

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 2022 to 30 June 2023.

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 multifaceted and growing regional health system providing a comprehensive array of health care services to the East Gippsland community. BRHS is driven by the vision to be an innovative leader in the health care field and provide outstanding person centred services to our community.

Three campuses in Bairnsdale provide a wide range of professional specialties including emergency, acute, sub-acute, maternity, residential aged care, allied health, community health, oral health, information technology, administration, finance and extensive support services.

To progress the wide array of procurement requirements at BRHS, we have continued to work very closely with HealthShare Victoria (HSV) which is a state-wide procurement organisation who 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. BRHS purchases the goods and services it needs to support the provision of patient care 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.

Of note, HSV continues to actively work with approximately 500 tier-one suppliers and is responsible for a wide array of contracts with a spend value in excess of \$1billion. Further, 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, as appropriate, undertake activities to investigate whether supply chains were restructured as a result of the significant procurement challenges faced during the pandemic.

BRHS had in excess of 1,000 staff employed in 2022/23 and the 2022/23 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 2022/2023 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 biggest challenges faced was the identification of modern slavery related risks across the supply chain

BRHS continues to take a targeted, risk-based approach to assessing modern slavery risks within its operations and supply chains, consistent with the UN Guiding Principles on Business and Human Rights.

BRHS has continued to actively engage with HSV to understand the general modern slavery risks within our supply chains. Further, 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, these risks will continue to be further examined in subsequent reporting periods going forward.

BRHS continues to recognise that the extensive nature of our global supply chains may expose us to modern slavery risks. 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.

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).

BRHS also continues to 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.

The COVID-19 pandemic has somewhat heightened the risk of modern slavery in the health care sector. The International Labour Organisation has predicted that between 20.1 million and 35 million more people will be in working poverty than in the pre COVID-19 estimate. The COVID-19 pandemic 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. It is noted that the COVID-19 pandemic 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 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.

BRHS has continued to liaise actively with HSV in progressing the Modern Slavery supplier risk assessment process. BRHS works 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. BRHS has also progressed and further reviewed the Modern Slavery Policy which will be completed in the early part of the new financial year.

As noted in the 2021/2022 BRHS Modern Slavery Statement, HSV assisted us with the assessment of modern slavery risk in the supply chains of our Collective Purchasing Agreements. In 2022/2023 HSV has 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 299 suppliers with HSV on behalf of Health Services concentrating resources on obtaining consent from assessed suppliers with a risk categorisation of 'very high' and 'high'.

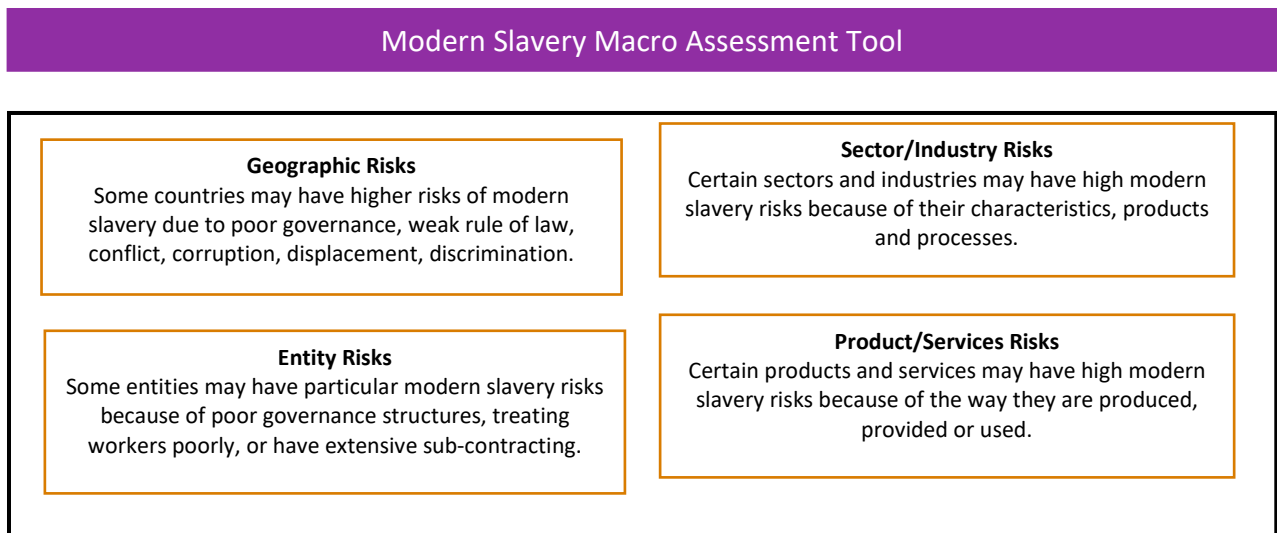
Further, the supplier risk categorisations process that continues to be conducted by HSV reflects the outcome of combined macro and micro components with assigned weightings. The macro assessment process considered whether there is a high prevalence of modern slavery in a particular sector or industry, 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.

