

GRS Resource: Quick reference document for GSF agencies

December 2023

This quick reference document has been created to help Government Sector Finance agencies understand their requirements under the NSW Anti-slavery Commissioner's *Guidance on Reasonable Steps to Manage Modern Slavery Risks in Operations and Supply-Chains (Guidance or GRS)*.

Risk management should focus on risk to people. Reporting obligations depend on the risk level, your agency's capability level and value of the procurement.

Reasonable steps

Since 1 July 2022, agencies have had a legal obligation to take reasonable steps to ensure that goods and services procured by or for them are not the product of modern slavery.

There are 7 Reasonable Steps in the *Guidance*, which are designed to help agencies discharge this legal obligation:



For each of these Reasonable Steps, the *Guidance* provides practical advice on what steps agencies can take to identify and mitigate modern slavery risks in their operations and supply chains.

Some key actions required at the organisational level under the first Reasonable Step 'Commit' are below. Agencies can also refer to the summary of Reasonable Steps and annual reporting expectations under the *Guidance* [here](#) for further information.

The NSW Anti-slavery Commissioner also publishes other 'GRS Resources' to help agencies meet their obligations. These are available on the Commissioner's website [here](#).

Organisational steps to ‘Commit’

Modern Slavery Risk Assessment

Agencies should conduct a Salient Modern Slavery Risk Assessment of their supply chain. The concept of ‘salience’, and how to conduct a Salient Modern Slavery Risk Assessment, is defined in the *Guidance* (see Part 1.2).

Agencies can use the **Commissioner’s Inherent Risk Identification Tool** to assist with this process and ensure they are assessing risk in a reasonable manner.

‘Inherent modern slavery risk’ is the level of salient modern slavery risk exposure associated with a particular product category, in the absence of risk controls or effective mitigation.

This risk analysis will provide the basis for decisions about what targeted actions are needed to address modern slavery, and to identify key stakeholders, such as key buyers and suppliers.

Modern Slavery Policy

Agencies must have a Modern Slavery Policy by 30 June 2024 that has been signed off by the Head of the Agency or Department.

The Policy should include:

- high-level targets for addressing salient modern slavery risks,
- how risks will be assessed, prevented, mitigated, remedied and reported, and
- how the agency will evaluate their progress.

Agencies should engage key stakeholders to develop this policy, focusing on those most impacted by priority risks. This includes internal stakeholders broader than procurement, such as HR and legal, and external stakeholders such as key suppliers and supply-chain workforce.

Modern Slavery Risk Management Plan

Agencies must develop a risk management plan to operationalise the commitments made in the Modern Slavery Policy (see GRS Reasonable Step 1.4 for further guidance).

The plan should provide for:

- assigning accountability for senior leadership to deliver SMART goals against the plan,
- tracking progress and reviewing at least annually, and
- making clear that risk management efforts are prioritised based on risk to people.

Reporting

Annual reporting

Agencies must report annually in their annual report on the steps they are taking to ensure the goods and services they are procuring or procured for them are not products of modern slavery.

Agencies should report in two places:

1. By including relevant information in their agency’s formal annual report.
 - Agencies can refer to TPG23-10 Annual Reporting Requirements | NSW Treasury for further information on annual reporting requirements.
 - The Office of the Anti-slavery Commissioner provides an Annual Reporting Template to assist this process.

2. Using the online GRS Annual Reporting Form.
 - The GRS Annual Reporting Form is an online form which allows covered entities to share data directly with the Office of the Anti-slavery Commissioner.
 - Agencies should complete and submit this form upon publishing their Annual Report.

More information is available on the website of the NSW Anti-slavery Commissioner.

Heightened Modern Slavery Due Diligence reporting

Starting 1 July 2024, agencies must report within 45 days after a contract becomes effective when that contract: commences on or after 1 July 2024, is valued at \$150,000.00 (including GST) or more, and requires ‘Heightened modern slavery due diligence’.

Agencies should determine which procurements require heightened modern slavery due diligence by using the Guidance and related resources available on the website of the NSW Anti-slavery Commissioner.

When buying

Applying the right level of due diligence to your procurement

Agencies must apply the level of diligence due (i.e. ‘required’) for a particular procurement process. This is determined by two factors: 1. The inherent risk of procuring that kind of good or service or construction activity; 2. The capability level of the agency.

