



Australian Government

Australian Institute of
Health and Welfare

Modern slavery statement

27 September 2023

A message from the AIHW Chair

This Modern Slavery Statement (the Statement) is the first such Statement made by the Australian Institute of Health and Welfare (AIHW) under section 13 of the *Modern Slavery Act 2019 (Cth)* (the Act). It covers the reporting period 1 July 2022 to 30 June 2023.

The Statement outlines the AIHW's approach to understanding, identifying and addressing the risk of modern slavery in our operations and supply chain. It has been prepared in consultation with the AIHW's senior executives and subject matter experts. As the AIHW's accountable authority, the AIHW Board approved this statement on 27 September 2023.

The AIHW is committed to the intent of the Act and to identifying and addressing the risks and impacts of modern slavery in our operations and supply chains. We are a values-led organisation, committed to responsible and sustainable business practices. We recognise our role in respecting and promoting the fundamental human rights of our employees, suppliers and stakeholders. We will endeavour to continue to work with suppliers who reflect our commitment.



The Honourable Nicola Roxon
Board Chair
27 September 2023

Structure and operations of the AIHW

The Australian Institute of Health and Welfare (AIHW) is an independent corporate Commonwealth entity that has been in operation for more than 35 years. The AIHW is established under the *Australian Institute of Health and Welfare Act 1987* (AIHW Act) and is also subject to the requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The AIHW does not own or control any other entities.

The AIHW's accountable authority under the PGPA Act is the AIHW Board (board). The board is responsible for ensuring the proper, efficient and effective performance of the AIHW's functions. The board is accountable to the Parliament of Australia through the Minister for Health and Aged Care. The AIHW is led by its Chief Executive Officer (CEO) who is responsible for its operations. The CEO is supported by a Deputy CEO and nine other senior executive officers who together form the Executive Committee of the AIHW.

The AIHW is Australia's authoritative source of health and welfare data and analysis. The AIHW provides governments, stakeholders and the broader community with valuable evidence to inform and support better research, policy and service delivery, leading to better health and wellbeing for Australians, now and into the future.

As at 30 June 2023 the AIHW employed 469 ongoing staff, 115 non-ongoing staff and 74 contractors. 78% of staff are based in the ACT, with the remainder working in the Sydney office or remotely in Australia and overseas.

For the first time the AIHW's total annual revenue exceeded \$100 million in 2022–23. Approximately one-third of the AIHW's revenue is from Commonwealth appropriation. Just over one-third is from fee-for-service work undertaken for the Commonwealth Department of Health and Aged Care, about one-sixth is from other Commonwealth entities and less than 10% from some State and Territory government agencies and other customers.

