



NSW Government Procurement Practice Guide

OHSMS & EMS Accreditation

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OHSMS AND EMS ACCREDITATION PRACTICE GUIDE Version 1

This Practice Guide prepared by Department of Services, Technology and Administration with the support of NSW Treasury for the NSW Government. This practice guide is an element of the Procurement Policy Framework of the NSW Government. It is available from the NSW Government Procurement website <http://www.nswprocurement.com.au/>

The document shall be updated on an ongoing basis by the Department of Services, Technology and Administration to reflect changes to government tendering policy and procedures. To ensure accurate and up to date information, agencies are advised to access the latest version directly from the website.

For further information on these guidelines contact NSW Procurement help desk by phone 02 9372 8600 or 1800 679 289 (1800 NSWBUY) or e-mail nswbuy@services.nsw.gov.au

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1 Introduction

The NSW Government Procurement Policy Framework, available on the [NSW Procurement website](#), has a fundamental objective to ensure that NSW Government procurement achieves value for money. Efficiency and effectiveness, probity and equity, and effective competition are key principles underpinning the Policy Framework. The Policy Framework includes a single [NSW Government Code of Practice for Procurement](#) to cover all Government procurement.

The [Occupational Health and Safety Management System Guidelines \(4th Edition, June 2004\)](#) and the [Environmental Management Systems Guidelines \(2nd Edition, September 2009\)](#) remain unchanged, including the thresholds at which accreditation is needed.

This *Occupational Health and Safety Management System (OHSMS) and Environmental Management System (EMS) Accreditation Practice Guide* (the *Practice Guide*) is designed to provide agencies with a structured and consistent approach to conducting OHS and EMS accreditation. The *Practice Guide* sits alongside the OHS and EMS Guidelines.

The *Practice Guide* also provides industry with an understanding of the accreditation scheme implemented by NSW Government agencies, under the Guidance of the Construction Consultative Committee (CCC).

The *Practice Guide* is to assist the NSW Government construction agencies undertaking accreditation of the OHSMS and EMS of organisations doing business with government.

The *Practice Guide* may be revised periodically. The latest version can be accessed from the [NSW Procurement website](#).

This *Practice Guide* applies to all government departments, statutory authorities, trusts and other government entities. State Owned Corporations under the [NSW State Owned Corporations Act 1989](#) are exempt although they are encouraged to adopt aspects of the *Practice Guide* that are consistent with their corporate operations.

2 Background

[The NSW Occupational Health and Safety Management System Guidelines \(4th Edition\)](#) were released in June 2004. Tenderers for all NSW government construction projects must comply with the NSW Government OHS Management System Guidelines. The Guidelines require that for contracts valued at \$1million or more, or as determined by an agency, the tenderers must provide evidence of a corporate OHS Management System accredited by a NSW Government construction agency.

Since December 2009, OHS Management System accreditation under the Australian Government Building and Construction OHS Accreditation Scheme ([Office of the Federal Safety Commissioner \(FSC\)](#)) is deemed to comply with the requirements of the NSW Government Occupational Health and Safety Management Systems Guidelines (Edition 4). Organisations with this accreditation need not apply for NSW Government accreditation of their OHS Management System.

In addition to either of the above accreditation requirements, tenderers for NSW Government contracts are likely to be asked to submit a Project OHS Management Plan that addresses all 12 key elements of the NSW OHSMS Guidelines.

[The NSW Environmental Management Systems Guidelines \(2nd Edition\)](#) were released in September 2009. The Guidelines were updated to refer to the AS/NZS ISO 14001:2004 Environmental Management Systems standard. Organisations seeking to work on major projects (all projects of \$10 million or more, and projects under \$10 million if they are environmentally sensitive) need to have a corporate EMS accredited by a NSW government construction agency.

NSW Government agency members of the CCC assess and determine applications for OHSMS and EMS accreditation to the relevant NSW Government Guidelines. At the time of publishing this practice guide, the Department of Services, Technology and Administration (DSTA), Housing NSW, Hunter Water Corporation, Roads and Traffic Authority of NSW (RTA) and Sydney Water Corporation carry out OHSMS accreditations and DSTA and RTA undertake EMS accreditation.

The registers of OHSMS and EMS accredited organisations are managed by DSTA and have been centralised with information on organisations accredited by all accrediting agencies. The registers are available on the [NSW Procurement website](#).

3 Review of Practice

For many years of the OHSMS and EMS accreditation schemes, management practice provided for an organisation that received accreditation to remain accredited until a new version of the OHSMS or EMS Guidelines was released, at which time the accreditation needed to be renewed. The assessment for accreditation is desktop based only, with no site audits of compliance being required.

For OHSMS and EMS accredited organisations carrying out work for government agencies, implementation of the systems has been and is required to be monitored on a contract by contract basis by the agencies. This monitoring is carried out through agencies' on-site audits and contractor and consultant performance monitoring and reporting systems.

