



## Fact Sheet

# Applying the Scheme to indirectly funded building work

The Australian Government Building and Construction OHS Accreditation Scheme (the Scheme) operates such that, subject to certain thresholds, only head contractors who are accredited under the Scheme can enter into contracts for building work that is funded directly or indirectly by the Australian Government.

For more information on what constitutes building work, refer to our fact sheet **Definition of 'building work'**.

### What is indirectly funded building work?

Projects are considered indirectly funded where an Australian Government agency contributes funding to a third party recipient, such as a state government, through an Australian Government funding agreement, grant or other program.

Indirectly funded building work includes projects where the Australian Government provides funding to a person/s, such as a state or territory government, who may then contract with a person who:

- will carry out building work; or
- may arrange for building work to be carried out.

This includes building work involving Australian Government funding through a funding agreement or grant, for example, Build Own Operate (BOO), Build Own Operate Transfer (BOOT), and pre-commitment leases. All pre-commitment leases are covered by the Scheme, and where they are funded by the Australian Government through an agreement or grant, the indirect thresholds will apply.

Examples of indirectly funded building work include:

- road construction projects funded by the Australian Government
- a new school built by a state or territory government using funding provided by the Australian Government.

### What thresholds apply to indirectly funded building work?

The Scheme applies to projects that are indirectly funded by the Australian Government where:

- the value of the Australian Government contribution to the project is at least \$5 million and represents at least 50 per cent of the total construction project value; or
- the Australian Government contribution to a project is \$10 million or more, irrespective of the proportion of Australian Government funding.

### Are there any indirectly funded projects the Scheme does not apply to?

The Scheme does not apply to projects indirectly funded by the Australian Government if:

- the funding for the project was obtained under a grant or funding agreement that was entered into before 1 October 2007 (for example National Projects under AusLink 1); or
- the contract for the building work was entered into before 1 October 2007.

The Scheme also does not apply to building and construction work if the value of the work is below the specified indirect funding thresholds.

### Identifying who needs to be accredited

If a project meets the above thresholds the requirement that accredited builders carry out the building work only applies to head contracts for building work valued at \$3 million or more.

For further information on the Scheme and how it applies to directly funded building work, refer to the fact sheets

**Applying the Scheme to directly funded building work** and **The Australian Government Building and Construction OHS Accreditation Scheme**.

#### For further information you can:

- visit the FSC website at [fsc.gov.au](http://fsc.gov.au)
- contact the FSC Assist Line on **1800 652 500**
- contact the OFSC via email at [ofsc@deewr.gov.au](mailto:ofsc@deewr.gov.au)

This fact sheet is correct as of 16 October 2007. Produced by the Office of the Federal Safety Commissioner.

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