

GRS Resource: What GRS Capability Level is your entity?

December 2023

Covered entities are classified into three groups for the purpose of implementation of the Guidance on Reasonable Steps (GRS), based on their size and general procurement capability: Low, Moderate and High. These are referred to as GRS Capability Levels.

Answer the following questions to determine your entity's GRS Capability Level at any given time.

Question 1 Is your entity **subject to the Public Works and Procurement Act 1912 (NSW)**?

- If yes, go to Question 2.
- If no, go to Question 3.

Question 2 Is your entity accredited under the NSW Accreditation Program Requirements for Goods and Services Procurement OR accredited under the NSW Accreditation Program for Construction Procurement?

- If yes:
 - If *either* accredited to Goods and Services Accreditation Level 2, or accredited under the Construction accreditation program, then your entity's GRS Capability Level for the procurement in question is deemed to be: **High**.
 - If accredited to Goods and Services Accreditation Level 1, then your entity's GRS Capability Level for the procurement in question is deemed to be: **Moderate**.
- If no:
 - For construction procurement, then your entity's GRS Capability Level for the procurement in question is deemed to be: **Moderate**.
 - For goods and service procurement, then your entity's GRS Capability Level for the procurement in question is deemed to be: **Low**.

Notes:

- **Type of accreditation:** The accreditation that is relevant is the accreditation that pertains to the type of procurement you are conducting in any given procurement process – for goods and services, or for construction. Your entity may thus have different GRS Capability Levels for different types of procurement.
- **Changes during the year:** If your accreditation changes during the reporting period, the relevant accreditation is the one held at the time the procurement process formally commenced.

- **Endorsement arrangements:** Where, under an Accreditation Program, an agency requires endorsement for a particular procurement due to its value, it is the accreditation level of the procuring agency, not the endorsing agency, that is used to determine GRS Capability Level. The endorsing agency will need to comply with their obligations under the relevant Accreditation Program but does not need to report on this activity in their modern slavery reporting information.

Question 3 If you answered no to question 1, is your entity **subject to the Local Government Act 1993 (NSW)**?

- If yes, *go to Question 4.*
- If no, *go to Question 5.*

Question 4 What is your entity's **OLG Group Classification**?

Drawing on the Australian Classification of Local Governments (ACLG) as determined by the Australian Bureau of Statistics, the NSW Office of Local Government has classified NSW local government areas into 11 groups and 5 overall Classifications – Metropolitan, Regional Town/City, Metropolitan Fringe, Rural and Large Rural. The current listing of NSW councils by OLG Group and Classification is available on the 'Your Council' website via OLG website. Use the following table to understand how your entity's OLG Classification determines your GRS Capability level.

If your entity is subject to the Local Government Act 1993 (NSW) but does not have an OLG Group classification, *go to question 5.*

OLG Group No.	OLG Council Classification	GRS Capability Level
1, 3, 5, 7	<ul style="list-style-type: none"> • Capital City • Large/Very large metropolitan fringe • Large/Very large regional town/city • Large/Very large metropolitan 	High
2, 4, 6	<ul style="list-style-type: none"> • Small/Medium regional town/city • Small/Medium metropolitan fringe • Small/Medium metropolitan 	Medium
8, 9, 10, 11	<ul style="list-style-type: none"> • Large rural (very large agricultural) • Large rural (large agricultural/remote) • Rural (medium agricultural / remote) • Rural (small agricultural) 	Low

Question 5 For **all other entities**, use the following table to assess your GRS Capability level:

Total income or comprehensive income	GRS Capability Level
More than AUD 50,000,000	High
Between AUD 5,000,000 and 50,000,000	Moderate
Below AUD 5,000,000	Low

Note: ‘Total income’ (or comprehensive income) should be calculated in accordance with the applicable Australian Accounting Standards Board guidance for your entity. The relevant income is the income for the previous reporting period.

