

QUEENSLAND BUILDING AND CONSTRUCTION COMMISSION

FREQUENTLY ASKED QUESTIONS ON ANNUAL REPORTING REQUIREMENTS FROM 1 JANUARY 2019

Q1: When do the new annual reporting requirements commence?

A: The new Minimum Financial Requirements Regulation includes annual reporting requirements that come into effect from 1 January 2019. A two-phased approach has been adopted in implementing the changes to annual reporting as follows:

- Phase 1: Re-introduction of mandatory annual reporting for all licensees from 1 January 2019
- Phase 2: Introducing higher reporting standards for category 4-7 licensees

These changes aim to ensure every building contractor in Queensland has a strong and financially sustainable business with an appropriate level of working capital.

Q2: What annual financial information should be provided by licensees to the QBCC?

A: QBCC has produced a Guide to Annual Financial Reporting which outlines key information for annual reporting purposes.

A link to the Guide is:

https://www.qbcc.qld.gov.au/sites/default/files/Guide_to_Annual_Financial_Reporting.pdf

The annual financial information to be provided will depend on the category the licensee belongs to as follows:

What is required to be submitted?

Self-certification categories 1 and 2 (SC1 and SC2)	Categories 1, 2 and 3	Categories 4-7
<p>In the myQBCC online portal you will only need to enter your</p> <ul style="list-style-type: none">• Profit and loss. This is your revenue and expenses.• Assets and liabilities. <p>You don't need to send QBCC any paper work, however you may send hard copy documents if</p>	<p>In the myQBCC online portal you will need to enter your figures in and provide a copy of relevant paperwork:</p> <ul style="list-style-type: none">• Profit and loss statement• Balance sheet• Aged debtors and creditors listings• Statement of cash flow.	<p>In the myQBCC online portal you will need to enter your figures in and provide a copy of relevant paperwork:</p> <ul style="list-style-type: none">• Profit and loss statement• Balance sheet• Aged debtors and creditors listings• Statement of cashflows• Notes to the financial statements

<p>you are unable to use the online portal.</p> <p>The required forms are available on the QBCC website.</p>	<p>These documents do not have to be prepared by an accountant.</p>	<ul style="list-style-type: none"> • written declaration (this will appear in the online portal as a download) • Description of the measurement (basis and accounting policies relevant to those statements). <p>OR</p> <ul style="list-style-type: none"> • if an Australian Securities and Investments Commission (ASIC) reporting entity a copy of the report or documents lodged with ASIC if provided within 30 days of ASIC lodgement.
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Alternatively, manual forms can be completed and lodged to QBCC:

For SC1/2 licensees:

https://www.qbcc.qld.gov.au/sites/default/files/Annual_Reporting_SC_1-2.pdf

For Cat 1-3 licensees:

https://www.qbcc.qld.gov.au/sites/default/files/Annual_Reporting_Cat1-3.pdf

For Cat 4-7 licensees:

https://www.qbcc.qld.gov.au/sites/default/files/Annual_Reporting_Cat_4-7.pdf

Q3: What are the relevant reporting deadlines and reporting periods for the first year of the new requirements?

A: Licensees holding contractor licenses are required to submit appropriate financial information, depending on the category they belong to, to the QBCC by 31 December 2019. The financial information that will need to be provided by 31 December 2019 will relate to the most recent financial year-end before the 31 December 2019 deadline. For example, a licensee with a 30 June year-end will need to submit their financial information for the year ended 30 June 2019, by the deadline of 31 December 2019. More information on the financial information required for each category can be found at: <https://www.qbcc.qld.gov.au/new-laws/minimum-financial-requirements-mfr-1-january-2019>.

Q4: When is a licensee's annual reporting day?

A: Licensees will need to lodge financial information with the QBCC each year on or before their annual reporting day. The reporting date for all licensees initially is 31 December 2019.

From 2020, licensees may request a different date and QBCC will advise a licensee if they have been given a new annual reporting day.

Q5: Is there a requirement for the annual financial information provided to the QBCC to be prepared by an accountant?

A: Annual reporting information does not need to be prepared by a qualified accountant (i.e. a member of CA ANZ, CPA Australia or the Institute of Public Accountants Australia), and can be based on your most recent reporting or financial year information. For contractors to meet their annual reporting requirements they are providing the information based on the financial information they already have prepared as part of their usual business practices. However, an accountant can submit on behalf of their customers.

What is required to be submitted?

SC1 and SC2	Categories 1, 2 and 3	Categories 4-7
<p>In myQBCC you will only need to enter your</p> <ul style="list-style-type: none"> • Profit and loss. This is your revenue and expenses. • Your assets and liabilities. <p>You don't need to send QBCC any paper work.</p>	<p>In myQBCC you will need to enter your figures in and provide a copy of relevant paperwork:</p> <ul style="list-style-type: none"> • Profit and loss statement • Balance sheet • Debtors and creditors report (age listing) • Statement of cash flow. <p>These documents do not have to be prepared by an accountant.</p>	<p>In myQBCC you will need to enter your figures in and provide a copy of relevant paperwork:</p> <ul style="list-style-type: none"> • Profit and loss statement • Balance sheet • Debtors and creditors reports (age listing) • Statement of cashflows • Notes to the financial statements • written declaration (this will appear in the myQBCC as a download)

		<ul style="list-style-type: none"> Description of the measurement (basis and accounting policies relevant to those statements). <p>OR</p> <ul style="list-style-type: none"> if an ASIC/ASX reporting entity a copy of the report or documents lodged with ASIC if provided within 30 days of ASIC lodgement.
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Q6: When is a MFR Report Required?

A Minimum Financial Requirement report (MFR Report) is the higher level of reporting to QBCC (separate to annual reporting) and is required:

- when you apply for a new licence (Category 1 or above);
- if your Net Tangible Asset position decreases by more than 20% for Categories 4-7 licensees and 30% for all other licensees;
- if you no longer meet the minimum Current Ratio of at least 1:1;
- if your Maximum Revenue (MR) needs adjusting (you must not exceed your MR by more than 10% in each financial year);
- a significant change to your business structure;
- if QBCC requests it.

Category	Information to be provided with the MFR Report	Relevant links
SC1 and SC 2	Declaration only, no financial statements or audit/review required	<ul style="list-style-type: none"> - MFR Self Certifying - Cat 1 (SC1) Declaration up to \$200,000 (PDF) - MFR Self Certifying - Cat 2 (SC2) Declaration up to \$800,000 (PDF)
Categories 1-3	Includes audit and review reports	- MFR Report (PDF)

		<ul style="list-style-type: none"> - Covenantor's Statement of Financial Position (PDF) - Deed of Covenant and Assurance (PDF)
Categories 4-7	Includes audit and review reports.	<ul style="list-style-type: none"> - MFR Report (PDF) - Covenantor's Statement of Financial Position (PDF) - Deed of Covenant and Assurance (PDF)

Disclaimer

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