Agencies should use the Commissioner’s Inherent Risk Identification Tool to determine the risk level of each procurement.

The Commissioner’s Guidance also provides instructions on determining an agency’s capability level.

For heightened modern slavery due diligence procurements, there are three additional expectations:

- use of ‘Heightened’ model tender schedules in procurement processes,
- use of ‘Heightened’ model contract clauses in contracts, and
- transaction level reporting

Agencies can refer to the summary of Reasonable Steps and annual reporting expectations under the GRS here for further information.

Figure 1. How to determine the level of due diligence to apply

GRS Inherent Modern Slavery Risk Level	High	Heightened	Heightened	Heightened
	Moderate	Light	Standard	Standard
	Low	Minimal	Light	Standard
	Minor	Minimal	Minimal	Light
		Low	Moderate	High
Entity’s GRS Capability Level (for this kind of procurement or activity)				

Figure 2. How to determine Agency 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

Model tender schedules and contract clauses

Agencies are encouraged to use the model tender schedules and contract clauses provided in Appendixes I and J to the Commissioner’s Guidance in their procurements.

Agencies involved in heightened modern slavery due diligence procurements must use the ‘Heightened’ Model Tender and/or Contract Clauses provided in the Guidance.

The Guidance also provides ‘Streamlined’ Model Tender Clauses and Model Contract Clauses. These are a resource that can be used in Minimal, Low and Standard Modern Slavery Due Diligence processes – that is, all except Heightened.

These Model Clauses may be adapted based on the agency’s needs, but must continue to adhere to the ‘shared responsibility’ risk management approach set out in the Commissioner’s Guidance.

Agencies must report annually on their sourcing activities, and should include information about their use of these clauses in procurements at all GRS Due Diligence Levels.

Throughout the contract term

Monitoring and evaluating supplier performance

Agencies must monitor suppliers’ modern slavery performance throughout the duration of the contract to ensure compliance with expectations and manage emerging risks.

Agencies should describe in their Modern Slavery Risk Management Plan how they will monitor and evaluate performance.

Periodic audits and other ongoing supplier and worksite assessments and evaluations will be critical to effective ongoing due diligence and contract management. Agencies must report on whether during the reporting period any Tier 1 suppliers underwent an audit addressing modern slavery risks.

Agencies can use other tools for monitoring performance including supplier self-assessment questionnaires (SSAQs), KPIs, worker voice mechanisms, workers surveys, engagement with unions and worker organisations, and digital tools.

Where appropriate and subject to resources, agencies should also seek to develop suppliers’ capabilities around modern slavery. Agencies may do this through using collective leverage (working with other public or private buyers) and collaborating with relevant stakeholders, peers and experts.

Remediating risks or incidents of modern slavery

Agencies must provide or enable access to effective grievance mechanisms. Agencies do not necessarily have to administer their own independent mechanisms, but should look for opportunities to resource and manage mechanisms collaboratively where appropriate. Agencies should keep a record of complaints or inquiries made to grievance mechanisms relevant to modern slavery.

Where an agency identifies clear indicators of modern slavery in its operations or supply chain, it must take immediate steps to remedy these harms. The Guidance provides information on how to do this safely.

Agencies should only withdraw from relationships where a supplier or other business partner is unable or unwilling to effectively address modern slavery risks or concerns. The Guidance provides information on how to do this responsibly.

Agencies should use their leverage to address deficient supplier practices, e.g. through a Remediation Plan (as provided for in the Model Contract Clauses).

Agencies should keep a record of:

- complaints or inquiries made to grievance mechanisms relevant to modern slavery.
- any material breaches related to modern slavery which have been formally notified to suppliers.
- any contracts or arrangements terminated on modern slavery grounds.

The Guidance provides further information on what data agencies must collect and report.

Summary of Reasonable Steps and reporting expectations under GRS

Table 1: Summary of Reasonable Steps and reporting expectations under GRS.

The table below summarises the actions expected of agencies for all procurement activities, and details the related annual reporting obligations.

There are **additional, separate expectations** for agency actions and reporting where they are involved in Heightened modern slavery due diligence procurements. See [here](#).

