

Building and Plumbing Newsflash 624

Minimum Financial Requirements (MFR) – reporting amendments

Purpose

To simplify and reduce the costs of preparing Minimum Financial Requirements (MFR) reports under the Queensland Building and Construction Commission (Minimum Financial Requirements) Regulation 2018 (MFR Regulation).

MFR reports are only required in specific circumstances and are different from a licensee's annual financial reporting requirements.

What has changed and what does it mean?

Simpler requirements under the MFR Regulation commenced on **16 February 2024**.

If you are a QBCC contractor licensee in financial category SC1, SC2, 1, 2 or 3 who is required to prepare an MFR report, the QBCC will again accept Special Purpose Financial Statements (SPFS) as part of your report.

The amendments make it cheaper and easier to comply by reverting to a previous and less onerous level of detail, which is appropriate for these categories of licensee.

This change applies to MFR reports for the quarter ending 31 December 2023 and onwards.

Licensees who are applying to change their maximum revenue to an amount covered by one of the above licence categories may also apply the new provisions.

There are no changes to existing requirements for contractor licensees in financial category 4-7.

There are no changes to annual reporting requirements.

Background

The MFR framework applies to contractor licensees in the building and construction industry and is regulated by the QBCC.

Under the MFR framework, licensees are required to provide MFR reports in certain circumstances, so the QBCC can assess whether the licensee continues to have sufficient working capital and can cover their debts. This includes where there are changes in a licensee's circumstances, or they wish to change their licence category.

In July 2021, the Australian Accounting Standards Board removed the ability for some for-profit entities to prepare SPFS for their MFR reporting to the QBCC.

As a result, all licensees were required to prepare General Purpose Financial Statements as part of their MFR report, which increased costs for contractor licensees in financial category SC1, SC2, 1, 2 and 3.

More information

The [explanatory notes on these MFR amendments](#) are available on the [Queensland Legislation website](#).

QBCC will work closely to support licensees during this change. More information is available [here](#).

Contact us

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