The AIHW's supply chain

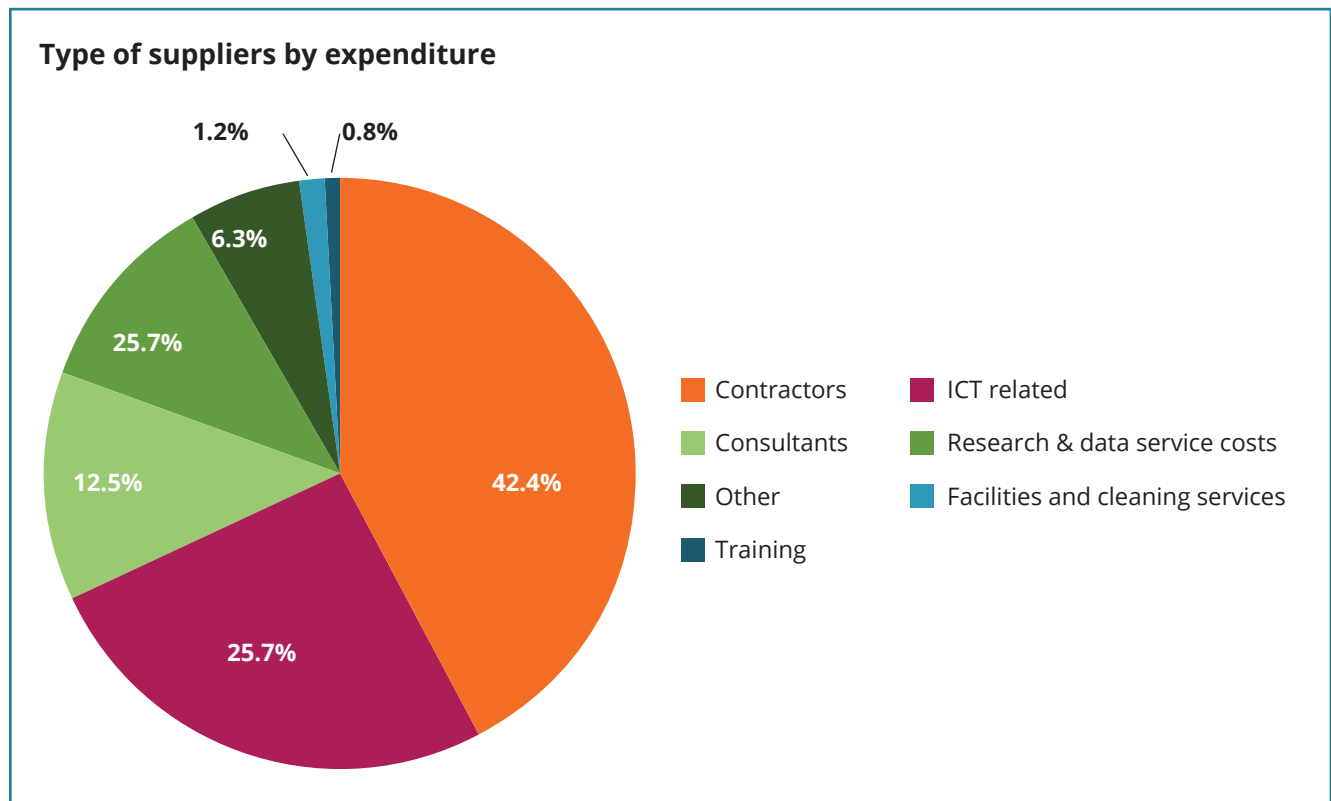
Suppliers

Location of Suppliers

Over 99% of AIHW's suppliers operate from an office in Australia, with the majority in Victoria, the ACT and New South Wales. Only 0.2% of AIHW's expenditure on suppliers in 2022-23 was with suppliers who do not operate out of Australia. These comprise 5 suppliers located in United States of America, New Zealand and Canada.

Types of Suppliers

The AIHW has analysed its supplier expenditure for 2022-23 by type of supplier across its main supplier categories consisting of: contract staff (all Australian based), IT, consultants, research and data services, facilities and cleaning services, training and other.



Investments

The AIHW invests substantial amounts of cash in term deposits with major Australian based banks. The AIHW does not hold any other investments.

Risks of modern slavery practices

General

Australia has a robust legislative framework criminalising trafficking of persons, slavery and slavery-like practices. Slavery-like practices include servitude, forced labour, and deceptive recruiting. Offences apply to public sphere exploitative labour practices and exploitation in the private sphere.

Australia's commitment to prevent slavery-like practices is reflected in legislation protecting victims of modern slavery. For example, victims of modern slavery may be protected under the vulnerable witness protection program (*Crimes Act 1914* (Cth)) and *Criminal Code Act 1995*). Additionally, the *Migration Act 1958* (Cth) provides for offences for allowing persons to work in breach of visa conditions, as well as allowing victims who do not hold a valid visa to remain lawfully in Australia.

The Act establishes a risk-based framework to target modern slavery practices in supply chains, further supporting Australia's commitment to prevent slavery-like practices.

Australia's laws relating to slavery offences have extraterritorial jurisdiction meaning that action may be brought against offenders whether or not they are Australian citizens, whether or not the victims are Australian citizens and whether or not the conduct occurred within or outside Australia.

Risk assessment of AIHW's supply chain

In undertaking an initial assessment of its supply chain, the AIHW considered risk through the lens of geography and industry.

Geographical risk

As described above 99.8% of AIHW's expenditure on suppliers is with suppliers who operate from an office in Australia. These suppliers would be subject to Australian law, including the Act and additional legislation such as the *Fair Work Act 1999* (Cth) and *Proceeds of Crime Act 2002* (Cth), as well as similar State/Territory laws. On this basis the AIHW assesses the risk of modern slavery among its suppliers to be very low.

The AIHW appreciates that modern slavery practices by international suppliers are particularly complex as it is more difficult to have line-of-sight to the activities carried out by those suppliers. This is confounded by different legal systems and laws, as well as differing cultural norms and expectations with respect to workplace rights and employer responsibilities.

