



MODERN SLAVERY STATEMENT FINANCIAL YEAR 2021/22

THE ROYAL VICTORIAN EYE AND EAR HOSPITAL



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Introduction

This Modern Slavery Statement is made in accordance with the Commonwealth Modern Slavery Act 2018 (the Act) by The Royal Victorian Eye and Ear Hospital (Eye and Ear) and relates to the financial year 1 July 2021 to 30 June 2022.

The Eye and Ear commenced its journey in 2020 with an initial Modern Slavery Statement and has been working closely with HealthShare Victoria (HSV) to ensure the principles of the Modern Slavery Act are understood and addressed in the hospital's supply chain processes and employer relations.

In accordance with the Modern Slavery Act, the Eye & Ear has submitted two previous statements for 2019/20 and 2020/21.

Structure

The Eye and Ear is a health service established under section 181 of the Health Services Act 1988 (Vic) and is a stand-alone entity that does not own or control any other entities.

The hospital is Australia's only specialist Eye and ENT hospital and has been providing care for over 150 years.

The hospital's Statement of Priorities is the key service delivery and accountability agreement between the Royal Victorian Eye and Ear Hospital and the Victorian Government for 2021-22. This agreement facilitates delivery of, or progress towards, the government's commitments for the financial year.

Operations and Supply Chain

The hospital operates from a central hub in East Melbourne, Victoria. The hospital also provides support for service delivery in other outpatient and community settings in rural Victoria and via telemedicine facilities. As the largest public provider of ophthalmology and ENT services in Victoria the hospital delivers more than half of Victoria's public eye surgery and all of Victoria's public cochlear implants.

In 2021-2022 the Eye and Ear cared for approximately 53,139 patients throughout Victoria, providing over 170,000 episodes of care.

The Eye and Ear has over 60 different outpatient clinics for the diagnosis, monitoring, and treatment of vision and hearing loss and provides a 24-hour Emergency Department for patients requiring urgent care and treatment for their eyes, ears, nose or throat.

Since its beginnings in 1863, when the hospital was an infirmary treating diseases of the eye and ear amongst Melbourne's poor, the hospital has grown in size and reputation. As a world leader in Eye and ENT services, the hospital is now at the cutting edge of research and teaching. This is supported through a close association with the University of Melbourne Departments of Ophthalmology and Otolaryngology, the Centre for Eye Research Australia (CERA), the Hearing CRC and the Bionics Institute.

The Hospital set up an Ophthalmology Outreach Clinic at the Victorian Aboriginal Health Service (VAHS) in Fitzroy. This clinic provides ophthalmology services for both adult and paediatric Aboriginal and Torres Strait Islander patients in a culturally safe environment. Both the eye and ear clinics are run in partnership

with VAHS. These clinics are now well established and are fully utilised and have continued during the COVID-19 pandemic.

The hospital is currently undergoing a major redevelopment to create a modern facility and improve access for patients, visitors, and staff.

HealthShare Victoria (HSV) is a state-wide procurement organisation that partners with Victorian public health services to procure best-value goods and services. HSV continues to work 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. The Eye and Ear purchase the goods and services it needs from the suppliers who are party to HSV collective agreements. In March 2022, HSV opened their new distribution centre in Tarneit, where they stock more than 2000 medical and healthcare-related goods. The Eye & Ear was part of the first tranche of Health Services to receive goods from this distribution centre. As such, it is recognised that HSV has a significant role in our health service supply chain.

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 per annum.

HSV contracts cover a broad range of services, equipment and supplies across several categories including ventilators, beds, mattresses, patient trolleys, treatment chairs, hypodermic needles and syringes, gloves, pharmaceutical products, IV fluids, agency labour, catering supplies, laundry, linen services and non-emergency patient transport. A full list of HSV's sourcing categories can be found at <https://www.hpv.org.au/contracts-and-documents/contracts>.

In addition, the Hospital works with another 450 suppliers with a total recurrent spend of \$36 million. These suppliers provide a broad range of surgical implants, stationery, printing, support services such as cleaning, patient meals, portering, gardening, courier, biomedical engineering and general maintenance.

The main focus during the last financial year under the Modern Slavery Act 2018 has been to continue to work with HSV to undertake supplier risk assessments within HSV Collective Purchasing Agreements, which are reported with findings in this statement.

Modern slavery risks area

There is growing evidence that demonstrates a high occurrence of modern slavery in the sourcing of raw materials and the production of healthcare goods, including gloves, surgical instruments, patient clothing, uniforms and footwear of healthcare professionals, sheets, towels, other textiles and electronic health care equipment. Daily, health services use these goods to ensure the overall health and well-being of Australians. Australia is 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 healthcare 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.