Where a question asks for a percentage response, agencies should calculate this based on the total number of procurement activities or suppliers they are aware of in the reporting period, whatever the value of the procurement or its GRS Due Diligence Level.

Reasonable Steps taken	Form of response	Response mandatory / optional
1 Commit		
<i>1.1 Stakeholder Engagement</i>		
What steps did your entity take to engage with stakeholders during this reporting period in relation to modern slavery?	Describe steps taken	Mandatory
Did you engage with external stakeholders on modern slavery risks in this reporting period?	Yes/No	Mandatory
<i>1.2 Identify salient risks at the organisational level</i>		
What steps did your entity take to identify salient modern slavery risks at the organisational level during this reporting period?	Describe steps taken	Mandatory
Did you conduct or update a Salient Modern Slavery Risk Assessment in this reporting period?	Yes / No	Mandatory Option to upload copy of risk assessment
<i>1.3 Modern Slavery Policy</i>		

Reasonable Steps taken	Form of response	Response mandatory / optional
What steps did your entity take to adopt a Modern Slavery Policy during this reporting period?	Describe steps taken	Mandatory
Do you have a modern slavery policy, approved by your senior governing body (e.g. Agency Head / Secretary), in place?	Yes / No	Mandatory Option to upload copy of policy
Does your modern slavery policy include high-level targets?	Yes / No	Optional
<i>1.4 Modern Slavery Risk Management Plan</i>		
What steps did your entity take to adopt a Modern Slavery Risk Management Plan during this reporting period?	Describe steps taken	Mandatory
Do you have a modern slavery risk management plan, approved by your senior management, in place?	Yes / No	Mandatory Option to upload copy of plan
Does your plan assign accountability for performance against high-level targets to specific roles?	Yes / No	Optional
2 Plan		
<i>2.1 Identify and map your supply-chain risks for each procurement</i>		
What steps did your entity take to identify and map your modern slavery risks at the supply-chain level during this reporting period?	Describe steps taken	Mandatory
<i>2.2 Develop a risk-reducing sourcing strategy</i>		

Reasonable Steps taken	Form of response	Response mandatory / optional
What steps did your entity take to develop a modern slavery risk-reducing sourcing strategy during this reporting period?	Describe steps taken	Mandatory
In what percentage of procurement processes was modern slavery factored into your entity's sourcing strategy or other procurement planning activities during this reporting period?	Percentage	Optional
3 Source		
<i>3.1 Select appropriate suppliers</i>		
What steps did your entity take to address modern slavery risks when selecting suppliers during this reporting period?	Describe steps taken	Mandatory
In what percentage of competitive procurement processes were the Model Tender Clauses used during this reporting period?	Percentage	Optional
<i>3.2 Adopt a shared responsibility approach to contracting</i>		
What steps did your entity take to adopt a shared responsibility approach to modern slavery risks, in contracting during this reporting period?	Describe steps taken	Mandatory
In what percentage of competitive procurement processes were the Model Contract Clauses used during this reporting period?	Percentage	Optional
4 Manage		

Reasonable Steps taken	Form of response	Response mandatory / optional
<i>4.1 Monitor and evaluate supplier performance</i>		
What steps did your entity take to monitor and evaluate supplier performance relating to modern slavery, during this reporting period?	Describe steps taken	Mandatory
Has your entity required any of your Tier 1 suppliers to undergo an audit addressing modern slavery risks in this reporting period?	Yes / No	Mandatory
What percentage of your Tier 1 suppliers underwent an audit addressing modern slavery in this reporting period?	Percentage	Optional
During the reporting period, what percentage of your Tier 1 suppliers' workforce were surveyed about their working conditions?	Percentage	Optional
What percentage of your Tier 1 suppliers' workforce are temporary migrant workers?	Percentage	Optional
What percentage of workers engaged by your Tier 1 suppliers in the last reporting period paid or incurred a fee to secure their engagement?	Percentage	Optional
<i>4.2 Develop supplier capabilities</i>		
What steps did your entity take to develop supplier capabilities relating to modern slavery risks during this reporting period?	Describe steps taken	Mandatory
What percentage of your entity's Tier 1 suppliers reported that they had participated in modern slavery training during this reporting period?	Percentage	Optional
<i>5 Remedy</i>		

