian public health services to assist in the facilitation of collective tenders, contracts and common use contracts in-order to provide best-value in procurement of goods and services.

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.

CGHS purchases the goods and services it needs from the suppliers who are party to HSV collective agreements; and as such would like to acknowledge the significant role HSV has 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-documents/contracts>.

HSV 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.

Reporting Criteria 3: The risks modern slavery practices in the operations and supply chains of Central Gippsland Health Service and any entities that it controls.

CGHS may be exposed to 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. CGHS continues to take a targeted, risk-based approach to assessing modern slavery risks within its operations and supply chains, consistent with the United Nations Guiding Principles on Business and Human Rights.

As a health service with a largely skilled workforce, Central Gippsland Health Service considers the risk of modern slavery within its direct business operations to be relatively low. In line with a risk-based approach, these risks continue to be examined.

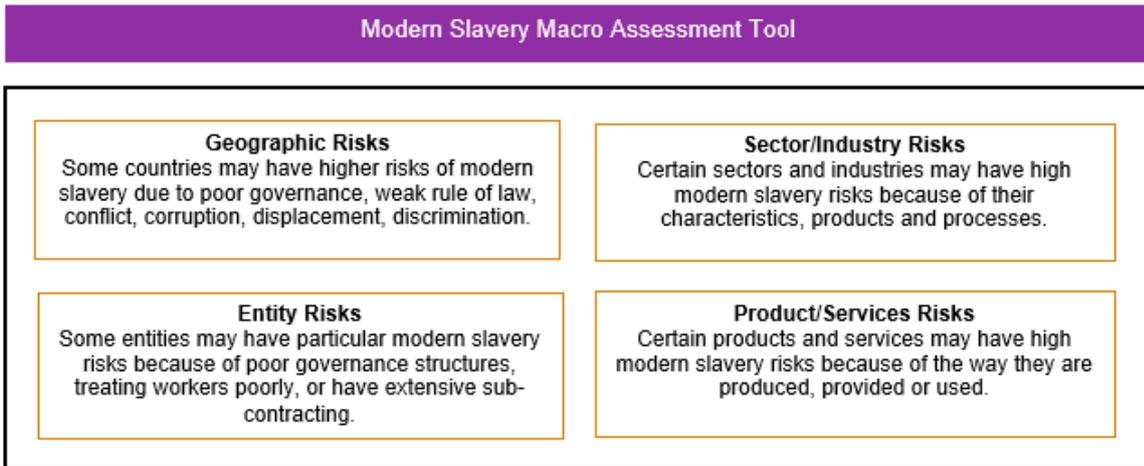
Some of the general risk areas present in CGHS’ supply chain include:

- 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.

CGHS recognises that the extensive nature of our global supply chains may expose us to modern slavery risks.

Given the level of complexity in such extensive supply chains, HSV continues 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.

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

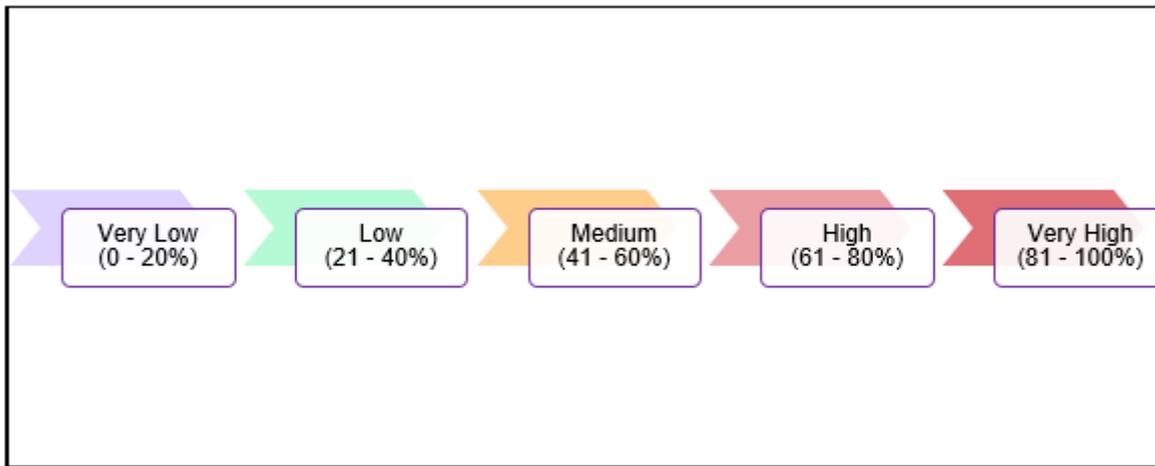


This involved considering whether there is a high prevalence of modern slavery in a particular sector or industry, or associated with a particular good or service, or in the location that the product or service is sourced or produced from. The macro assessment also considered whether the nature of the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

Micro assessment involved risk identification across four categories.