The micro assessment process 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 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, suppliers may have already undertaken mitigation actions, and/or progressed items that previously allocated them a higher risk in the assessment undertaken.

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 this stage these suppliers have been risk rated at the Medium and Low risk rating level with nil at the high risk level.

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

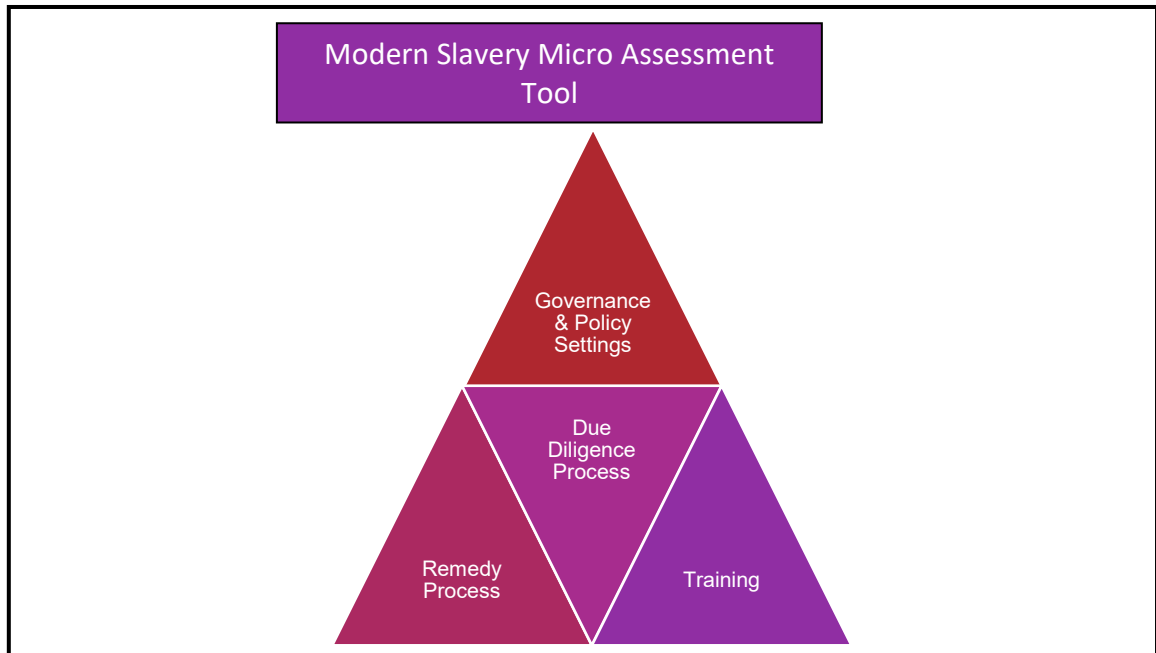
As noted previously, in the process of assessing suppliers, a modern slavery risk assessment tool (Tool), comprising of macro assessment and micro assessment components was utilised. The macro assessment process identified modern slavery risks across the following four categories:-



