

Code
of
Practice

for the South
Australian
Construction
Industry

Implementation Guidelines

Part Two

Schedules of
Best Practices

September 2008



Supported by
**Government
of South Australia**

September 2008

Reproduction of this publication is encouraged, provided that due acknowledgment is given to the Government of South Australia.

Published by the Department for Transport, Energy and Infrastructure on behalf of the Government of South Australia.



Government of South Australia
Department for Transport,
Energy and Infrastructure

Contents

SCHEDULE 1	4
Contract Administration	4
SCHEDULE 2	5
Consultant Selection and Ethics	5
SCHEDULE 3	6
Tendering Processes	6
SCHEDULE 4	7
Security of payments	7
SCHEDULE 5	8
Intra-Industry Relationships	8
SCHEDULE 6	9

Skills Development and Training	9
SCHEDULE 7	11
Occupational Health and Safety (OHS)	11
SCHEDULE 4	13
Environmental Management	13
SCHEDULE 9	15
Best Practice	15

SCHEDULE 1

CONTRACT ADMINISTRATION

In order to implement the best practice contract administration principles listed in the Code, the State Government will produce a suite of contracts for State Government managed or fully or partly funded construction projects. This suite includes standard forms of contract with minimal amendment or special conditions.

Government agencies have developed a set of standard special conditions of contract for use in conjunction with standard contracts.

SCHEDULE 2

CONSULTANT SELECTION AND ETHICS

In order to implement the best practice consultant selection and ethics principles listed in the Code, Australian Standard AS 4121 (1994) is adopted on all State Government managed or fully or partly funded construction projects.

SCHEDULE 3

TENDERING PROCESSES

In order to implement the best practice tendering processes principles listed in the Code, Australian Standard AS 4120 (1994) is adopted on all State Government managed or fully or partly funded construction projects.

SCHEDULE 4

SECURITY OF PAYMENTS

The State Government has endorsed the set of agreed national principles applying to security of payment as stated in the Australian Procurement and Construction Council's 'National Action on Security of Payment in the Construction Industry' document.

SCHEDULE 5

INTRA-INDUSTRY RELATIONSHIPS

In order to implement the best practice intra-industry relationships principles listed in the Code all State Government funded and managed construction projects will operate in accord with the appropriate State and Federal legislation and awards. The Code requires that the State Government's policy of freedom of association on its construction projects be implemented.

The best practice principles listed in the Code will apply on all State Government construction sites except to the extent that awards and legislation are recognised as taking precedence.

SCHEDULE 6

SKILLS DEVELOPMENT AND TRAINING

In order to implement the best practice skills development and training principles listed in the Code all State Government funded and managed projects will be managed in accordance with those principles. Contractors, sub-contractors, specialist contractors, consultants and sub-consultants will be responsible for ensuring that these principles are met and will be subject to sanctions for failure to comply.

The State Government will implement specific policies and legislation to ensure that its training goals are met. These will include but not be restricted to compliance with directions and requirements with respect to the Construction Industry Training Levy and Fund and training on State Government managed or fully or partly funded construction projects.

All contractors are expected to be aware of the Construction Industry Training Fund and make payment of the appropriate levy on each of these projects. State Government agencies will assume that the appropriate levy amount has been included in any tender submitted to them and will not provide additional funding to cover the levy.

In order to ensure that the appropriate construction industry training levy is paid on all State Government funded and managed projects all State agencies managing construction industry activity will provide a regular report to the Construction Industry Training Board of all contracts let and the appropriate specific details including the name and nature of the asset, the name of the successful contractor and the approximate value of the contract/project.

Agencies may require proof of payment of the Construction Industry Training Levy prior to:

-
- the payment of the first or any subsequent progress payment; and/or
 - providing access to the construction site.

Construction industry businesses tendering for State Government managed or fully or partly funded construction projects meeting the InSkill SA criteria are to be InSkill SA registered.

SCHEDULE 7

OCCUPATIONAL HEALTH AND SAFETY (OHS)

The Government of South Australia has given the highest priority to improving the management of occupational health and safety in the construction industry. A systematic approach to OHS management is to be encouraged to ensure that OHS management becomes an integrated part of the organisational culture of construction industry enterprises and facilitates continuous improvement of OHS performance in both individual enterprises and on projects.

Improving the industry's OHS performance requires positive measures that aim for prevention rather than correcting things when they go wrong. To this end, service providers should be encouraged to have OHS management systems and to establish a site-specific OHS management plan before work commences. A comprehensive OHS management system and plan aims for prevention and elimination of hazards that cause injuries and illnesses at the workplace.

A comprehensive OHS management system and plan will include:

-
- explicit management commitment;
 - employee involvement;
 - rigorous work practices analysis;
 - proactive worksite analysis that anticipates and assigns roles and responsibilities and defines efficient procedures while on site;
 - hazard identification, prevention and control;
 - induction and task training;
 - appropriate injury management and rehabilitation; and

-
- efficient maintenance of records.

It is essential that an OHS management system is fully documented and clearly communicated to people in an enterprise and on a project. It should systematically cover the way that everyone is expected to work safely, the way the contractor managing a project and each sub-contractor or other service provider will ensure others work safely and the ways they intend to improve their practices over time. This will also entail defining roles, duties and responsibilities so that everyone knows what they have to do, when and in what circumstances.

SCHEDULE 4

ENVIRONMENTAL MANAGEMENT

The State Government has endorsed the following range of initiatives for application on all State Government managed or fully or partly funded construction projects, in order to contribute to better environmental management.

Energy Efficiency Action Plan

The Energy Efficiency Action Plan defines basic energy efficiency measures for new government buildings, major refurbishment projects, operation and maintenance practices, vehicle fleet management and equipment procurement policies.

Key actions relevant to construction projects are as follows.

-
- The construction of new buildings and major refurbishments of existing assets will include a life cycle approach.
 - Operation and maintenance of existing assets are to incorporate energy management practices.
-

Ecologically Sustainable Development Building Strategies

The guide note Ecologically Sustainable Development - Planning, Design and Delivery provides guidance for the planning, design and delivery of new or refurbished of Government buildings and their associated sites. This guide note is to be followed for all submissions to the Public Works Committee.

SCHEDULE 9

BEST PRACTICE

In order to implement the *best practice* principles listed in the Code all State Government funded and managed projects will adopt in their objectives the best practices contained in this section of the Code.

All tenderers will be advised that by submitting a tender they are deemed to have agreed to comply with the Code and its *Implementation Guidelines*. These principles will only be enforceable to the extent that is allowed within the contract, including the conditions of tendering, for each project. The sanctions contained in the Code will only be applied where the breach of the contract conditions, in the opinion of the Chief Executive of DTEI, clearly warrants actions and sanctions additional to those allowed in the contract.

For example the Chief Executive of DTEI might determine that the removal of a contractor or consultant from a register is justified where a contractor or consultant has been found to have continually breached the appropriate legislation or regulations or the spirit of occupational health and safety requirements, although each individual breach is not otherwise of sufficient significance to initiate action under this Code.
