

Question on Notice
No. 1169
Asked on Tuesday, 10 October 2023

MR M HART ASKED MINISTER FOR ENERGY, RENEWABLES AND HYDROGEN AND MINISTER FOR PUBLIC WORKS AND PROCUREMENT (HON M DE BRENNI)

Will the Minister advise if the QBCC has made or intends to make any changes to Minimum Financial Reporting Tiers given the significant increase in building costs and that the present system operates on past financial reporting?

ANSWER

Queensland's Minimum Financial Requirements (MFR) framework does more to help ensure those in the building and construction industry are financially stable than in any other Australian jurisdiction and were the result of extensive industry and community consultation. The reforms also included the re-introduction of annual reporting to help the Queensland Building and Construction Commission (QBCC) to monitor the financial sustainability of licensees more effectively.

I am advised that since the MFR reforms were implemented on 1 January 2019 the net tangible asset positions of Category 4-7 licensees in Queensland have increased by over \$1.6 billion.

The QBCC is responsible only for administering the MFR framework on behalf of the Queensland Government. Policy and legislative settings are the responsibility of the Department of Energy and Public Works.

The Queensland Government aims to be responsive to market and industry conditions, and always seeks ways to ensure the regulatory regime remains contemporary. However, responsiveness needs to be balanced against providing consistency and clarity for licensees and consumers. Therefore, matters such as these remain under consideration as part of standard departmental processes and practices.

The Queensland Government is committed to ensuring that both consumers and subcontractors have protections in place and provides stable foundations for the building and construction industry as a whole.