

MODERN SLAVERY STATEMENT

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

Mandatory Criteria 1 & 2: Identify the reporting entity and describe its structure, operations and supply chains.

Bairnsdale Regional Health Service is a Health Service established under Section 181 of the *Health Services Act 1988* (Vic) ABN 99 640 620 478

Bairnsdale Regional Health Service (BRHS) is a dynamic and growing regional health system providing a comprehensive array of health care services to the East Gippsland community. BRHS is committed to delivering outstanding person-centered care. Operating across three campuses in Bairnsdale, BRHS provides a wide range of professional specialties including emergency, acute, sub-acute, maternity, residential aged care, allied health, community health, oral health, and extensive support services.

BRHS, works closely with HealthShare Victoria (HSV) a state-wide procurement organisation who partners with Victorian public health services to procure best-value goods and services. HSV facilitate large-scale tenders and manage common-use contracts and play a pivotal role in the supply chain of health services like BRHS. BRHS sources essential goods and services supporting the provision of patient care from suppliers under HSV collective agreements.

HSV actively engages with approximately 500 tier-one suppliers and manages contracts with a spend value in excess of \$1billion. These contracts span a wide range of services and products across a number of categories.

A full list of HSV's sourcing categories can be found at <https://healthsharevic.org.au/contracts-and-documents/contracts>.

BRHS had in excess of 1,000 staff employed in 2023/24 and the 2023/24 Annual Report includes extensive and updated details of the activities of the Health Service and will be located on our BRHS internet page [here](#) following the 2023/24 Annual General Meeting.

Mandatory Criteria 3: Describe the risks of Modern Slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity own or controls.

In the previous reporting period BRHS acknowledged that one of the most significant challenges faced was identifying Modern Slavery related risks across the supply chain.

To address this BRHS continues to implement a targeted, risk-based approach to assess these risks within its operations and supply chains, This approach aligns with the *UN Guiding Principles on Business and Human Rights* ensuring that BRHS follows internationally recognised standards.

BRHS has continued to actively engage with HSV to understand the general Modern Slavery risks within our supply chains, and recognise that our global supply chains may expose us to Modern Slavery risks. As a Health Service with a largely skilled workforce employed under the terms and conditions of the relevant Enterprise Agreements, BRHS considers the risk of Modern Slavery within its direct business operations to be relatively low.

In line with a risk-based approach, BRHS remains committed to continuously assessing and monitoring these risks. Suppliers will continue to be examined in subsequent reporting periods to ensure that any emerging risks are addressed. Given HSV's significant role in BRHS' supply chains, HSV continues to assist us to identify the general risks of Modern Slavery that may be present in our sector.

BRHS continues to recognise that Modern Slavery practices are major violations of human rights and serious crimes, where coercion, threats, or deception are used to exploit victims and undermine or deprive them of their freedom. Modern Slavery practices include trafficking in persons, slavery-like practices (including forced labour and forced marriage) and the worst forms of child labour (including using children for prostitution or in hazardous work).

We recognise that Modern Slavery can affect any country and the United Nations estimates there are more than 40 million victims of Modern Slavery worldwide. 16 million of these victims are exploited in the private economy. Most of these victims are exploited in the Asia-Pacific region, in which the supply chains of a significant number of large businesses operating in Australia are based. Modern Slavery can occur in any sector or industry, and at any point in a supply chain, including those part of a supply chain located in Australia.

There is growing evidence that demonstrates a high occurrence of Modern Slavery in the sourcing of raw materials and in 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 health care equipment. Daily, health services use these goods to ensure the overall health and well-being of Australians. Australia remains reliant on these imports from global supply chains for the supply of these essential products to health services.

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. There is a high-risk that Australian businesses are exposed to Modern Slavery risks and that Australian goods and services are tainted by Modern Slavery. This risk may be heightened for large companies and other entities with extensive, complex and/or global supply chains.

Increased life expectancy and an ageing population is expected to impact on demand for health care goods and services in Australia in the years ahead, further increasing the risk of Modern Slavery within complex global supply chains.