Reasonable Steps taken	Form of response	Response mandatory / optional
<i>5.1 Provide or enable access to effective grievance mechanisms</i>		
What steps did your entity take to provide or enable access to effective modern slavery grievance mechanisms during this reporting period?	Describe steps taken	Mandatory
How many complaints relating to modern slavery associated with your operations or the goods or services you procure were lodged during the reporting period, whether with your organisation's grievance mechanism(s) or with others?	Number	Optional
<i>5.2 Take safe immediate steps to remedy harm</i>		
What steps did your entity take to safely and immediately remedy modern slavery harms to which you were connected during this reporting period?	Describe steps taken	Mandatory
<i>5.3 Use leverage to remediate deficient practices</i>		
What steps did your entity take to use leverage to remediate deficient modern slavery risk management practices during this reporting period?	Describe steps taken	Mandatory
In how many procurement contracts or arrangements was a material breach related to modern slavery formally notified during this reporting period?	Number	Optional
<i>5.4 Withdraw responsibly</i>		
What steps did your entity take to withdraw responsibly during this reporting period, in connection to modern slavery risks?	Describe steps taken	Mandatory
How many procurement contracts or arrangements were terminated on modern slavery grounds during the reporting period?	Number	Optional

Reasonable Steps taken	Form of response	Response mandatory / optional
6 Report		
<i>6.1 Establish a victim-centred reporting protocol</i>		
What steps did your entity take to establish a victim-centred modern slavery reporting protocol during this reporting period?	Describe steps taken	Mandatory
Do you have a modern slavery reporting protocol in place that prioritizes the interests of the victim/survivor?	Yes / No	Mandatory
<i>6.2 Report on your modern slavery risk management efforts</i>		
What steps did your entity take to report on your modern slavery risk management efforts during this reporting period?	Describe steps taken	Mandatory
Did your entity report on modern slavery in its prior Annual Report?	Yes / No	Mandatory
During the period, did your entity comply with its obligations to report heightened modern slavery due diligence procurements valued at \$150,000 (inc. GST) or more within 45 days?	Yes / No	Mandatory
7 Improve		
<i>7.1 Learn lessons from your performance and others '</i>		
What steps did your entity take to learn lessons from your modern slavery performance and others' during this reporting period?	Describe steps taken	Mandatory
Has your entity updated its modern slavery policies or procedures based on stakeholder feedback or lessons from a grievance mechanism during this period?	Yes / No	Mandatory
<i>7.2 Train your workforce</i>		

Reasonable Steps taken	Form of response	Response mandatory / optional
What steps did your entity take to train your workforce during this reporting period?	Describe steps taken	Mandatory
What percentage of your workforce received modern slavery training in the period?	Percentage	Mandatory
<i>7.3 Cooperate with the Anti-slavery Commissioner</i>		
What steps did your entity take to cooperate with the Anti-slavery Commissioner during this reporting period?	Describe steps taken	Mandatory

Procurements involving Heightened modern slavery due diligence

For procurements involving Heightened modern slavery due diligence, there are three requirements that differ from all other procurement processes (i.e. those involving Minimal, Light and Standard modern slavery due diligence):

Expectation	Minimal, Light and Standard MSDD procurements	Heightened MSDD
Use of tender schedules in procurement processes	Use or adapt Streamlined version where feasible <i>See Appendix I of GRS</i>	Use Heightened version <i>See Appendix I of GRS</i>
Use of model contract clauses in contract	Use or adapt Streamlined version where feasible <i>See Appendix I of GRS</i>	Use Heightened version <i>See Appendix I of GRS</i>
Transaction level reporting	N/A	Until 30 June 2024: N/A. From 1 July 2024: - If procurement under \$150,000: N/A. - If procurement over \$150,000 (including GST): report within 45 days of contract becoming effective (on or after 1 July 2024). (<i>See Appendix L of GRS for template</i>)

Contact us

For more information please contact NSWBuy:

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E: buy.nsw@customerservice.nsw.gov.au

W: <https://info.buy.nsw.gov.au/resources/modern-slavery-and-procurement>

Additional information and resources

More information is available on the website of the NSW Anti-slavery Commissioner. See dcj.nsw.info/antislaverycommissioner or contact grs@dcj.nsw.gov.au.