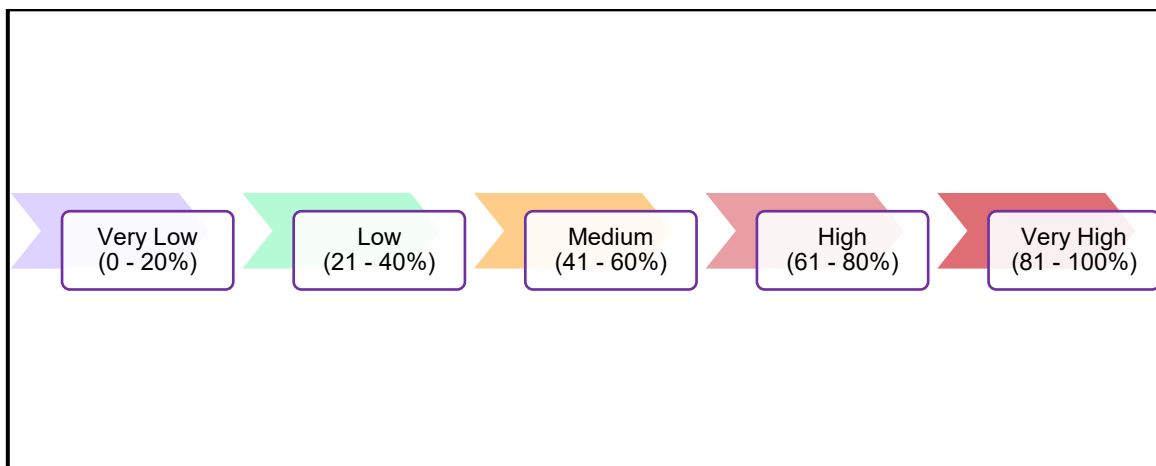
This process involved considering whether there is a high prevalence of modern slavery in a particular sector or industry, or associated with a particular good or service, or in the location that the product or service is sourced or produced from. The macro assessment also considered whether the nature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

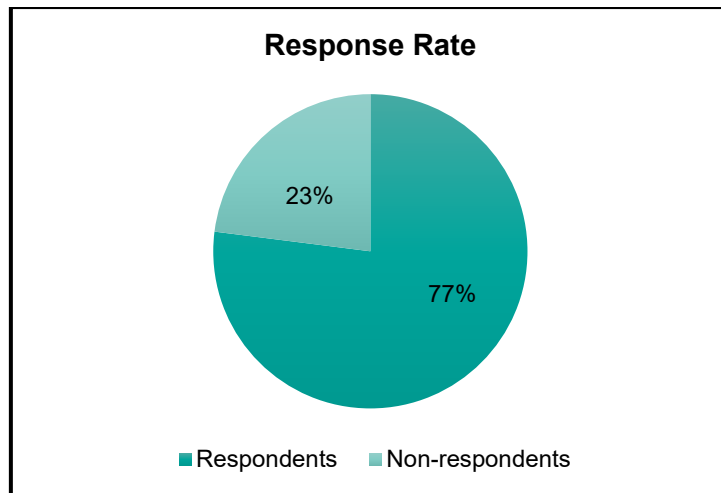
Micro assessment involved risk identification across four categories as follows:-



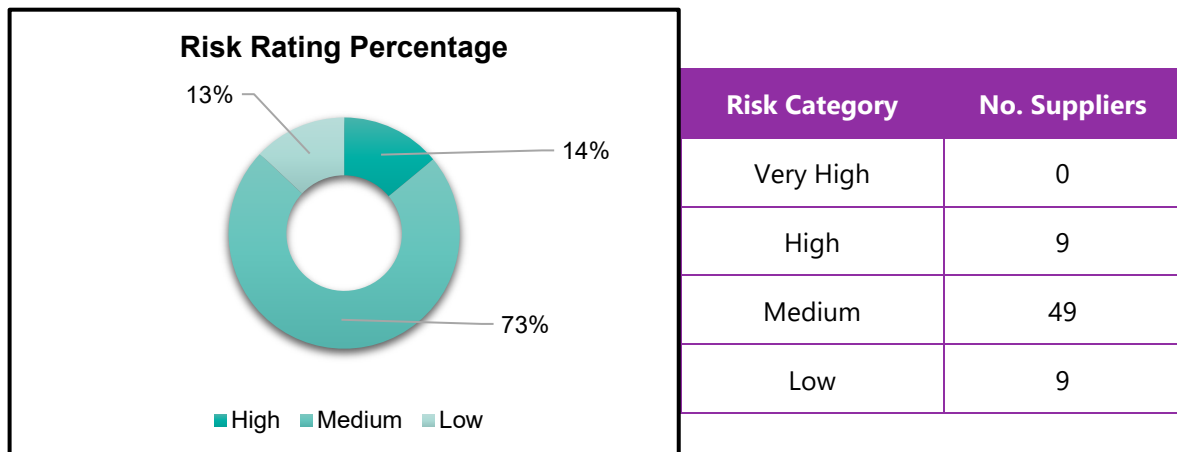
Both the macro and micro components included assigned weighting, rating, and risk scales, designed to allocate a modern slavery risk rating to suppliers. Suppliers were allocated one of the following risk ratings: very low, low, medium, high, or very high:-



