

Building and Plumbing Newsflash 560

Have your say: ‘Proposed improvements to Minimum Financial Requirements for licensing in the building and construction industry’ discussion paper

Purpose

To advise of the opportunity to provide feedback on a [discussion paper](#) regarding proposed improvements to the Minimum Financial Requirements (MFR) for licensing within the building and construction industry.

Background

High-profile insolvencies and corporate collapses in Queensland’s building and construction industry have had wide-ranging financial and social impacts.

The *Building Industry Fairness (Security of Payment) Act 2017* (BIF Act), enacted on 10 November 2017, is a package of reforms to provide Queensland with Australia’s strongest security of payment regime.

One of these reforms is to restore the effectiveness of the MFR for licensing.

The MFR are intended to help Queensland’s building regulator, the Queensland Building and Construction Commission (QBCC), identify applicants or licensees who may not be operating a financially sustainable business so that the QBCC can take appropriate—and early—action.

The current MFR do not provide the QBCC with sufficient or regular information about a licensee’s financial situation.

Through the Queensland Building Plan (QBP), the Queensland Government committed to ‘create new laws that strengthen the MFR and enable the QBCC to better regulate those requirements’.

The BIF Act includes a legislative head of power for the MFR to be prescribed in regulation. Prescribing the MFR by regulation returns accountability for the security of payment regime to Queensland Parliament.

Prior to prescribing the MFR in a regulation, a range of proposed improvements to the MFR are being investigated with feedback sought from the building and construction industry and wider community.

Discussion paper

The [discussion paper](#) outlines proposals for improvements to the MFR in five key areas:

- introducing risk-based, targeted annual reporting requirements
- fostering improved accountancy practices that meet the objectives of the MFR
- ensuring forms of assurance can provide financial security
- ensuring funds from related entity loans can be readily accessed
- clarifying definitions and requirements for the calculation of assets.

We want to hear from the building and construction industry, accountants, lawyers and other interested parties about the likely effectiveness and impacts of each of the proposals.



Have your say

We encourage you to review the [discussion paper](#) and provide your feedback on the proposals.

The discussion paper and response form can be found at: www.hpw.qld.gov.au.

You can have your say by reviewing the discussion paper and completing the [response form](#) included in the [discussion paper](#) or making your own written submission.

Submissions close at **5pm, Tuesday 9 October 2018**.

More information

If you have any questions regarding the discussion paper, please email mfr@hpw.qld.gov.au.

Contact for further information

Building Legislation and Policy, Building Policy and Asset Management

Department of Housing and Public Works

Email: mfr@hpw.qld.gov.au

If you have not received this Newsflash directly from Building Legislation and Policy, you can subscribe via bcqnewsflash@qld.gov.au.