It should be noted that identification of high-risk categories does not necessarily imply presence of slavery in the BRHS supply chain or operations but rather highlights areas of activities that may require further investigation and due diligence to both assess prevalence of any Modern Slavery-related risks and mitigate such risks.

Further, it should also be noted that BRHS has not caused or contributed to Modern Slavery practices, but rather, the service is linked to risks which exist off-shore and in high-risk geographies. We acknowledge that our rural location and proximity to the CBD, and the restricted variety and availability of manufacturers in our supply chain of some specific and necessary health related products, limits our ability to have choices in relation to where or whom our products are sourced from.

BRHS has continued to liaise actively with HSV in progressing the Modern Slavery supplier risk assessment process. In 2023/24 BRHS worked closely with HSV in addressing the present needs of the service and recognises the HSV Procurement Policy¹ which outlines HSV's commitment to assist mandated health services by assessing and addressing Modern Slavery risk in health service supply chains within Collective Purchasing Agreements, with a view to assisting mandated health services with meeting their Reporting Requirement under the Act.

HSV has assisted us greatly with the assessment of Modern Slavery risk in the supply chains of our Collective Purchasing Agreements. In 2022/23 HSV provided a support focus to the health service in fostering collaboration between HSV, Health Services and Suppliers to prioritise risk mitigation actions. As a result, supplier risk categorisations were previously progressed for 384 suppliers with HSV on behalf of Health Services, with 403 core suppliers invited for assessment in the 2023/24 period.

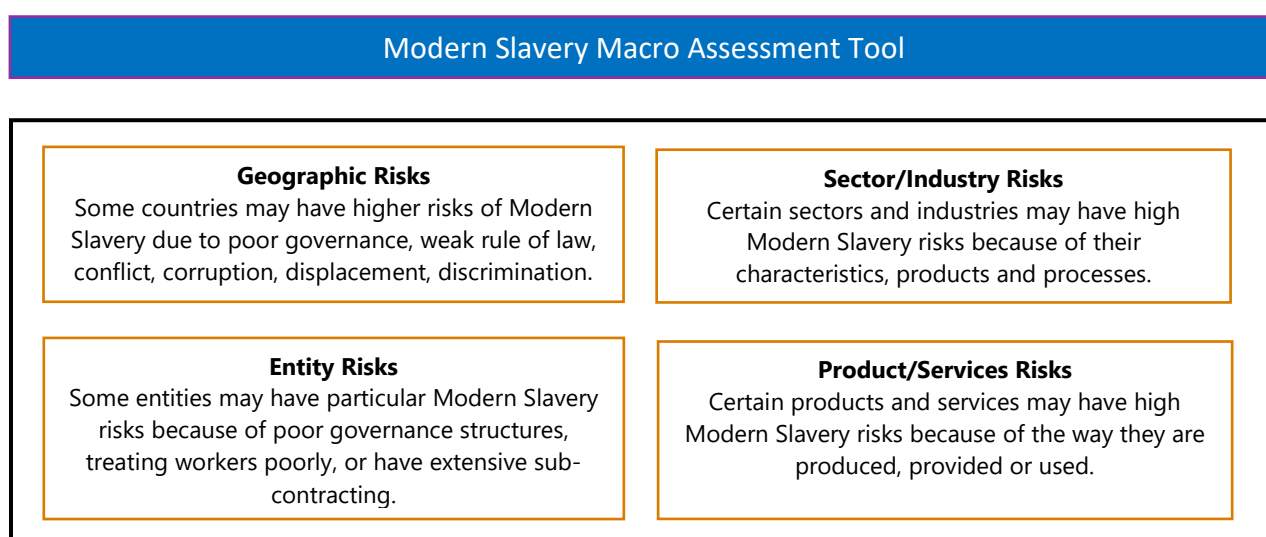
¹ HSV Procurement Policy, POL400 (October 2020) p. 4. See also, HSV Modern Slavery Toolkit (2020), p. 6.

