



Advice to Agencies: Applying the Australian Government Building and Construction OHS Accreditation Scheme

The Australian Government Building and Construction OHS Accreditation Scheme (the Scheme) is established under the *Building and Construction Industry Improvement Act 2005* (the BCII Act).

The BCII Act places specific legal obligations on agencies as clients of the building and construction industry. It is critical that staff involved in procurement processes understand these obligations and ensure procurement documentation reflects these requirements.

The Scheme enables the Australian Government to use its influence as a major construction client and provider of capital to improve the OHS performance of the building and construction industry. Through the Scheme, the government aims to foster a culture where work must be performed on budget, on time **and safely**.

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.

What is directly funded building work?

Projects are considered to be directly funded where an Australian Government agency is the client. This includes precommitment leases and similar arrangements.

Typical examples of directly funded projects are the Department of Defence constructing a new military facility or an agency arranging for the construction of a new office or a fit out of an existing building.

The Scheme must be applied to all directly funded building work with a value of \$3 million and above (including GST).

What is indirectly funded building work?

Projects are considered indirectly funded where the Australian Government contributes funding to a third party recipient, such as a state government, through funding agreements, grants or other programs.

Some typical examples of indirectly funded building work are where the Australian Government provides funding for a state government to construct a road, or where the Australian Government provides funding to a university to construct a research facility.

Application of the Scheme must be a condition of funding agreements and grants where:

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

Resources for agencies

A suite of resources for agencies is available from **fsc.gov.au**, including model clauses for your tender documents, contracts, grants and so forth, plus a full list of accredited head contractors.

Assistance for agencies

For assistance on how to meet obligations under the BCII Act, agencies can contact the Office of the Federal Safety Commissioner on **1800 652 500** or email to **ofsc@deewr.gov.au**

This fact sheet is correct as of 29 July 2009. Produced by the Office of the Federal Safety Commissioner.

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