The Eye and Ear understand that the COVID-19 pandemic has heightened the risk of modern slavery in the healthcare sector. The International Labour Organisation has predicted that between 20 million and 35 million more people will be working in poverty than in the pre-COVID-19 estimate. The COVID-19 pandemic has posed unprecedented challenges, disrupting supply chains, causing many workers to lose their jobs, and being forced to look for opportunities in informal economies, which are rife with exploitation. Businesses are contending with difficult human rights trade-offs to secure their financial viability. The COVID-19 pandemic has also provided employers with stronger incentives and greater latitude for exploitation as there is reduced scrutiny of labour standards.

Increased life expectancy and an ageing population is expected to increase 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.

The Hospital's redevelopment project has had major delays due to the Covid19 pandemic affecting resources and materials, leading to timelines again being extended.

The Hospital has reduced capacity to complete a detailed risk assessment on all its operations and supply chains. We continue to work with HSV who are providing the health sector with Community of Learning (COL) sessions and assessments that assist to identify the general risks of modern slavery that may be present. HSV upholds the Australian Government's position on modern slavery, where 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 in assessing their operations and supply chains for modern slavery risks.
- Implementing and enforcing effective systems and controls to reduce the risk of modern slavery.
- Ensuring there is transparency in its operations and approach to addressing modern slavery.
- Fostering open and transparent supplier relationships which encourages 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.

HSV recognises its significant role in health service supply chains and the benefit of its actions for the broader sector.

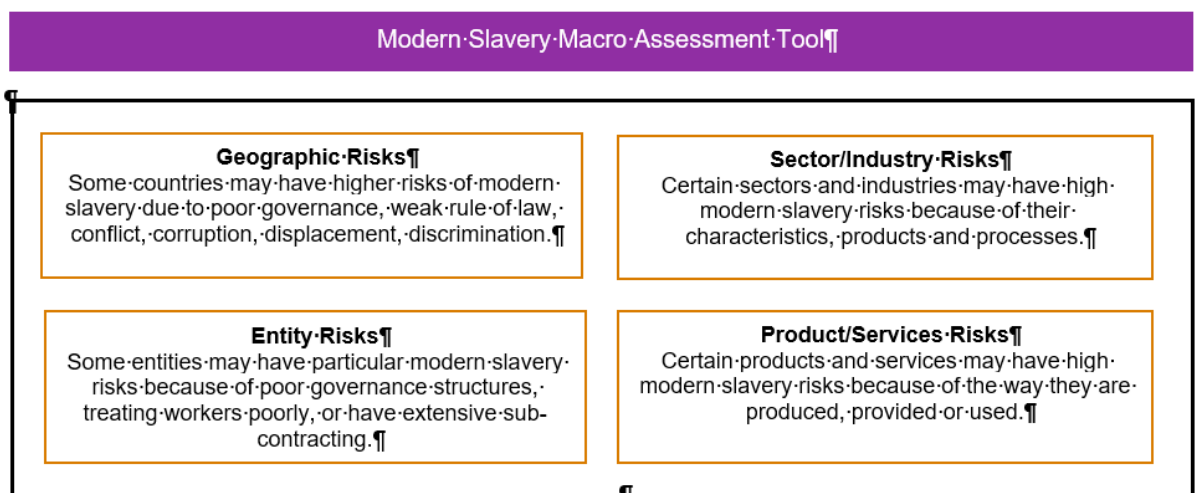
The Eye and Ear note that the health service has not caused or contributed to modern slavery practices, but rather, the health service is linked to risks that exist offshore and in high-risk geographies. The Hospital recognises that the extensive nature of its global supply chains may expose it to modern slavery risks. Given all of the above, at the moment the hospital is largely reliant on HSV as they play a significant role in the Eye and Ear Hospital's supply chain.

Our Actions

The following actions were undertaken during the 2021-22 reporting period to address modern slavery risks in the Eye and Ear Hospital's supply chains:

1. The Hospital's Procurement procedure was approved. The procedure now includes information on modern slavery in health supply chains and capturing allegations of modern slavery practice(s), complaints management and remediation processes.
2. In December 2021, the Hospital submitted its second Modern Slavery Statement
3. Collective Agreements: In the last statement it was advised that HSV had conducted their macro & micro assessments in relation to HSV contracted suppliers (Collective agreements). In the last financial year, HSV has written to all very high, high and medium-risk suppliers providing these suppliers with tools and resources to develop/enhance their modern slavery risk management systems. HSV also outlined their contractual obligation under Collective Purchasing Agreements and expectation under the Victorian Government Supplier Code of Conduct to respond to modern slavery risk in their operations and supply chain
4. The focus of our third reporting period of 2021/22 was to work collaboratively with HSV to identify mitigation efforts to combat modern slavery risks, and foster collaboration between the Eye and Ear and suppliers to seek to address these risks. The hospital used its own modern slavery risk assessment tool comprising macro assessments and micro assessment components.