The supplier risk categorisations process that continues to be conducted by HSV reflects the outcome of combined macro and micro components with assigned weightings. The macro assessment process 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. The macro assessment process also considered whether the nature of the supply chain model carried a greater risk of Modern Slavery. This type of assessment provides a general understanding of the scope of Modern Slavery risk that suppliers may carry.

In order to also extend the review process through to non HSV suppliers that transact with BRHS throughout the year, a letter was previously issued for BRHS' suppliers via e-mail and it outlined BRHS' requirement to report annually on Modern Slavery risks across its local and global operations and supply chains and to engage with suppliers on this issue. Further, the email included a Questionnaire and a Fact Sheet to assist BRHS in assessing suppliers' policies and practices relating to Modern Slavery.

Suppliers were asked to complete the questionnaire and return it to BRHS noting that a number of suppliers advised that they had a policy in place, and at that stage those suppliers had been risk rated at the Medium and Low risk rating level with nil at the high-risk level.

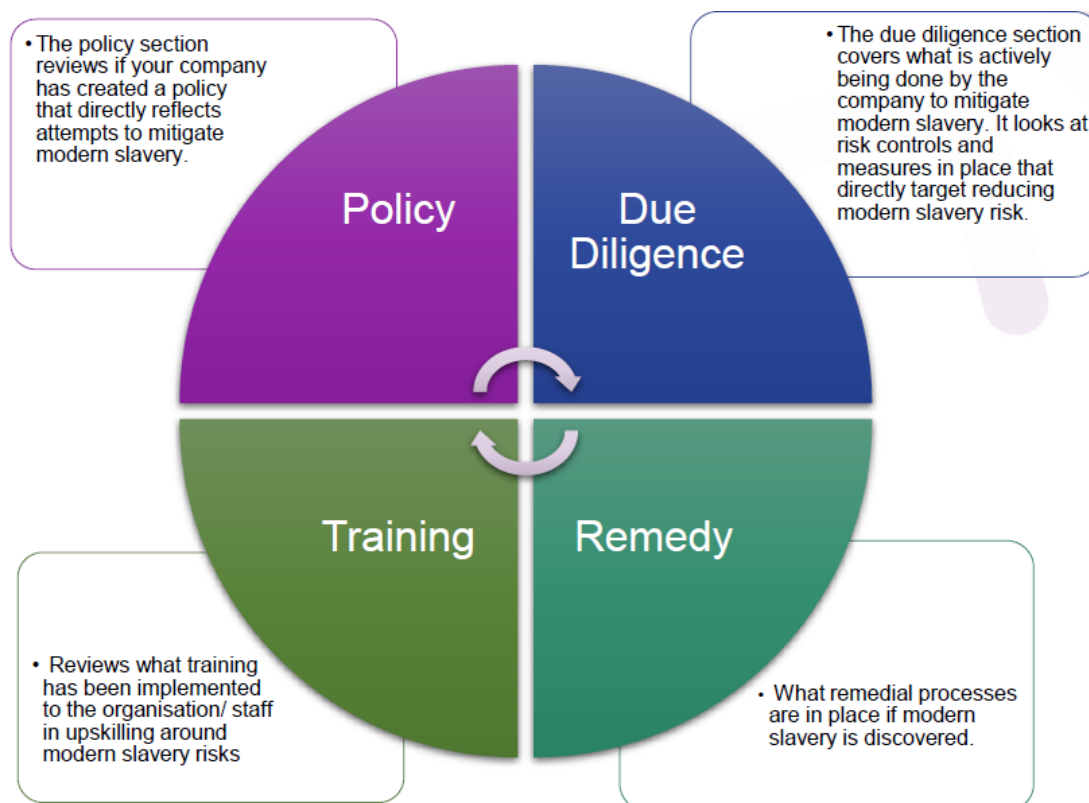
As noted previously, in the process of assessing suppliers, a Modern Slavery risk assessment tool (Tool), comprising of macro assessment and micro assessment components was utilised. The macro assessment process identified Modern Slavery risks across the following four categories:-



This process involved considering whether there existed 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.

