



## The new QBCC reporting requirements and what it means for your Construction Business

Commencing from 1 January, 2019, the Queensland Building and Construction Commission (QBCC) proposed changes to the Minimum Financial Requirements for construction businesses. The aim of the changes is to help provide some clarity around what can be included in calculating licensee revenue and assets, and to provide additional data quality capabilities and reporting for QBCC. This will result in more transparency with an aim of mitigating the impact of potential insolvencies.

So far as what it means for you as a construction business, there will be a number a changes in the way that you are required to provide your financial information each year. All licensees will be required to provide financial data to QBCC (similar to what was previously required until 2014), but the specific changes for you will depend on the category of your licence and how you hold your revenue. The summary of key changes from QBCC are:

- Stronger reporting requirements
  - Providing financial information annually to QBCC
  - Reporting significant decreases in net tangible assets (20% for categories 4-7, 30% for other licensees)
- Upper revenue limit for self-certifying licensees to increase from \$600k to \$800k
- Clarity for calculating assets and revenue including, personal recreational and unregistered vehicles no longer used to meet minimum asset thresholds, and also when money held in a Project Bank Account is able to be included as an asset or revenue.

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- Improved data quality and availability. This includes QBCC's ability to get independent advice from a qualified accountant to substantiate information in an MFR report.
- Licensees who provide incorrect information may need to meet the costs of independent assessment.
- Where a licensee relies on a Deed of Covenant, they will need to provide detailed financial information about the covenantor.
- Similar requirements will be introduced for related entity loans, so QBCC can assess whether the loans are collectable when due.

This will be a two phase implementation with phase one having commenced on 1 January 2019, and the balance of the reforms likely to start from 1 April 2019. There are penalties for not complying or for supplying misleading or false information. Ensuring up to date financial information and having a good understanding of the new requirements will be important, so keep informed on the changes via the QBCC website.

If you have any questions on how this will impact your financial reports, please call the team at Evans Edwards Accountants | Auditors | Business Advisors on **4927 4588** to see how we can help. For more information, we have also included a link below to the Fact Sheet provided on the Department of housing website:

<http://www.hpw.qld.gov.au/SiteCollectionDocuments/MFRIntroducingTheNewFramework.pdf>

A tailored approach for each business is recommended so call us for assistance and advice on **4927 4588** (Rockhampton) or **4939 1766** (Yeppoon) to see how we can help.

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