

Ethical procurement is not just the right thing to do; it's good for business too

Supply chains touch everything and everyone. They represent much more than just a box making its way from the factory to the home. Rather, they are the sum of a whole lot of complex human interactions in a product's country of origin, the factory, the packaging company, the warehouse, along various modes of transport, at border and customs controls, in the retail outlet or the post office. We all need to understand these processes and to appreciate the complex skills that underpin them, says Tanya Harris, Global Procurement Manager for the Fred Hollows Foundation and member of the Australian Government's Cross-Sector Supply Chain Skills Project Reference Group.

What happened in Australia during a prolonged and massive bushfire season and internationally after the outbreak of the Novel Corona virus (COVID-19) laid bare the power of modern supply chain technology. Suddenly, demand for P2/N95 face masks, the ones able to filter out very fine particles from the air, skyrocketed. Across the east coast of Australia, Bunnings and Officeworks sold out of the masks. Then just as the manufacturers in China started to increase production, the corona virus took hold. This closed some factories and saw the Chinese government pull masks from the export market and use its huge buying power to buy masks from overseas.

This quick turnaround was made possible by sophisticated and complex set of processes, managed by experts. Digital technology produces complete records of all inventory and tracks where it is along the supply chain but someone has to make decisions on the information the technology yields. Data by itself is not enough. The supply chain also relies on well negotiated logistics agreements and electronic monitoring of customs procedures, which safeguard against corruption and pillaging. All these elements make procurement a highly skilled job.

Tanya points out that:

'Not only do people now need the skills to analyse big data and understand complex digital systems, they must also be creative thinkers who can monitor risk and be proactive. This means having a global outlook that takes account of political trends, currency movements, cultural difference and sensitises them to be alert to potential disruptions to international trade and logistics.'

Harnessing all this information can deliver big savings, and much more. As a not-for-profit organisation, the Fred Hollows Foundation relies on its reputation as an ethical, value based organisation. It therefore, uses the knowledge it gains from its procurement not only to be more efficient but also to help its local suppliers and make sure it is sourcing materials that adhere to its human rights, environmental and development standards.





Compliance with such standards is not just the business of not-for-profits. Australia now has Modern Slavery legislation that requires businesses and other organisations above a certain size to report annually on the risks of modern slavery (for example, forced labour and human trafficking) in their operations and supply chains, and the action they have taken to assess and address those risks. Smaller businesses are able to report voluntarily. Modern slavery can occur in every industry and sector and has severe consequences for victims. Uncovering these practices not only protects vulnerable people, it will also improve the integrity and quality of global supply chains.

The Cross Sector Supply Chain Skills Project has compiled a set of competencies and micro-credentials that will help businesses to understand the power of contemporary supply chains and to decide what more they need to learn to use them to ensure efficiency, profitability and compliance. Tanya sees great potential for these to be used in the health sector to upskill people involved in hospital operations:

'It is now possible to trace the origins of a rubber glove or a surgical knife and to be sure their manufacture did not involve cruelty to orangutans or child labourers. That's what makes procurement such a satisfying career.'



Tanya Harris