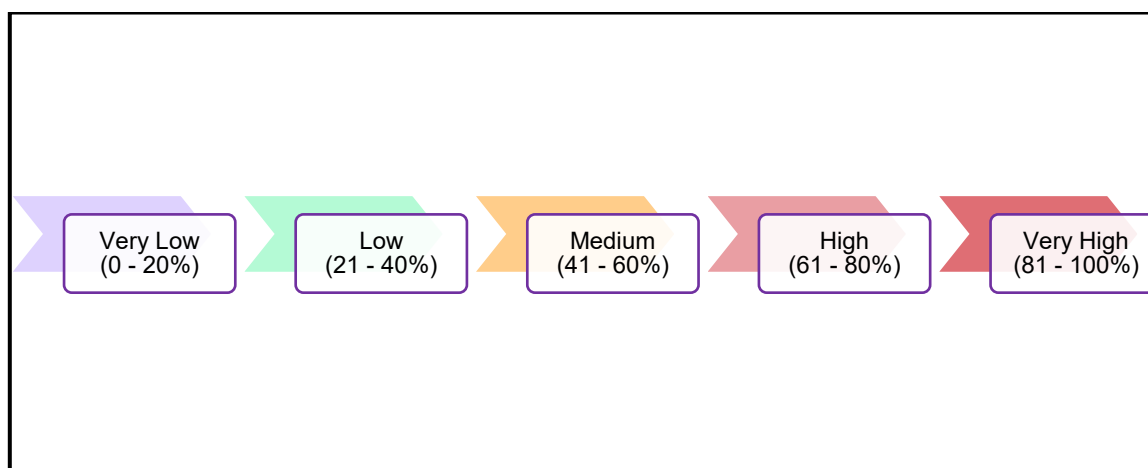
The micro assessment process facilitated a detailed analysis by identifying and assessing possible risk mitigation strategies suppliers already had in place or intended to implement across four categories: policy (governance) settings; due diligence systems and processes; remedial processes; and training. This means, for example, that suppliers with a 'very high' risk categorisation may not have provided training on their Modern Slavery policy to suppliers, and/or had limited supply chain visibility, and/or did not intend to implement prequalification processes. In contrast, suppliers with a 'low' risk categorisation had such measures in place. It is also important to note that since the completion of the Modern Slavery risk assessment process in 2022/23, suppliers may have already undertaken mitigation actions, and/or progressed items that previously allocated them a higher risk in the assessment undertaken.

HSV's Micro assessment involved risk identification across four categories as follows:



**extracted from the HSV Supplier Risk Assessment – September 2024 report.*

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:-



In the previous reporting period, BRHS developed a new BRHS supplier risk assessment process based on the data and criteria provided in the HSV Annual Modern Slavery Risk Assessment Report from 2022.

The updated Risk Assessment template was created and distributed to all 85 BRHS' existing suppliers (with an updated fact sheet), and an additional template also created for new suppliers. The risk assessment questionnaire included appropriate risk weightings for each response based on the supplier's governance maturity and understanding of their role in relation to Modern Slavery, as well as weighting based on geographical locations of the manufacturers of their supplied goods.

BRHS's assessment of the results showed that inviting all of our suppliers resulted in varied responses, including those of sole traders, and the data received was of little value. Of the 34 suppliers that responded many experienced technical issues/computer literacy issues with completing the assessment, many did not understand the context and the majority did not complete the questionnaire/assessment in full.

