



Fact Sheet – Applying the Scheme to indirectly funded building work

The Work Health and Safety 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 funded directly or indirectly by the Commonwealth or a corporate Commonwealth entity.

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

What is indirectly funded building work?

Projects are considered indirectly funded where the Commonwealth or a corporate Commonwealth entity contributes funding to a recipient through a funding agreement, grant or other program. The recipient, such as a state government, council or private company, may carry out the work themselves or contract with a person who:

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

This includes building work funded by the Commonwealth or a corporate Commonwealth entity through a funding agreement or grant, for example, Build Own Operate (BOO), Build Own Operate Transfer (BOOT), and pre-construction agreements. All pre-construction agreements are covered by the Scheme, and where they are funded by the Commonwealth or a corporate Commonwealth entity through an agreement or grant, the indirect thresholds will apply.

Examples of indirectly funded building work include:

- road construction projects funded by the Commonwealth or a corporate Commonwealth entity.
- a new school built by a state or territory government using funding provided by the Commonwealth or a corporate Commonwealth entity.

What thresholds apply to indirectly funded building work?

- The Scheme applies to projects that are indirectly funded by the Commonwealth or a corporate Commonwealth entity where a head contract for building work under the project has a value of at least \$4 million (GST inclusive) **AND**:
 - the contribution to the project by the Commonwealth or a corporate Commonwealth entity is at least \$6 million (including GST) and represents at least 50 per cent of the total construction project; **OR**
 - the contribution to the project made by the Commonwealth or a corporate Commonwealth entity is at least \$10 million (including GST).

Identifying who needs to be accredited

If a project meets the above thresholds the following requirements will also apply:

- Where a funding recipient undertakes building work themselves and the value of the contract is at least \$4 million, they will need to be accredited under the Scheme. For example, a local council who undertakes road works which exceeds the above threshold will require accreditation;
- Where a funding recipient engages a person to undertake any building work, the head contractor must be accredited under the scheme where the value of the contract is at least \$4 million (GST Inclusive), regardless of the cost of the building works component of the contract.

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

The Scheme does not apply to projects indirectly funded by the Commonwealth or a corporate Commonwealth entity if:

- the building work is prescribed under section 26 of the Building and Construction Industry (Improving Productivity) (Accreditation Scheme) Rules 2019; or
- the value of the funding contribution made by the Commonwealth or a corporate Commonwealth entity or the head contract is below the specified indirect funding thresholds.

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 **Contracting for Australian Government Funded Building Work**

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