



Fact Sheet – Small builders and the Scheme: your questions answered

The Work Health and Safety Accreditation Scheme (the Scheme) is designed to improve health and safety in the building and construction industry. It applies to builders who are head contractors for building work funded by the Commonwealth or a corporate Commonwealth entity. The following advice is for small businesses and sole traders. **The Scheme only applies to projects where the Commonwealth or a corporate Commonwealth entity has provided funds for the building work and meets certain financial thresholds.**

If I only build residential houses, do I need to be accredited?

You do not need to be an accredited builder for projects for the construction of 'single-dwelling houses' regardless of the value or number to be constructed.

A 'single dwelling house' for the purpose of the Scheme is:

- a detached house; or
- one of a group of two or more attached dwellings such as a row house, terrace house, town house or villa unit;

You do not need to be accredited if your building work involves the alteration or extension of a dwelling provided it remains a single-dwelling house after the alteration or extension.

You will require accreditation if your contract meets the threshold value and is for a project which entails building or altering a residential dwelling that is not a single dwelling house – ie. apartments.

Contact the Office of the Federal Safety Commissioner (OFSC) if in doubt.

What thresholds apply to directly funded building work?

The Scheme applies to projects that are directly funded by the Commonwealth or a corporate Commonwealth entity with a value of at least \$4 million (GST Inclusive).

An accredited builder must be engaged for all building work directly funded by the Commonwealth or a corporate Commonwealth entity with a contract value of at least \$4 million (GST Inclusive).

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 funding; **OR**
- the contribution to the project by the Commonwealth or a corporate Commonwealth entity is at least \$10 million (including GST), irrespective of the funding proportion made by the Commonwealth or a corporate Commonwealth entity.

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 **\$4 million** (GST Inclusive) or more.

My contract is for more than \$4 million (GST Inclusive). Do I need to be accredited?

If the contract is for **building work other than single dwelling houses**, yes, you will need to be accredited except in some cases where the indirectly funded threshold test applies (see above).

I am in a joint venture with an accredited builder. Do I need to be accredited?

New provisions apply in this circumstance. *Fact sheet –Joint venture Arrangements* provides details.

I'm not the head contractor. Do I need to be accredited?

No. The Scheme only applies to builders who are head contractors for building work funded by the Australian Government.

Do subcontractors need to be accredited?

No. Accreditation is not required for subcontractors engaged by a head contractor who carries out some of the building work, or arranges for the building work to be carried out. However, the head contractor will need to comply with the requirements of their accreditation and ensure that there is an effective subcontractor WHS management system in place.

Guidance material on how head contractors can meet this requirement is outlined in the *Audit Criteria Evidence Guide*.

Can I tender for building contracts if I am not yet accredited?

Builders who are not accredited under the Scheme may still tender for government funded head contracts. However, clients are able to identify a range of requirements in a tender process and many require accreditation at the point of submitting the tender. Contracts cannot be entered into with a builder who is the head contractor, until they are accredited.

For further information:

- 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@dewr.gov.au

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