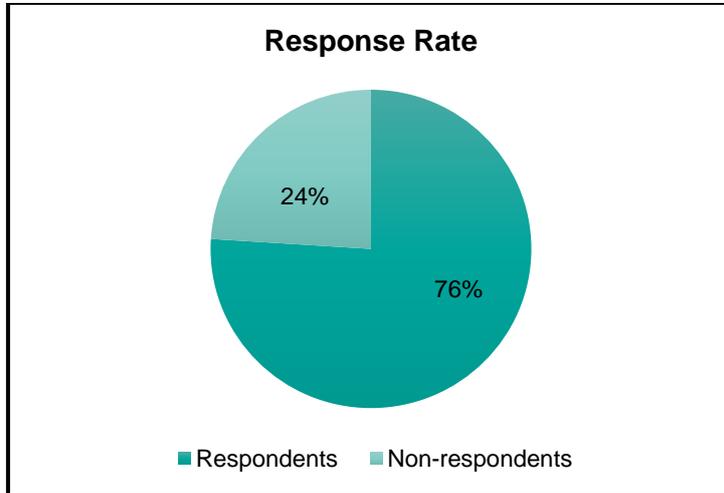


Both the macro and micro components included assigned weighting, rating, and risk scales, designed to allocate a modern slavery risk rating to suppliers. Suppliers were allocated one of the following risk ratings: very low, low, medium, high, or very high.

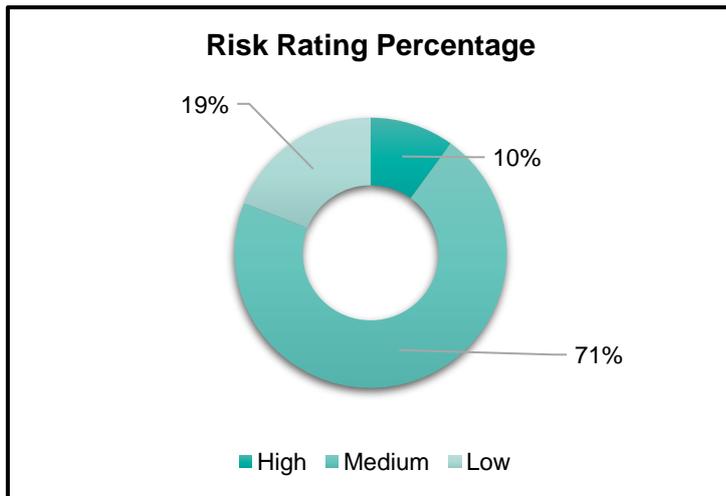


HSV scoped the general modern slavery risks in health service supply chains by drawing on academic research and international and domestic reports and analysis. The HSV Data and Analytics identified and assessed 82 suppliers from Supplier Spend Data for the period FY2021 (July-June) CGHS.

There were 62 respondents and 20 non-respondents, providing an overall response rate of 76 percent.



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	6
Medium	44
Low	12

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.

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

Mandatory Criteria Four: The actions taken by Central Gippsland Health and entities that the CGHS owns or controls to assess and address these risks, including due diligence and remediation processes.

CGHS has been significantly impacted by the COVID-19 pandemic for a period of approximately 20 months. COVID-19 impacts have resulted in reduced capacity to undertake a comprehensive risk assessment of our business operations and its supply chains. Despite these constraints CGHS continues to addressing the areas of higher modern slavery risk whilst simultaneously managing significant resourcing constraints due to the COVID-19 pandemic.

CGHS is committed to an action plan to reduce the prevalence of modern slavery in its supply chains. This commitment extends to working with its suppliers under the leadership and guidance of HSV to reduce risk in the supply chains, in line with HSV's advisory and consultancy function under the Health Services Act through processes such the identification of products manufactured in countries where modern slavery is a recognised and/or emerging risk.

HealthShare Victoria position

HSV recognises its role in health service supply chains and the benefit of its actions for the broader sector. HSV Procurement Policy outlines their ongoing commitment to assist mandated health services assess and address modern slavery risks in their supply chains within Collective Purchasing Agreements, with a view to assisting mandated health services with meeting their Reporting Requirement under the Act.