There has however been no formal process for review of an organisation's OHSMS and EMS implementation where the organisation had not carried out work for a government agency, and some times where the organisation's work for government agencies was infrequent. There is no way for the accrediting agencies to know whether such accredited systems were successfully implemented.

WorkCover reports that it has dealt with organisations which are accredited and yet have breached the OHS Act and/or Regulation while working on a private sector owned and managed project site.

In order to overcome the above problems, commencing from September 2010, organisations will only receive accreditation of their OHSMS or EMS for a fixed period. At the end of this period, organisations will need to seek accreditation again otherwise their accreditation will lapse.

Accreditation should be treated like insurance as it is a way of managing risk and therefore should have a sunset clause. The introduction of a time limit for accreditation follows the model used by the [Joint Accreditation System of Australia and New Zealand](#) (JAS-ANZ). JAS-ANZ requires a complete reassessment to take place every four years.

In addition, NSW Government agencies will take account of recorded performance, second and third party audits and also reported breaches when considering re-accreditation of organisations.

All accrediting agencies will undertake complete accreditation of organisations' systems. No partial accreditation (eg excluding

design requirements) is to be undertaken. This will ensure that accreditation is consistent across government and that all organisations on the central register will have their systems accredited to the same standard.

Organisations can obtain free one-on-one workplace safety advice and assistance from a large business in their industry through [WorkCover's mentor program](#).

4 The New Accreditation Scheme Process

4.1 New Timeframe

From September 2010, OHSMS and EMS accreditation will be for an initial period of three years. This brings accreditation into the same time line as the OHSMS accreditation scheme operated by the Office of the Federal Safety Commissioner. Accreditation will have a total period of six years, comprising two three-year sub periods.

An initial accreditation application from an organisation will be subject to a desktop audit. Organisations that are successful will be accredited for an initial period of three years.

Progressing to the second three year renewal period as well as reapplying for accreditation will be dependant on an organisation demonstrating successful implementation of its accredited OHSMS or EMS during the initial three year period.

Accrediting agencies can choose to accredit only those organisations with which they plan to do business and may refer other organisations to the DSTA for accreditation.

4.2 Performance review

In order to retain accreditation for the second three year renewal period, organisations must be able to demonstrate that they are satisfactorily implementing the OHSMS and EMS that have been accredited.

Organisations will also need to demonstrate that they are satisfactory implementing their OHSMS and/or EMS during the second three year renewal period.

Category A: Organisations regularly carrying out construction work under NSW Government agency contracts.

The organisation:

- Must ensure that regular quarterly reports are prepared on their performance. These performance reports are prepared on the organisation by the client's project manager. These standard reports include reporting on OHSMS and EMS implementation performance. Such reports are usually known as Contractor or Consultant Performance Reports (CPRs).

- Will also be the subject of OHSMS and EMS compliance audits by second and third parties, on behalf of the client agency, while carrying out construction work under NSW Government agency contracts. The results of any such audit must be reflected in the organisation's CPRs.
- For the terms of their OHSMS and/or EMS accreditation, organisations will be required to demonstrate continuous ongoing satisfactory OHSMS and EMS compliance performance by way of achieving satisfactory or better CPR results for OHS management and Environmental management, whichever is relevant to the accreditation involved. This will require the organisation to have at least three (3) CPRs prepared annually on their performance.

Systems audits must be carried out by a NSW government agency or a certified third party, such as a JAS-ANZ certified auditor. As a minimum, these systems auditors must possess any three of the four qualifications required for audit team members. See the [Guidelines for Auditing Project OHS Management Plans](#) for details of audit team qualifications.

Category B: Organisations not regularly carrying out construction work under NSW Government agency contracts and not able to demonstrate their capability by way of at least three (3) CPRs annually.

- For the terms of their OHSMS and/or EMS accreditation, must have completed annually at least one third party audit to demonstrate satisfactory compliance with its Project OHS Management Plan and/or Environmental Management Plan which have been prepared in accordance with the OHSMS and/or EMS Guidelines.
- Systems audits must be carried out by a NSW government agency or a certified third party, such as a JAS-ANZ certified auditor. As a minimum, these systems auditors must possess any three of the four qualifications required for audit team members. See the [Guidelines for Auditing Project OHS Management Plans](#) for details of audit team qualifications.

At the end of the initial and renewal three year periods, organisations in Category A or B are also to provide for their OHSMS accreditation:

- A statement confirming that the organisation is not in default of any fine issued for a breach of the OHS legislation;
- Details of every OHS prosecution and fine imposed on the organisation in Australia during the accreditation period, together with a description of actions taken by the organisation in response to each prosecution and fine; or

- A statement that the organisation has not incurred prosecutions or fines during the second three year renewal period.