The following table summarises the factors that determine each GRS Capability level:

Type of covered entity		Low	Moderate	High
Subject to the Public Works and Procurement Act 1912 (NSW)	<i>For goods and services procurement:</i>	Unaccredited	Goods and Services Accreditation Level 1	Goods and Services Accreditation Level 2
	<i>For construction procurement:</i>	N/A	Not construction accredited	Construction accredited
Subject to the Local Government Act 1993 (NSW)	<i>As classified by the Office of Local Government:</i>	<ul style="list-style-type: none"> Large rural (very large agricultural) Large rural (large agricultural / remote) Rural (medium agricultural / remote) Rural (small agricultural) 	<ul style="list-style-type: none"> Small/Medium regional town/city Small/Medium metropolitan fringe Small/Medium metropolitan 	<ul style="list-style-type: none"> Large rural (very large agricultural) Large rural (large agricultural / remote) Rural (medium agricultural / remote) Rural (small agricultural)
All other entities	<i>Using AASB accounting standards, total income is:</i>	< AUD 5 million	From AUD 5 million to AUD 50 million	> AUD 50 million

Worked Example: A NSW government agency identifies its capability level – product or service

I work for the Department of Communities and Justice and am procuring catering services for the Department. How do I determine my entity's GRS Capability Level for this procurement?

Question 1 Is your entity subject to the *Public Works and Procurement Act 1912* (NSW)?

- If yes, go to Question 2.
- If no, go to Question 3.

Part 11 of the *Public Works and Procurement Act 1912* (NSW) applies to the procurement of goods and services by or for a "government agency", which includes:

- (a) a government sector agency (within the meaning of the *Government Sector Employment Act 2013*),
- (b) a NSW Government agency,
- (c) any other public authority that is constituted by or under an Act or that exercises public functions (other than a State owned corporation),
- (d) any State owned corporation prescribed by the regulations.

The Department is a "government sector agency" under the *Government Sector Employment Act 2013* (NSW) and therefore is subject to the *Public Works and Procurement Act 1912* (NSW).

The Department answered 'Yes' to Question 1, so now proceeds to Question 2.

Entities should check with their procurement and/or legal team to confirm if they are subject to the *Public Works and Procurement Act 1912* (NSW).

Question 2 Is your entity accredited under the NSW Accreditation Program Requirements for Goods and Services Procurement OR accredited under the NSW Accreditation Program for Construction Procurement?

- If yes:
 - If *either* accredited to Goods and Services Accreditation Level 2, or accredited under the Construction accreditation program, then your entity's GRS Capability Level for the procurement in question is deemed to be: High.
 - If accredited to Goods and Services Accreditation Level 1, then your entity's GRS Capability Level for the procurement in question is deemed to be: Moderate.
- If no:
 - For construction procurement, then your entity's GRS Capability Level for the procurement in question is deemed to be: Moderate.
 - For goods and service procurement, then your entity's GRS Capability Level for the procurement in question is deemed to be: Low.

To answer Question 2, follow these steps:

Step 1: Determine if the relevant NSW Accreditation Program Requirement is for Goods and Services Procurement OR Construction Procurement

Catering services are a “Good or Service”. Therefore, the NSW Accreditation Program Requirements for Goods and Services Procurement applies.

Step 2: See if the Department is accredited for Goods and Services Procurement, and its level of accreditation.

Accreditation can be checked via Buy.NSW, for example:

<https://info.buy.nsw.gov.au/buyer-guidance/get-started/accreditation/goods-and-services-accreditation>

The Department of Communities and Justice has a Level 2 accreditation for Goods and Services Procurement.

The Department has determined the GRS Capability Level for catering services is High, as highlighted in yellow in the below table.

Type of covered entity		Low	Moderate	High
Subject to the Public Works and Procurement Act 1912 (NSW)	For goods and services procurement:	Unaccredited	Goods and Services Accreditation Level 1	Goods and Services Accreditation Level 2
	For construction procurement:	N/A	Not construction accredited	Construction accredited

Worked Example: A NSW government agency identifies its capability level – construction

I work for the Department of Enterprise, Investment and Trade and am procuring construction works for an office fit-out for the Department. How do I determine my entity's GRS Capability Level for this procurement?