The Assessment Tool was operationalised in the form of a HSV Modern Slavery Supplier Questionnaire "Questionnaire" on HSV's supply chain management platform Informed 365. As noted previously, the Questionnaire was rolled out to all 87 BRHS suppliers to coincide with the conclusion of the second reporting period under the Act. During this period, there were 67 respondents and 20 non-respondents, providing an overall response rate of 77 percent as follows:-



The all-inclusive, combined macro and micro assessment outcomes for suppliers is illustrated below and also outlines the risk categories in which the suppliers fall:-



In the current reporting period, BRHS has 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 BRHS’ suppliers (with an updated fact sheet), with an additional template also created for new suppliers. The risk assessment questionnaire includes 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.

These questionnaires were emailed at the end of the reporting period, in June 2023, thus the results of the returned questionnaires will be assessed and summarised in BRHS’ 2023/24 Modern Slavery statement.

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, may somewhat limit our ability to have choices in relation to where or whom our products are sourced from.

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.

As noted previously, BRHS commenced the planning for a Modern Slavery Policy with HSV during the 2020/2021 financial year and endorsed a Modern Slavery Policy in June 2021. 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.

BRHS recognises the importance of continuing to progress this high priority activity and will endeavour to undertake further actions in the 2023/24 reporting period including the following:-

- Extend our training, induction and awareness to include our non HSV suppliers and contractors;
- Review of our Procurement contracts and tender documents to include Modern Slavery clauses;
- Develop a Supplier Due Diligence procedure;
- Review and update our purchase orders to include Modern Slavery;
- Add the ability to report any instances of Modern Slavery in the BRHS supply chain via our website;
- Provide opportunities for staff to complete the HSV Modern Slavery training module;
- Provide communications to key staff to ensure awareness and clarity around modern slavery related considerations and responsibilities;
- Review the results of the new risk assessment template mail-out conducted in June 2023;
- 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.

Further we will continue to liaise with HSV re progressing a process that will potentially allow us to develop a greater level of understanding of the extent of any progress made by Suppliers including potential enhancements to the assessment platform, where appropriate, to create an enhanced level of visibility and functionality going forward. A high focus will continue to be assigned to continuing to work collaboratively with HSV to identify mitigation efforts to combat modern slavery risks, and foster collaboration between BRHS and suppliers to seek to address these risks.

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 2022/23, our focus was to again 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.

BRHS have commenced and will continue to work on developing frameworks and processes to ensure we can review the effectiveness of the actions we are taking to assess and address modern slavery risks in our operations and supply chains.

We will continue to work closely with HSV who are continuing to introduce numerous mechanisms for monitoring the effectiveness of the actions it has taken to date. BRHS representatives attend regular information sessions on the requirements of the Act, and look to progress the assessment against the criteria. The results are to be used to measure the success of engagement programs, inform future workshop content and identify potential gaps in training.

In addition to this and as a critical entity to BRHS' supply chain, HSV's senior leadership, has taken a lead role in progressing the modern slavery program and this is key to actively progressing the requirements going forward. The feedback process will be used to inform decision making and future activities within the program.

Whilst the impact of the COVID-19 pandemic continued to have somewhat of an impact on the implementation of further monitoring activities towards the end of 2022, BRHS continues to mature in its understanding the Modern Slavery Act and is expanding its application to further include risk assessments of supplies, updating Terms of Trade and progressing the roll out of new supplier Modern Slavery Questionnaires, updated fact sheet for suppliers and follow up processes.

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 measures required to further enhance the HSV implementation guidance provided to assist Health Services. Further, BRHS will also continue to work

very closely with HSV to continue to develop and enhance the practices and processes that underpin a successful Modern Slavery framework.

Closing statement

BRHS continues to remain confident that the steps taken to-date will continue to enhance the strong foundation for a robust modern slavery framework. We continue to also recognise there is more to do and BRHS remains highly committed to continually improving our approach, working closely with HSV, partnering with our stakeholders and working to eradicate modern slavery.

This statement was approved by the Board of Bairnsdale Regional Health Service on 20th December 2023.

Signature.....

Chris Barry
Board Chair
Bairnsdale Regional Health Service