



## MODERN SLAVERY STATEMENT

This Modern Slavery Statement is made pursuant to the Commonwealth *Modern Slavery Act 2018* (the Act) by Latrobe Regional Hospital and relates to the financial year 1 July 2021 to 30 June 2022.

### 1. Identify the reporting entity.

Latrobe Regional Hospital (LRH) is located 150km east of Melbourne at Traralgon West and is recognised as the regional provider of specialist health services in Gippsland.

We are a public health service established under the Health Services Act 1988 (Vic). This followed the amalgamation of public hospitals in Traralgon and Moe and a nursing home in Morwell in 1991. LRH became the major provider of acute mental health services in the region in 1995, taking over from Hobson Park Hospital, Traralgon.

LRH has 321 beds and 36 treatment chairs, employs over 2500 staff and cares for a population of more than 290,000. Our catchment covers about 42,000 square kilometres from Phillip Island to Mallacoota in the far east.

We offer cardiac care, surgery, medical, renal, emergency care, aged care, obstetrics, pharmacy, allied health and rehabilitation. Medical and radiation oncology are offered by the Gippsland Cancer Care Centre on site.

LRH offers inpatient care to people experiencing mental illness and community mental health services extend across the Latrobe Valley, Sale, Bairnsdale, Yarram, Orbost, Warragul and Wonthaggi. Our Macalister Unit has 10 acute beds for older people with complex needs relating to mental illness as well as 10 nursing home beds.

### 2. Describe the reporting entity's structure, operations and supply chains.

Latrobe Regional Hospital is located in regional Victoria at 10 Village Avenue, Traralgon West, 3844, ABN: 18 128 843 652, is a public health service established under the Health Services Act 1988 (Vic).

We provide public hospital services in accordance with the principles of the National Health Care Agreement (Medicare) and the Health Services Act 1988 (Vic).

Health Share 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.

Latrobe Regional Hospital 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 works with approximately 488 tier-one suppliers and is responsible for more than 69 contracts with a spend value of over \$1.3 billion.

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>

As part of our operations LRH purchases medical consumable products, implants, medical equipment (including maintenance), pharmaceuticals, food and nutrition, linen services, utilities, agency labour, radiology services, vaccine and pharmaceuticals, PPE, textiles, consultancy services, facility management, IT and marketing.

### **3. Describe the risk of modern slavery practices in the operations and supply chains of the reporting entities that the reporting entity owns or controls.**

Latrobe Regional Hospital recognises that the extensive nature of our global supply chains may expose us to modern slavery risks, and has engaged with HSV to understand the general modern slavery risks within our supply chains.

HSV and Latrobe Regional Hospital acknowledges the impact that COVID-19 has had on global supply chains.

Latrobe Regional Hospital is at a low risk of modern slavery practices within the organisations direct operations due to all employees being employed under the relevant Enterprise Business Agreement.

Latrobe Regional Hospital procure by:

- HSV-led cluster sourcing – led by HSV on behalf of participating health services
- Health service led cluster sourcing – led by a major health service on behalf of participating health services, where lead health service ensures modern slavery requirements.

LRH individual procurement activities are guided by Procurement Policies and also ensure modern slavery requirements are adhered to.

Latrobe Regional Hospital understands that its supply chains may be impacted by modern slavery practices. Some general risks in our supply chain include:

- Labour practices in offshore manufacturing facilities such as South East Asia, for medical consumables and equipment and ICT equipment;
- Labour and manufacturing in overseas facilities for textiles including uniforms;
- Labour for the cleaning industry.

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.

COVID-19 may have increased modern slavery risks in some supply chains. These risks include:

- Increased global demand due to supply chain shortages, particularly in the category of personal protective equipment;
- Shorter production windows;
- Increased unemployment and a fear of loss of income;
- Factory closures; and
- Inability of vulnerable migrant workers to return to home countries.

We acknowledge that the risks of modern slavery may be heightened in some of our groups supply chains and operations as a result of the geographical location of some suppliers, our areas of operation, and the source of materials used in products supplied to us. We also acknowledge that, we lack visibility in certain overseas markets and this carries additional risks of modern slavery especially in secondary levels of our chain of suppliers and source materials used in our group's goods and services.

Given HSV's significant role in Latrobe Regional Hospital's supply chains, HSV has helped identify the general risks of modern slavery by assessing the supply chains of Collective Purchasing Agreements.

HSV Data and Analytics identified 105 suppliers for Latrobe Regional Hospital's FY2021. These suppliers were asked to complete a Modern Slavery Supplier Questionnaire with a response rate of 76 percent.

Of the respondent suppliers they were allocated a risk rating from Very Low to Very High using a modern slavery risk assessment tool comprising of macro and micro assessment components with assigned weightings.

The macro assessment considered 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 of risk mitigation strategies suppliers already had in place or intended to implement across four categories: governance and policy settings; due diligence process systems; remedial processes; and training.

From the Latrobe Regional Hospital respondent's suppliers 9 were categorised as High risk, 58 Medium Risk and 13 Low Risk.