Question 1 Is your entity subject to the *Public Works and Procurement Act 1912* (NSW)?

- If yes, go to Question 2.
- If no, go to Question 3.

Part 11 of the *Public Works and Procurement Act 1912* (NSW) applies to the procurement of goods and services by or for a "government agency", which includes:

- (a) a government sector agency (within the meaning of the *Government Sector Employment Act 2013*),
- (b) a NSW Government agency,
- (c) any other public authority that is constituted by or under an Act or that exercises public functions (other than a State owned corporation),
- (d) any State owned corporation prescribed by the regulations.

The Department is a "government sector agency" under the *Government Sector Employment Act 2013* (NSW) and therefore is subject to the *Public Works and Procurement Act 1912* (NSW).

The Department answered 'Yes' to Question 1, so now proceeds to Question 2.

Entities should check with their procurement and/or legal team to confirm if they are subject to the *Public Works and Procurement Act 1912* (NSW).

Question 2 Is your entity accredited under the NSW Accreditation Program Requirements for Goods and Services Procurement OR accredited under the NSW Accreditation Program for Construction Procurement?

- If yes:
 - If *either* accredited to Goods and Services Accreditation Level 2, or accredited under the Construction accreditation program, then your entity's GRS Capability Level for the procurement in question is deemed to be: High.
 - If accredited to Goods and Services Accreditation Level 1, then your entity's GRS Capability Level for the procurement in question is deemed to be: Moderate.
- If no:
 - For construction procurement, then your entity's GRS Capability Level for the procurement in question is deemed to be: Moderate.
 - For goods and service procurement, then your entity's GRS Capability Level for the procurement in question is deemed to be: Low.

To answer Question 2, follow these steps:

Step 1: Determine if the relevant NSW Accreditation Program Requirement is for Goods and Services Procurement OR Construction Procurement

Construction works for an office fit-out are “Construction”. Therefore, the NSW Accreditation Program Requirements for Construction applies.

Step 2: See if the Department is accredited for Construction Procurement, and its level of accreditation.

Accreditation can be checked via Buy.NSW, for example:

<https://info.buy.nsw.gov.au/buyer-guidance/get-started/accreditation/construction-accreditation>

The Department of Enterprise, Investment and Trade is not accredited for construction procurement.

The Department has determined the GRS Capability Level for construction works for an office fit-out is Moderate, as highlighted in yellow in the below table.

Type of covered entity		Low	Moderate	High
Subject to the Public Works and Procurement Act 1912 (NSW)	<i>For goods and services procurement:</i>	Unaccredited	Goods and Services Accreditation Level 1	Goods and Services Accreditation Level 2
	<i>For construction procurement:</i>	N/A	Not construction accredited	Construction accredited

Worked Example: A local council determines its capability level

I work for Albury City Council and am procuring printers for the Council. How do I determine my entity's GRS Capability Level for this procurement?

Question 1 Is your entity subject to the *Public Works and Procurement Act 1912* (NSW)?

- If yes, go to Question 2.
- If no, go to Question 3.

Part 11 of the *Public Works and Procurement Act 1912* (NSW) applies to the procurement of goods and services by or for a "government agency", which includes:

- (a) a government sector agency (within the meaning of the *Government Sector Employment Act 2013*),
- (b) a NSW Government agency,
- (c) any other public authority that is constituted by or under an Act or that exercises public functions (other than a State owned corporation),
- (d) any State owned corporation prescribed by the regulations.

Part 11 of *Public Works and Procurement Act 1912* (NSW) does not apply to a Local Council (see section 163 of the *Public Works and Procurement Act 1912* (NSW))

The Council answered 'No' to Question 1, so now proceeds to Question 3.

Entities should check with their procurement and/or legal team to confirm if they are subject to the *Public Works and Procurement Act 1912* (NSW).

Question 3 If you answered no to question 1, is your entity subject to the *Local Government Act 1993* (NSW)?