Industry risk

The AIHW understands that risks vary from industry to industry. In undertaking its assessment the AIHW considered each industry category shown in the chart above, taking into account the total number of suppliers per industry and the AIHW's total expenditure per industry.

In considering each of the industries, the AIHW identified that its supply of IT Services may present a greater risk of weaker labour standards due to the inherent ability of those suppliers to contract out work to countries with higher risk of modern slavery. Technology and IT services may involve modern slavery risks due to systemic labour issues in the technology hardware industry, and further due to technology and IT products being acquired from countries with higher modern slavery risks. However, as Australian laws control most supplier activities, these lower tier suppliers are also likely to be low risk.

While relatively small in total expenditure, facilities and cleaning services also present an increased risk because of the tendency for low pay in these industries. The AIHW understands that its cleaning suppliers comply with the requirement to pay Award rates of pay.

The modern slavery risk of the Australian banks that the AIHW holds term deposits with is low as all those banks are regulated by the Act.

Actions taken to manage supply chain risks

The AIHW's procurement practices

The AIHW procures goods and services in accordance with the requirements of the Commonwealth Procurement Rules (CPRs). The CPRs are issued by the Minister for Finance (Finance Minister) under subsection 105B(1) of the PGPA Act.

The AIHW is a prescribed corporate Commonwealth entity listed in section 30 of the *Public Governance, Performance and Accountability Rule 2014*, and as such must comply with the CPRs when undertaking any procurement.

In accordance with the requirements of the CPRs, the AIHW primarily utilises external panel arrangements for the procurement of its goods and services. This includes leveraging the Digital Transformation Agency's Marketplaces, other government agency panels and contractual arrangements through coordinated procurements.

The AIHW also manages its own limited tender procurements, both through approaches to market, and through credit cards for purchases with low value.

Contractual arrangements

The AIHW engaged an external legal service provider to redraft the AIHW's contract templates for purchasing goods and services. The new templates, which were completed in 2022–23 include relevant clauses to comply with modern slavery obligations. Most IT services are contracted using Commonwealth government contracts that include a modern slavery clause and are with suppliers that have been pre-screened before being included on a Commonwealth panel.

Assignment of responsibilities

Responsibilities for analysing the AIHW's supply chain and reporting against modern slavery requirements have been allocated to the AIHW's Finance and Commercial Services Unit.

Further actions planned

This first Statement by the AIHW will be published on the AIHW's website and intranet and promoted to all staff and executive. It will be referred to in the AIHW's 2022–23 Annual Report. The promotion of this statement will raise all staff awareness of the requirements of the Act.

In recognition that 2022–23 was the first financial year that the AIHW's revenue exceeded the modern slavery reporting threshold of \$100 million, the AIHW will ensure that all staff involved in procurement are aware of the modern slavery legislation and requirements. The initial focus will be on staff involved in the potentially more risky areas of IT and facilities procurements.

The AIHW will make available and promote to relevant staff the following e-learning modules provided by the Attorney-General's Department:

- Modern Slavery in Public Procurement
- Identifying and Assessing Modern Slavery
- Managing Modern Slavery Risks.

Effectiveness of AIHW's management of supply chain risks

None of the AIHW senior executive or senior finance staff are aware of any instances of modern slavery practices among its direct suppliers.

As staff awareness of the requirements of the Act increases, the AIHW will actively make enquiries of higher risk suppliers about their compliance with the Act.

The AIHW will measure participation by relevant staff in modern slavery e-learning modules.

Attachment A:

Modern Slavery Act reporting requirement

The table below outlines the seven mandatory criteria of the Act and corresponding sections of the AIHW Modern Slavery Statement.

Modern Slavery Act requirement	Page number
Section 16(1)(a): identify the reporting entity	3
Section 16(1)(b): describe the structure, operations and supply chains of the reporting entity	3-4
Section 16(1)(c): describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	5
Section 16(1)(d): 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	6-7
Section 16(1)(e): describe how the reporting entity assesses the effectiveness of such actions	7
Section 16(1)(f): describe the process of consultation with (i) any entities that the reporting entity owns or controls and (ii) for a reporting entity covered by a joint statement, the entity giving the statement	Not applicable: do not own or control other entities.
Section 16(1)(g): include any other information that the reporting entity considers relevant	Not required