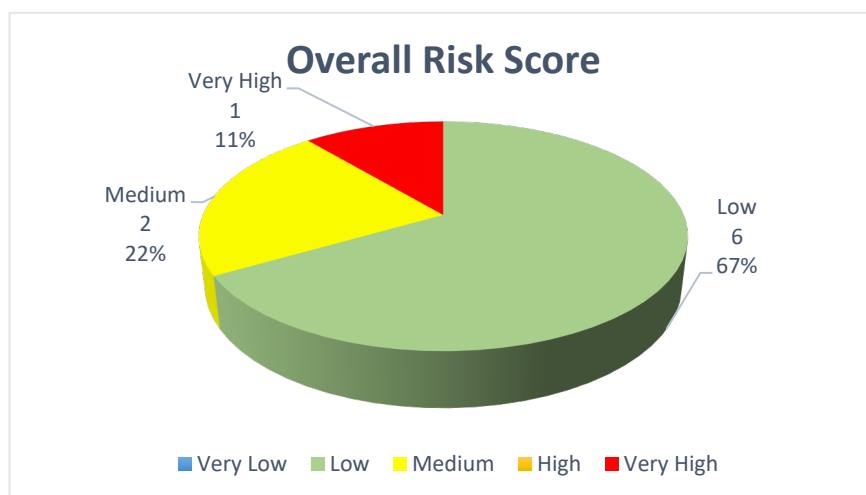
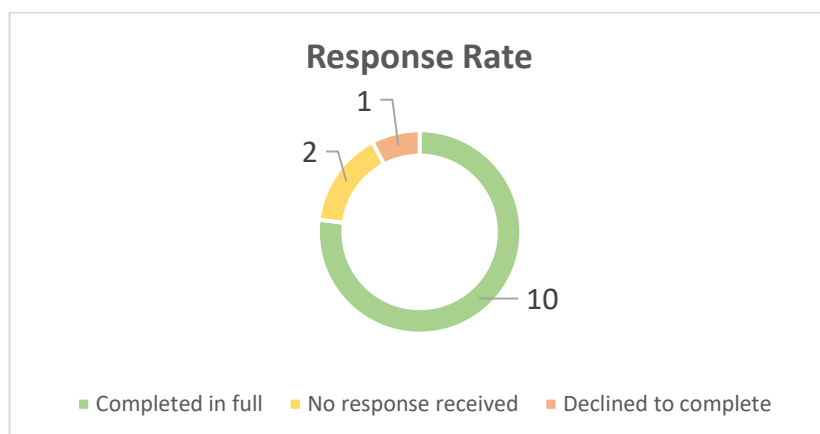
The analysis of these results happened to coincide with HSV developing and implementing a new 'Single Supplier Risk Assessment Tool' for use by health services. The tool was based on their own Modern Slavery Macro and Micro Assessment approach and scored suppliers based on policy risk, due diligence risk, training risk and remedy risk.

Further, HSV advised health services (who, through discussions in training forums run by HSV, appeared to be experiencing the same difficulties) to target their risk assessments specifically to their high-risk suppliers instead of a broad risk assessment process to all of their suppliers.

In planning for the distribution of the new Single Supplier Risk Assessment Tool, HSV advised health services to take into consideration:

- Spend Data (proposed top 30%)
- Risk of the particular industry/sector the supplier operates in, for example, high-risk industries in healthcare being cleaning, linen and textiles, medical supplies and equipment, security and freight.

Using the above criteria BRHS identified and invited 13 of its suppliers to complete the HSV Single Supplier Risk Assessment Tool, and the results are as follows:



BRHS noted that since conducting the assessment the one supplier identified as having an overall Very-High risk score (based on their responses to the assessment) has since transferred to the HSV collective agreement, and as such must improve their Modern Slavery practices.

Mandatory Criteria Four: Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes.

BRHS endorsed a Modern Slavery Policy in June 2021. This Policy was reviewed and updated during the 2023/24 period to provide further clarity of linked documentation and legislative alignment.

This Policy established BRHS' approach to the management of Modern Slavery risks within our operations and supply chains in accordance with the *Modern Slavery Act 2010 (Cth)* "the Act". The Policy noted that BRHS will adopt a risk-based approach for combatting Modern Slavery in its operations and supply chains. The Policy further outlines BRHS commitments as well as the key roles and responsibilities of the BRHS team.