- If yes, go to Question 4.
- If no, go to Question 5.

Entities can check if they are a Council, County Council or Joint Organisation under the *Local Government Act 1993* (NSW) by looking at the Office of Local Government Directory:
<https://www.olg.nsw.gov.au/public/local-government-directory/>

Albury City Council is a 'Council' subject to the *Local Government Act 1993* (NSW), so now proceeds to Question 4.

Question 4 What is your entity's OLG Group Classification?

Councils can check their listing of NSW councils by OLG Group and Classification on the 'Your Council' website via the OLG website.

Albury City Council is in OLG Group 4 and has a Classification of Small/Medium regional town/city.

OLG Group No.	OLG Council Classification	GRS Capability Level
1, 3, 5, 7	<ul style="list-style-type: none"> Capital City Large/Very large metropolitan fringe Large/Very large regional town/city Large/Very large metropolitan 	High
2, 4, 6	<ul style="list-style-type: none"> Small/Medium regional town/city Small/Medium metropolitan fringe Small/Medium metropolitan 	Moderate
8, 9, 10, 11	<ul style="list-style-type: none"> Large rural (very large agricultural) Large rural (large agricultural/remote) Rural (medium agricultural/remote) Rural (small agricultural) 	Low

The Council determined the GRS Capability Level for purchasing the printers is Moderate, as highlighted yellow in the below table.

Type of covered entity		Low	Moderate	High
Subject to the Local Government Act 1993 (NSW)	<i>As classified by the Office of Local Government:</i>	<ul style="list-style-type: none"> Large rural (very large agricultural) Large rural (large agricultural / remote) Rural (medium agricultural / remote) Rural (small agricultural) 	<ul style="list-style-type: none"> Small/Medium regional town / city Small/Medium metropolitan fringe Small/Medium metropolitan 	<ul style="list-style-type: none"> Large rural (very large agricultural) Large rural (large agricultural / remote) Rural (medium agricultural / remote) Rural (small agricultural)

Worked Example: A university determines its capability level

I work for the University of Sydney and am procuring printers for the University. How do I determine my entity's GRS Capability Level for this procurement?

- Question 1** Is your entity subject to the *Public Works and Procurement Act 1912* (NSW)?
- If yes, go to Question 2.
 - If no, go to Question 3.

Part 11 of the *Public Works and Procurement Act 1912* (NSW) applies to the procurement of goods and services by or for a "government agency", which includes:

- (a) a government sector agency (within the meaning of the *Government Sector Employment Act 2013*),
- (b) a NSW Government agency,
- (c) any other public authority that is constituted by or under an Act or that exercises public functions (other than a State owned corporation),
- (d) any State owned corporation prescribed by the regulations.

The University answered 'No' to Question 1, so now proceeds to Question 3.

Entities should check with their procurement and/or legal team to confirm if they are subject to the *Public Works and Procurement Act 1912* (NSW).

- Question 3** If you answered no to question 1, is your entity subject to the *Local Government Act 1993* (NSW)?
- If yes, go to Question 4.
 - If no, go to Question 5.

The University is not subject to the *Local Government Act 1993* (NSW), so now proceeds to Question 5.

- Question 5** For all other entities, use the following table to assess your GRS Capability level:

Total income or comprehensive income	GRS Capability Level
More than AUD 50,000,000	High
Between AUD 5,000,000 and 50,000,000	Moderate
Below AUD 5,000,000	Low

Note: 'Total income' (or comprehensive income) should be calculated in accordance with the applicable Australian Accounting Standards Board guidance for your entity. The relevant income is the income for the previous reporting period.

The University's total income is more than AUD 50,000,000 according to its 2022 Annual Report. The University determined the GRS Capability Level for printers is High, as highlighted yellow in the below table.

Type of covered entity		Low	Moderate	High
All other entities	Using AASB accounting standards, total income is:	< AUD 5 million	From AUD 5 million to AUD 50 million	> AUD 50 million