In FY2122, HSV sought consent from assessed suppliers to share their risk categorisation, concentrating on suppliers with a risk categorisation of 'very high' and 'high'. HSV plan to remind these suppliers of their obligation under the Victorian Government Supplier Code of Conduct to proactively identify and address risk of modern slavery practices in their business operations and supply chains. HSV engagement will focus on directing these suppliers to publicly available resources and tools to support them in their risk mitigation actions.

It should be noted that since the completion of the modern slavery risk assessment in 2021; suppliers may have already undertaken mitigation actions, and/or progressed items that previously allocated them a higher risk.

#### **4. 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.**

As a result of the ongoing COVID-19 pandemic and the subsequent Pandemic Code Brown in Victoria, Latrobe Regional Hospital has been significantly impacted, which has resulted in reduced capacity to undertake widespread actions to assess and address modern slavery risks in our operations and supply chains.

Despite these impacts Latrobe Regional Hospital identified our highest spend off contract (non-HSV contracts) suppliers and sent them a supplier engagement document. The document outlined LRH's modern slavery reporting obligations and the requirement for collaborative two-way engagement with our suppliers. For those that were unfamiliar with the Modern Slavery Act it also outlined what modern slavery is and why modern slavery is an issue their entity should take seriously.

Along with the engagement document was a short questionnaire developed to help LRH assess our suppliers' policies and practices on modern slavery, to enable us to work with suppliers to identify and assess possible modern slavery risk in our procurement.

We received a 42% response rate and of the respondents 43% have a policy in place to deal with modern slavery and 33% are currently required to report under the Modern Slavery Act.

LRH also engaged with HSV about providing training on Modern Slavery to ensure continuity and consistency across Victorian Public Health Services. HSV has now developed six Modern Slavery training modules that will be available in FY2022-23.

Latrobe Regional Hospital will focus on having relevant staff complete the Modern Slavery training modules in the FY2022-23 reporting period.

In the next reporting period, Latrobe Regional Hospital intends to work collaboratively with HSV to identify mitigation efforts to combat modern slavery risks, and foster collaboration between Latrobe Regional Hospital and suppliers to seek to address these risks.

HSV has proposed requesting suppliers undertake another modern slavery risk assessment to understand the extent of any progress made. This will be subject to alignment with the development of a sector-based strategic response to modern slavery.

## **5. Describe how the reporting entity assess the effectiveness of such actions.**

LRH is maturing in its understanding of the Modern Slavery Act with representatives attending regular information sessions on the requirements of the Act and contribute to the development of supplier surveys and the HSV Modern Slavery Risk Mitigation Program.

The introduction of the Modern Slavery training modules will allow LRH to increase the awareness and understanding of Modern Slavery across the organisation.

Through our supplier engagement process we believe it has led to greater understanding of the significance of Modern Slavery and potential risks across our supplier's own supply chains.

HSV has introduced several mechanisms for monitoring the effectiveness of the actions it has taken to date. In addition to this, HSV's senior leadership, as a critical entity to LRH's supply chain, 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.

## **6. Describe the process of consultation with any entities that the reporting entity owns or controls.**

Latrobe Regional Hospital does not own or control any other entities.

## **Closing Statement**

Latrobe Regional Hospital is pleased with the steps taken this year to improve the understanding of Modern Slavery within our supply chain. We recognise there is more to do and Latrobe Regional Hospital is committed to continually improving our approach, partnering with our stakeholders and working to eradicate modern slavery.

# MODERN SLAVERY ACT 2018 (CTH) – STATEMENT ANNEXURE

## Principal Governing Body Approval

This modern slavery statement was approved by the *principal governing body* of

Latrobe Regional Hospital's Board

as defined by the *Modern Slavery Act 2018* (Cth)<sup>1</sup> ("the Act") on

## Signature of Responsible Member

This modern slavery statement is signed by a *responsible member* of

Linda McCoy, Board Chair

as defined by the Act<sup>2</sup>:



22 December 2022

## Mandatory criteria

Please indicate the page number/s of your statement that addresses each of the mandatory criteria in section 16 of the Act:

<b>Mandatory criteria</b>	<b>Page number/s</b>
a) Identify the reporting entity.	1
b) Describe the reporting entity's structure, operations and supply chains.	2-3
c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	3-4
d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	4-5
e) Describe how the reporting entity assesses the effectiveness of these actions.	5
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).*	Do not own
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.**	N/A

\* If your entity does not own or control any other entities and you are not submitting a joint statement, please include the statement 'Do not own or control any other entities' instead of a page number.

\*\* You are not required to include information for this criterion if you consider your responses to the other six criteria are sufficient.

- Section 4 of the Act defines a principal governing body as: (a) the body, or group of members of the entity, with primary responsibility for the governance of the entity; or (b) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed body within the entity, or a prescribed member or members of the entity.
- Section 4 of the Act defines a responsible member as: (a) an individual member of the entity's principal governing body who is authorised to sign modern slavery statements for the purposes of this Act; or (b) if the entity is a trust administered by a sole trustee—that trustee; or (c) if the entity is a corporation sole—the individual constituting the corporation; or (d) if the entity is under administration within the meaning of the *Corporations Act 2001*—the administrator; or (e) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed member of the entity.