The macro assessment identified modern slavery risks across four categories.



This type of assessment provided a general understanding of the scope of modern slavery risks that suppliers may carry.

The micro-assessment facilitated a more detailed analysis by identifying possible modern slavery risks and determining what risk mitigation strategies suppliers already had in place and what risks would need to be managed.

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: low, medium, or high, with the following results.

Risk Category	No. Suppliers
High	0
Medium	2
Low	23

As part of the baseline assessment the Suppliers were checked to see if they had submitted Modern Slavery Statements, this was to ascertain how mature the Suppliers were in dealing with modern slavery risks. This was a simple Yes/No response by checking the Home Affairs Modern Slavery register by the suppliers name or ABN.

It was found that only 8 suppliers had submitted a Modern Slavery statement for the previous year. These suppliers showed that they understood the potential modern slavery risk in their business practices.

It has been agreed with HSV that the remaining 17 suppliers should be sent a questionnaire as part of a state-wide approach rather than undertaken by individual health services. This approach will save resources on health services and suppliers by having a central portal and single point contact.

5. We continue to update our existing contracts, which is actioned during the renewal of contracts process. During the last financial year, there was only one tender for minors works for the Vertical Transport upgrade, where we ensured that the tender and contract referenced and assessed each supplier against the Modern Slavery Act 2018 requirements.
6. Continued to attend Community of Learning (COL) forums held by HSV on modern slavery facilitated by the Supply Chain Risk Manager. The HSV forums continue to support Victorian health services in addressing modern slavery risks in their operations and supply chains. HSV provided these forums monthly to health services:
 - July 2021 – Modern Slavery Statements
 - August 2021 – Modern Slavery Risk Assessments
 - September 2021 – Demonstrating Progress
 - October 2021 – Good Practice Reporting
 - November 2021 – Australian Border Force Presentation
 - March 2022 – HSV Work Program Update
 - April 2022 – Supplier Risk Remediation
 - May 2022 – Modern Slavery Act 2018 (Cth)
 - June 2022 – HSV Modern Slavery Position Statement
7. Developed and issued a fact sheet on Modern Slavery, which was issued to the Product Evaluation Committee.

Assessment effectiveness

1. In assessing our effectiveness in the next year, the hospital has included a review of compliance with the requirements of the Modern Slavery Act as part of its internal audit program, with the findings and recommendations available by December 2022. This will likely identify areas for the Eye and Ear Hospital to further improve its practices and policies and further demonstrate its commitment to the Modern Slavery Act 2018.
2. In the next year, we will seek further support from HSV to extend their Community of Learning (COL) forums to a wider staff group to expand staff's knowledge base and awareness.
3. We will continue to work closely with HSV to assess all suppliers, which should assist in creating longer-term solutions to reduce the modern slavery risks within the Health Services supply chain.
4. The Hospital has maintained a robust COVID-19 readiness and response, to ensure it can rapidly respond to outbreaks, if and when they occur. The events of the past twelve months have remained complex and ever-changing that has put ongoing pressures on the health service, staff, patients and the wider community.

In January, 2022, the Victorian Government declared a Code Brown emergency for multiple public health services in response to the rising number of people being hospitalised with COVID-19. While the Code Brown didn't have any significant impact on the Eye and Ear, the pandemic in general has increased the reliance on the Supply staff to ensure the hospital has adequate supplies of PPE and other relevant supplies.

Approval and signature

Working closely with HealthShare Victoria shows that modern slavery exists in our supply chain and that it has the potential to impact the simplest or more complex procurement activity. Whilst we have completed some assessments on suppliers outside of the Collective agreements, we recognise that we cannot do this by ourselves nor can we disengage with our suppliers. We believe that a long-term solution requires a consistent, collaborative approach and effort across the Health Sector, so we can all work together. With Supplier risk assessments being led by HealthShare Victoria, this will develop longer-term solutions to address modern slavery risks in the Health sector supply chain.

The hospital recognises there is more to do and will continue to refine and further improve its approach and assessment to identify and respond to the risk of modern slavery practices within our organisation.

This statement has been prepared in accordance with the Australian Modern Slavery Act 2018 which came into effect on 1 January 2019.

The Board of The Royal Victorian Eye and Ear Hospital approved this statement on 8 December 2022.



Brendon Gardner
Chief Executive Officer