Organisations in Category A or B are also to provide for their EMS accreditation:

- A statement confirming that the organisation is not in default of any fine issued for a breach of environmental legislation; and
- Details of every prosecution and fine incurred by the organisation during the last three years under the [*Protection of the Environment Operations Act 1997*](#) or other Australian environmental legislation, together with a description of the actions taken by the organisation in response to each prosecution and fine; or
- A statement that the organisation has not incurred prosecutions nor fines under environmental legislation during the last three years.

4.3 Accreditation review

Accredited organisations seeking an extension of their OHSMS or EMS accreditation beyond the first three year period must submit their application complete with the performance review information required under Section 4.2.

The application for extension of accreditation for the second three year renewal period must be submitted to the NSW Government agency that carried out the organisation's original accreditation assessment.

If organisations do not provide the required performance review information with their accreditation review application, a new application for accreditation will need to be submitted.

At the end of the second three year renewal period, organisations will need to submit a new application for accreditation. This will need to include the performance review information for the second three year renewal period as required under Section 4.2.

Failure to provide performance information during the second three year renewal period could lead to an organisation being prevented from reapplying for accreditation.

4.4 Accreditation management

If an accredited organisation receives three or more unsatisfactory CPR ratings for its OHSMS or EMS in any three

year period, sanctions (for example caution, suspension, revoking, exclusion) will be applied by the agency in conjunction with the Construction Consultative Committee.

Depending on the severity of the incidents, organisations demonstrating less than satisfactory performance may have their accreditation revoked. Such organisations may then have to renew their accreditation formally. Organisations may also be prevented from reapplying for accreditation for a period of time.

The NSW Government OHSMS and EMS Guidelines state that failure to implement and comply with an OHS Management Plan or an Environmental Management Plan may constitute grounds for the withdrawal of accreditation.

At the end of the six year accreditation period, organisations will need to reapply for accreditation of their OHSMS or EMS. This will require organisations to apply to have their OHS or EMS subjected to the desk top audit.

4.5 Cost Recovery

The cost of going through the OHS or EMS accreditation process will be borne by the organisation seeking accreditation.

All accrediting agencies will charge a cost recovery fee of \$1,200 per accreditation to organisations seeking accreditation.

A further fee of \$400 per reassessment may be charged by agencies if an accreditation application needs to go through additional reviews before accreditation is achieved. This is to ensure that organisations only apply for accreditation when their systems are ready, rather than using the application process as a cheap way of developing their system.

The cost of any Contractor or Consultant Performance Reports, third party audits or site inspections will be borne by the organisation.

Although this process may add a very small direct cost to organisations, this process will make safety a higher priority for organisations and government construction agencies. In addition, for the outlay of a small cost, the new process will bring a culture change in the implementation of safety and environmental management in the construction industry and reduce the risk of injury to persons and adverse impact on the environment.

4.6 Central Register

The OHS and EMS Guidelines state that the CCC will maintain a central register of contractors with OHS and EMS systems

accredited by NSW Government construction agencies. This maintenance of a central register will minimise duplication across government.

All accrediting agencies are to forward details of newly accredited organisations on a regular basis to the CCC Executive Officer on OHSEMSAccreditation@services.nsw.gov.au. All updated information regarding the accredited organisations should also be forwarded.

4.7 Decision Appeals

During the six-year accreditation period, organisations will be able to appeal against decisions by accrediting agencies that they believe to be wrong. Initially the accrediting agency will investigate the complaint. If it is not resolved at this level, the appeal can be escalated to the CCC for a decision. The CCC will arrange for an independent review of the decision.

5 Transition to the New Process

The transition to a finite period accreditation process will commence in September 2010, with the transition implemented by June 2011.

A letter will be sent by the accrediting agency to currently accredited organisations advising of the changes and timeframe. In instances where an organisation is accredited by more than one agency, the renewal will be undertaken by DSTA if it is one of the accrediting agencies or by the agency that accredited the organisation first if DSTA is not one of the accrediting agencies. DSTA will produce the model letter to be sent by all agencies.

The organisations which have had accreditation the longest will be the first to be reviewed. The most recently accredited organisations will be dealt with last. The list of accredited organisations is to be divided into manageable numbers so that not all renewals are being processed at the same time.

All new applications from 1 September 2010 will take place under the new system and successful applicants will be granted accreditation for their systems for a total period of six years, subject to satisfactory reports after the initial three year period.

“Grandfathering” will apply in cases where a currently accredited organisation has a contract that continues past the end of the transition period but does not apply or obtain accreditation under the new process. The relationship will continue until the current contract is completed.

Accreditation applications must only be submitted by the organisation wishing to gain accreditation and not by a consultant who has developed the system on behalf of the organisation.

Organisations will be given a period of 3 months to complete the accreditation process. If accreditation is not complete within the 3 months, their accreditation will lapse and their organisation will be removed from the register of accredited organisations.