



IMPROVEMENTS TO THE AUSTRALIAN GOVERNMENT BUILDING AND CONSTRUCTION WHS ACCREDITATION SCHEME

Overview

On 22 October 2014, the Government announced a number of improvements to the Australian Government Building and Construction WHS Accreditation Scheme (Scheme). The Scheme leverages Commonwealth funding to increase safety standards across the industry.

The changes respond to a review of the Scheme, requested by the Government, undertaken by the Department of Employment in the first half of 2014. The review sought options to streamline and modernise the Scheme while maintaining the high standards required for accreditation.

The review was undertaken in close consultation with an Advisory Panel comprising representatives of all key industry associations, unions, government agencies and the Federal Safety Commissioner. In addition, a major survey was undertaken of all accredited companies which provided valuable information about the Scheme's costs, benefits and safety outcomes. Submissions were received from a range of interested parties including industry organisations, accredited companies and work health and safety professionals.

There was broad support from Advisory Panel members for the recommendations which successfully balance the need to reduce red tape and barriers to entry, with maintaining the Scheme's best practice approach to safety. The changes will increase competitiveness in the market for Commonwealth funded projects, while increasing opportunities and incentives for more companies to achieve the safety standards required to become accredited.

The full review report is available at www.fsc.gov.au.

The Government agreed to implement 23 of the 25 review recommendations in full, with minor amendments to the other two recommendations (related to coverage of domestic housing projects and the duration of accreditation and reaccreditation).

When did the changes to the Scheme become effective?

Changes requiring legislative amendment became effective on **1 January 2015**. Other administrative changes will be implemented throughout 2015.

What are the key changes to the Scheme?

Increasing financial thresholds

The Scheme's financial thresholds (the value of projects at which use of accredited builders becomes a requirement) have been increased both for the head contract value and the level of Commonwealth funding at which the Scheme requirements are triggered.

Directly funded projects: the value of head contracts for building work has increased from \$3 million to \$4 million.

Indirectly funded projects: the value of head contracts for building work has increased from \$3 million to \$4 million. In addition, the threshold at which the Commonwealth contribution of funding requires the use of an accredited builder has increased from \$5 million to \$6 million, with the previous \$10 million threshold remaining unchanged. All increases have been made to reflect price movements since 2007.

Domestic housing

The Scheme no longer applies to the relatively small number of Commonwealth-funded projects involving the construction of single-dwelling houses (nor alteration, extension or refurbishment). Multi-unit residential projects (such as the construction, alteration, extension or refurbishment of attached or semi-attached dwellings, townhouses, duplexes and apartments) that are above the financial thresholds will continue to be covered.

Removing the prerequisite for AS/NZS 4801:2001

Building and construction companies seeking (or maintaining) accreditation under the Scheme no longer need certification to Australian Standard AS4801 (or equivalent). The Scheme's criteria and auditing are far more extensive.

Unaccredited builders can undertake Scheme projects through a joint venture arrangement

Unaccredited builders are now able to undertake Commonwealth-funded building work as a head contractor so long as they are in a joint venture with an accredited company and operate under the partner's Scheme accredited systems. This arrangement was previously only available to international companies. The accredited partner will risk losing their accreditation if the unaccredited partner fails to adhere to the Scheme's requirements.

Extending maximum period of accreditation

Companies seeking accreditation for the first time will be granted an initial accreditation period of 3 years. Following this initial period, companies seeking re-accreditation, may be granted an accreditation period of up to 6 years (but only for companies with a strong compliance record). Existing accreditation periods cannot be extended.

The reaccreditation process will be streamlined and the paperwork significantly reduced particularly for companies with a strong compliance record.

A targeted, risk-based compliance model

A new risk-based compliance model will be introduced to better target audit resources to companies with a higher risk of non-compliance. All companies can expect more regular site audits, but the compliance burden will be reduced for companies which consistently demonstrate high performance in complying with the Scheme over time.

Streamlined application processes and improved guidance material

A range of changes will be made to how the Scheme is administered by the Office of the Federal Safety Commissioner (OFSC). These include clearer guidance material to assist companies to become accredited and how to better prepare for the audit process. An on-line portal and on-line application process is expected by

around April 2015. This will include assistance on how to complete the application. The OFSC also proposes to enhance its education and communications material to better disseminate information about best practice safety standards across the building industry.

Increased recognition of Scheme accreditation by states and territories

During 2015, it is anticipated that Scheme accreditation will automatically meet the work health and safety application requirements of all state and territory prequalification schemes for their civil and commercial construction projects.

International companies

A number of the improvements to the Scheme will assist international as well as domestic firms in the accreditation process and subsequent compliance approach.

The Government has agreed that any opportunities to further increase access for international companies should be investigated, but that competitive neutrality for domestic building companies will be maintained.

Australian Government agencies

Agencies will be required to provide advance notice of upcoming tenders, commencement of Scheme tender processes and ensure adherence to Scheme requirements. This will also allow the OFSC to better target its educational and communication resources to areas where high volume of Commonwealth-funded building and construction work is expected to occur.

For further information you can:

- visit the FSC website at www.fsc.gov.au
- contact the FSC Assist Line on **1800 652 500**
- contact the OFSC via email at ofsc@employment.gov.au

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