



Fact Sheet – Contracting for Australian Government funded building work

Do I need to be accredited?

If you:

- are planning to contract for building work valued at \$4 million (GST inclusive) or more funded by the Australian Government **AND**
- will be the head contractor

you may be required to be accredited under the Work Health and Safety Accreditation Scheme (the Scheme).

If you are considering contracting for Government funded building work you should apply for accreditation now.

What is the Scheme?

The Scheme is established under the *Federal Safety Commissioner Act 2022* and the *Fair Work (Building Industry – Accreditation Scheme) Regulation 2016**, and is designed to improve work health and safety in the building and construction industry.

Subject to certain thresholds, only head contractors who are accredited under the Scheme can enter into contracts for building work that are funded directly or indirectly by the Australian Government.

For directly funded projects, the threshold is \$4 million.

Where the Australian Government contributes funding to a recipient through a funding agreement, grant or other program, it is considered indirectly funded. The same \$4 million head contract value applies; however, it is subject to additional funding thresholds based on the proportion of the Australian Government contribution to the project.

Why was the Scheme established?

The Scheme was established in 2005 in recognition that something had to be done to improve the unacceptable WHS performance in the building and construction industry.

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

Why should I become accredited?

The Act requires head contracts for building work to be signed with accredited builders (subject to the thresholds referred to above).

Alternative provisions exist for joint venture arrangements that include accredited and unaccredited builders. Refer to the fact sheet on Joint Venture Arrangements.

There are now over 400 accredited companies enjoying the benefits of accreditation. Not only are they eligible to contract for Australian Government funded projects but they are reaping the benefits of improved WHS performance. Improvements in safety lead to increased productivity, reduced absences, reduced insurance and workers' compensation costs, improved retention and greater innovation.

Another benefit of accreditation is automatic recognition of meeting the work health and safety elements of the pre-qualification schemes for

building and construction work in all states and territories (except Tasmania).

How can I become accredited?

An application for accreditation must be submitted via [FSC Online](#) with the Office of the Federal Safety Commissioner (OFSC) and once the application has been processed, one or more on-site audits are conducted. The final stage in the process is for a recommendation to be made to the Federal Safety Commissioner (FSC) who determines all applications for accreditation. There are no fees charged to submit an application or undergo the audit process, and there are no ongoing fees once a company is accredited.

Applicants will be assessed for accreditation by the FSC and will need to satisfy the following criteria:

- demonstrated senior management commitment to WHS
- integration of safe design principles into the risk management process
- whole-of-project WHS consultation and communication
- demonstrated effective subcontractor WHS management arrangements across building and construction projects
- whole-of-project performance measurement
- WHS training and competency to deal with safety risks
- demonstrated ability to deal with construction hazards and high risk activities based on works being undertaken on site
- past performance in relation to workplace safety and
- evidence of an effective WHS management system (WHSMS).

The Scheme sets a high benchmark and some applicants may need multiple audits to reach the WHS standards required for accreditation. Accreditation initially will be granted by the Federal Safety Commissioner for three years.

Subsequent periods of accreditation can be for up to six years for companies with a strong track record of compliance with the Scheme requirements. You can find out more about the accreditation process or apply for accreditation

using [FSC Online](#) via the FSC website at www.fsc.gov.au.

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

**The Fair Work (Building Industry – Accreditation Scheme) Regulation 2016 (which was continued in force by item 11 of Schedule 2 to the Building and Construction Industry (Consequential and Transitional Provisions) Act 2016 as rules made by the Minister for the purposes of section 43 of the Building and Construction Industry (Improving Productivity) Act 2016 (BCI Act)).*

This fact sheet was last updated 6 February 2023. The Office of the Federal Safety Commissioner (OFSC) has prepared this fact sheet for general information only, and it does not replace professional advice. This fact sheet is derived from a variety of sources and has been prepared without taking into account your individual objectives, situations or needs. You should consider your personal circumstances, and if appropriate, seek independent legal, financial or other professional advice before acting. The OFSC has endeavoured to ensure the currency and completeness of the information in this fact sheet at the time of publication; however, this information may change over time. The OFSC expressly disclaims any liability caused, whether directly or indirectly, to any person in respect of any action taken on the basis of the content of this fact sheet.