HSV upholds the Australian Government's position on modern slavery - there is no place for modern slavery in the Australian community or in the global supply chains of Australian goods and services. HSV is committed to:

- Supporting health services assess their operations and supply chains for modern slavery risks;
- Implementing and enforcing effective systems and controls to reduce risk of modern slavery;
- Ensuring there is transparency in its operations and approach to addressing modern slavery;
- Fostering open and transparent supplier relationships which encourage modern slavery reporting and meaningful change through remediation;
- Applying a continuous improvement approach to how it supports health services to report on the risk of modern slavery practices within their operations and supply chains.

The focus of CGHS's second reporting period under the Act was to undertake supplier risk assessments within HSV Collective Purchasing Agreements. HSV conducted this on CGHS's behalf, preparing a report to assist CGHS prepare this second Modern Slavery Statement. The information provided in this report was based on the activities undertaken by HSV in respect to HSV awarded suppliers during FY2020-21 which identified 82 suppliers from Supplier Spend Data for CGHS. The information provided in this report assisted CGHS identify modern slavery risk in their supply chains within those Collective Purchasing Agreements.

HSV has incorporated a modern slavery clause into their supplier contracts as a due diligence factor. These clauses commit suppliers into taking all reasonable steps to identify, assess and address risks of modern slavery practices in the operations and supply chains used in their provision of goods and services to the health service.

CGHS is in the process of reviewing its own go to market documents and all supply contracts for inclusion of the same.

All 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 inclusive of the modern slavery requirements. Under the Supplier Code of Conduct, suppliers are expected to proactively identify, address and where required by legislation report on risks of modern slavery

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practices in their business operations and supply chains. CGHS has the supplier code of conduct commitment clause embedded in all of Request for Tender documentation to ensure prospective suppliers are aware of their obligations.

Mandatory Criteria Five: Central Gippsland Health Service assessments the effectiveness of actions being taken to assess and address modern slavery risks

The continued impacts of COVID-19 on CGHS has resulted in a reduced capacity to implement mechanisms for the effective assessment of actions taken to address our modern slavery risks. CGHS recognises the importance of this activity and will endeavour to introduce assessment mechanisms and indicators as resources allow.

CGHS has relied on HSV's advice and consultation in 2020-21 to understand and fulfil its modern slavery obligations. Recognising HSV's significant role in preventing modern slavery in health service supply chains and the benefits of their actions to the broader sector, HSV has developed a comprehensive program of works to support them including:

- A modern slavery toolkit;
- A modern slavery statement guide;
- Supplier engagement template;
- Health Services 2019-20 statement review; and
- Modern slavery community of learning program.

HSV also commenced assessing modern slavery risk in health services within Collective Purchasing Agreements in 2020-21. Their Modern Slavery Risk Assessment Tool has been used to develop the Risk Assessment report for CGHS. CGHS will expand on this over the next reporting period by collaborating with HSV to identify mitigation efforts to combat modern slavery risks, and foster collaboration between Alfred Health and suppliers to seek to address these risks.

CGHS recognises the importance of a continuous improvement approach in the implementation of actions to address our modern slavery risks. In order to build a foundation for future action, CGHS will assess the effectiveness of current activities by first conducting a high-level audit of suppliers and preparing documentation to set the framework for identifying modern slavery risks in its supply chains.

In addition, 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.

Reporting Criterion 6: Central Gippsland Health Service's consultation process with the related entities it owns or controls

CGHS does not own or control any other entities.

Reporting Criterion 7: Other relevant information

Future Plans

During FY2021-22 in consultation with HSV, CGHS plans to focus on the following improvement initiatives in order to further meet the requirements of the Act:

- Expansion of our staff's knowledge base and awareness through continued learning and education programs;
- Formulation and implementation a modern slavery policy along with communication to suppliers on our policy;
- Train of all stakeholders on the application of this policy;
- Completion of the update of all go to market documentation and supply agreements with appropriate modern slavery clauses for future engagements;
- Undertaking of risk assessments of CGHS specific suppliers that are not subject to HSV state wide collective agreements; and
- Development and monitoring of indicators (both quantitative and qualitative) to assess the effectiveness of our actions.

Closing statement

CGHS despite the impact of COVID-19, 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 Central Gippsland Health Service is committed to continually improving our approach, partnering with our stakeholders and working to eradicate modern slavery.

This statement was approved by the Board of Central Gippsland Health Service on XX February 2021.



Jim Vivian
Board Chair