

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 2019 to 30 June 2020

Identify the reporting entity and describe its structure, operations and supply chains

Central Gippsland Health Service is a health service established under section 181 of the *Health Services Act 1988* (Vic).

Central Gippsland Health Service 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.

We are 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.

HealthShare 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. Central Gippsland Health Service 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 449 tier-one suppliers and is responsible for more than 65 contracts with a spend value of over \$1.16 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-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.

Prompt Doc No: <#doc_num> v<#ver_num>

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Review & Update by: <#next_review_date>

Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls

Central Gippsland Health Service has taken 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.

Additionally, this approach has enabled Central Gippsland Health Service to continue addressing areas of higher modern slavery risk while managing significant resourcing constraints due to the COVID-19 pandemic. 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 will be further examined in subsequent reporting periods.

Central Gippsland Health Service recognises that the extensive nature of our global supply chains may expose us to modern slavery risks. Given HSV's significant role in Central Gippsland Health Services' supply chains, HSV has helped identify the general risks of modern slavery that may be present.

HSV has scoped the general modern slavery risks in health service supply chains by drawing on academic research and international and domestic reports and analysis. Central Gippsland Health Service may be exposed to a 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.

Some of the general risk areas present in Central Gippsland Health Services' 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.

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.

Given the level of complexity in such extensive supply chains, HSV will continue 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. These risks include:

- Increased global demand due to supply chain shortages, particularly in the category of personal protective equipment;
- Shorter production windows;

Prompt Doc No: <#doc_num> v<#ver_num>

<#issue_date>

Entered on PROMPT:
Review & Update by: <#next_review_date>

- Increased unemployment and a fear of loss of income;
- Factory closures; and
- Inability of vulnerable migrant workers to return to home countries.

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

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

Central Gippsland Health Service 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 to identify products manufactured in countries where modern slavery is a recognised or emerging risk. During the period 1 July 2019 to 30 June 2020 Central Gippsland Health Service commenced its preparatory work to establish a framework to mitigate modern slavery risks. The following specific measures were undertaken:

- Supplier Audit

Central Gippsland Health Service is in the process of compiling a database of its top tier suppliers of medical equipment by spend including country of manufacture of goods. This data will allow Central Gippsland Health Service to initially assess the potential modern slavery risks in its operations and supply chains with emphasis on high risk geographical locations and business transactions. This comprehensive database will allow Central Gippsland Health Service to conduct further due diligence on local and global supply chains and highlights the suppliers that it needs to engage with to assess whether Central Gippsland Health Service is being complicit in the modern slavery trade.

- Documentation development

Central Gippsland Health Service is developing and revising its procurement documentation to ensure: compliance with the Act from its suppliers; identify suppliers where the risk of modern slavery is high; and otherwise identify areas of risk in its procurement practises.

Central Gippsland Health Service recognises that its suppliers are in the preliminary stages of modern slavery risk identification. In order to establish open and transparent supplier relationships, Central Gippsland Health Service developed a supplier questionnaire with the objective of improving supplier awareness of modern slavery. The supplier questionnaires are to be sent during the course of the 2020/21 reporting period.

Central Gippsland Health Service is revising its tender templates to ensure that all future tender and sourcing activities require our suppliers demonstrate their compliance with the mandatory evaluation criteria and to ensure that there are efforts being made to ensure equitable labour conditions in supply chains.

Central Gippsland Health Service is updating its procurement agreement templates to include obligations on suppliers to continuously monitor and report on modern slavery within its organisation and supply chain and to report to Central Gippsland Health Service on the steps it is taking towards compliance with the mandatory evaluation criteria.

Central Gippsland Health Service is updating its risk register to include obligations of the organisation in monitoring and reporting on modern slavery impacts to the organisation.

Prompt Doc No: <#doc_num> v<#ver_num>

<#issue_date>

Entered on PROMPT:
Review & Update by: <#next_review_date>

During the Reporting Period, Central Gippsland Health Service did not establish any remediation processes focused solely on modern slavery. As an organisation Central Gippsland Health Service values and observes all laws regarding corporate social responsibility, environmental and workplace safety protection and staff inclusion and diversity. Central Gippsland Health Service has a whistle-blower policy and protocol for receiving anonymous disclosures under the policy, and it is proposed to extend these processes and the scope of protected disclosures under the policy to include anonymous reporting of suspected modern slavery practices in CGH's supply chain.

In recognition of the significant role that HSV has in health service supply chains and the substantial resourcing constraints placed on Central Gippsland Health Service as a result of the COVID-19 pandemic, HSV undertook numerous activities between 1 July 2019 and 30 June 2020 to address modern slavery risks in Central Gippsland Health Service's supply chains.

HSV has established a modern slavery program of work and appointed a Supply Chain Risk Manager to implement the program and support Victorian health services to address modern slavery risks in their operations and supply chains. The program encompasses health service education and support, supplier engagement, due diligence and remediation, amongst other activities.