BRHS has also to date undertaken the following actions to further enhance the focus on Modern Slavery risks:

- Enhanced our Board and Senior Management awareness of our Modern Slavery obligations;
- Continued to develop our assessments of direct suppliers based on spend data;
- Published a Modern Slavery factsheet on our staff intranet site;
- Reviewed the BRHS Procurement Framework 2023-2026 to address Modern Slavery;
- Included Modern Slavery in our organisational risk register;
- Created a new Modern Slavery Risk Assessment Template and reviewed the results;
- Updated our procurement contracts and tender documents to include Modern Slavery clauses;
- Adopted and implemented the HSV Single Supplier Risk Assessment Tool.
- Provided opportunities for staff to complete the HSV Modern Slavery training module via our Kineo platform;

BRHS recognises the importance of continuing to progress this high priority activity and will endeavour to undertake further actions in the 2024/25 reporting period including the following:

- Continue our training, induction and awareness to include our non HSV suppliers and contractors;
- Develop a Supplier Due Diligence procedure;
- Review and update our terms and conditions to include Modern Slavery;
- Add the ability to report any instances of Modern Slavery in the BRHS supply chain via our website;
- Provide communications to key staff to ensure awareness and clarity around Modern Slavery related considerations and responsibilities;
- Review and update the BRHS Public Interest Disclosure – (formerly Protected Disclosures Policy) to include Modern Slavery grievances.

The focus of this reporting period under the *Modern Slavery Act 2018 (Cth)* has been progressing the supplier risk assessment and risk rating process in liaison with HSV. In the next reporting period, BRHS intends to continue to liaise with HSV in ensuring the assessment process continues to align with the

expectations of the Modern Slavery Act, and the annual Modern Slavery Risk Assessment Summary produced by HSV.

The process will continue to prioritise the engagement of suppliers with a 'very high' and 'high' risk categorisation. These suppliers will be reminded of their obligation under the Victorian Government Supplier Code of Conduct to proactively identify and address risks of Modern Slavery practices in their business operations and supply chains. The engagement process will focus on directing these suppliers to publicly available resources and tools to support them in their risk mitigation actions.

Mandatory Criteria Five: Describe how the reporting entity assesses the effectiveness of actions taken to assess and address Modern Slavery risks.

During the reporting period of FY 2023/24, our focus was to continue to enhance our understanding of our Modern Slavery risks and how they may be present in our operations and supply chains, and to develop an enhanced risk assessment questionnaire based on the updated risk data provided by HSV.

Further, by undertaking the HSV designed 'Single Supplier Risk Assessment Tool' BRHS received more accurate data on the understanding and level of maturity our suppliers have on Modern Slavery risks.

BRHS aims to further mature its understanding of the Modern Slavery Act by actively collaborating with Health Share Victoria to embed learnings and risk management tools into its procurement processes.

BRHS plans to undertake supplier engagement activities such as directing suppliers to free training resources tools and templates. This collaborative effort emphasises BRHS commitment to reducing Modern Slavery risks. As also noted above, BRHS has also progressed the risk assessment process on our non-HSV suppliers and this activity will continue to remain a high priority going forward.

Mandatory Criterion Six: Describe the process of consultation with any entities the reporting entity owns or controls

BRHS does not own or control any other entities.

Mandatory Criterion Seven: Any other relevant information

BRHS will continue to plan, review and implement the necessary measures to further enhance the HSV implementation guidance designed to support Health Services in addressing Modern Slavery risks. Additionally, BRHS will continue to maintain a close partnership with HSV to continue to develop and refine the practices and processes that underpin a successful Modern Slavery framework. This ongoing collaboration ensures that BRHS remains proactive in improving its approach, reinforcing its commitment to compliance with Modern Slavery regulations.

Closing statement

BRHS remains confident that the steps taken to date have established a strong foundation for a robust Modern Slavery framework. While acknowledging there is more to do, BRHS is highly committed to continually improving our approach. This includes working closely with HSV, partnering with our stakeholders and working towards eradicating Modern Slavery.

This statement was approved by the Board of Bairnsdale Regional Health Service on 28 November 2024.

Signature



Sandra Leggat
Board Chair
Bairnsdale Regional Health Service