HSV upholds the Australian Government's position on modern slavery. HSV has updated its Procurement Policy to include a statement on combatting modern slavery in health supply chains and capturing allegations of modern slavery practice(s) in its remit of complaints management, enabling the development of remediation processes. The Procurement Policy is an important internal document that outlines HSV's position on procurement governance and activities, including its response to Government policy.

The amendment to the Procurement Policy consolidates HSV's position on modern slavery, which will in turn inform other internal governance amendments and educational resources for the health sector. The modern slavery section of HSV's website contains information and resources to assist reporting entities required to submit a Modern Slavery Statement.

As part of its due diligence, HSV has included a modern slavery clause in some Invitation to Supply (ITS) documentation to ensure prospective suppliers acknowledge their responsibility to health services that are reporting entities pursuant to the Act. In addition to its inclusion in the ITS, this clause has been incorporated into select executed contracts.

As well as specific modern slavery provisions, 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. Under the Supplier Code of Conduct, suppliers are expected to proactively identify, address and - where required by legislation - report on risks of modern slavery practices in their business operations and supply chains.

To further enhance its approach to due diligence, HSV is developing a Supply Chain Management dashboard. The dashboard will synthesise and analyse HSV supply chain data, providing additional capability to detect and prevent modern slavery risk in health supply chains. This platform will enable HSV to:

- Conduct in-depth supply chain mapping (tier one+);
- Develop detailed modern slavery risk analysis and dashboard reporting;
- Screen prospective suppliers for modern slavery risk as part of ITS due diligence activities;
- Assess incumbent suppliers on modern slavery risk through tailored supplier questionnaires; and

Prompt Doc No: <#doc_num> v<#ver_num>

<#issue_date>

Entered on PROMPT:
Review & Update by: <#next_review_date>

- Manage remediation actions arising from due diligence or supplier questionnaires.

In addition to these activities, HSV has facilitated training workshops for HSV staff and key health service stakeholders on modern slavery practices and the requirements of the Act.

The significant impact that COVID-19 has had on health procurement and supply chains has meant that HSV has had to postpone planned supplier engagement activities, however these remain an important part of the modern slavery program of work. While the priority for the first reporting period was to implement actions to address identified high-risk areas, HSV will continue to investigate what actions it can take in response to the modern slavery risks caused by the COVID-19 pandemic.

Case Study

HSV was made aware of allegations of forced labour in the manufacturing of a clinical product currently sourced under HSV's collective agreements. HSV did not have a direct relationship with the manufacturer and it engaged all tier-one suppliers within the category to determine if the manufacturer was involved in their supply chains and, if so, what corrective actions were implemented to address any modern slavery risks.

Suppliers were asked to provide evidence of their commitment to the Supplier Code of Conduct, which requires suppliers to proactively identify modern slavery risks. HSV received detailed survey responses from all suppliers, including details of social responsibility audit non-conformities and remediation actions. This information was used to assess all tier-one suppliers and will inform future engagement activities.

Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks

Central Gippsland Health Service 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, Central Gippsland Health Service 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.

Central Gippsland Health Service's actions need to go further before providing any meaningful commentary on the effectiveness of our preliminary actions. Central Gippsland Health Service will be guided by engagement with existing suppliers and HSV in amending our agreements to include modern slavery compliance obligations and on reviewing completed supplier questionnaires in the development of its future action plan.

This process will provide Central Gippsland Health Service with an opportunity to commence a dialogue with suppliers and to understand which suppliers are aware of and/or required to comply with the Act, how suppliers are currently responding to combatting modern slavery practices and which suppliers Central Gippsland Health Service will need to engage further with based on a higher level of identified risk.

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

Prompt Doc No: <#doc_num> v<#ver_num>

<#issue_date>

Entered on PROMPT:
Review & Update by: <#next_review_date>

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.

Describe the process of consultation with any entities the reporting entity owns or controls

Central Gippsland Health Service does not own or control any other entities.

Other relevant information

In order to support the implementation of the Act within health services, HSV has developed a toolkit to assist with meeting the requirements under the Act. The toolkit will contain:

- A modern slavery plan to support the implementation of the governance structures, policies, processes and risk registers needed to underpin a successful modern slavery framework;
- Advice on implementing a modern slavery policy;
- A modern slavery risk register to capture and address the key modern slavery risks that a health service might cause, contribute or be directly linked to;
- A modern slavery risk assessment tool, including advice on modern slavery risk assessments, supplier questionnaires for ITS due diligence and incumbent suppliers and advice on how to interpret questionnaire results;
- A modern slavery fact sheet to facilitate staff training; and
- Supplier contract considerations, including the addition of modern slavery clauses in contracts.

The rollout and implementation of the toolkit will support health services to conduct their own risk assessment, due diligence and remediation activities.

Central Gippsland Health Service intends to implement the toolkit once it becomes available.

Closing statement

Central Gippsland Health Service 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 9 March 2021.



Tony Anderson
Board Chair
Central Gippsland Health Service