

4 March 2026

Department of Transport and Planning  
Project Team: Clear and fair financial standards for builders  
<https://engage.vic.gov.au/clear-and-fair-financial-standards-for-builders>

Via email: [building.policy@transport.vic.gov.au](mailto:building.policy@transport.vic.gov.au)

### **Consultation Paper: Proposed Minimum Financial Requirements for builders**

SPASA appreciates the opportunity to set out our position in relation to the proposed Minimum Financial Requirements (MFR) for builders in Victoria as part of the building reforms currently being progressed.

Seeking to move the financial checking obligations from the insurance process and incorporate this into the practitioner registration process is a significant change for the industry and this will affect all pool builders in some way. This response should be read in the context of the separate submissions made by SPASA to the proposed changes to domestic building insurance and the introduction of first resort warranty insurance scheme.

However, whilst SPASA is concerned with the move to assess MFRs at the point of registration, rather than during the insurance assessment as currently occurs, based on the information set out in the Consultation Paper, it appears that the proposed approach is generally appropriate. SPASA is keen to continue being consulted on the implementation of the changes to ensure our members are supported.

#### **Maximum Revenue Limits**

SPASA believes it will be important for the proposed maximum revenue limits to be carefully managed, so they do not become an impediment to business growth for both new and existing businesses.

Equally, the MFR requirements should not become a barrier to new entrant registration, as this will stress an already constrained industry and potentially lead to industry contraction, longer build times and higher costs.

We note that this was an impact that emerged in Queensland when the management of MFRs were changed. Queensland has also made several changes to the operation of MFRs to better recognise the risks associated with builders based on their turnover.

In Queensland, a builder can exceed their maximum revenue limit by up to 10% without obtaining prior approval from the QBCC. It may be important to implement a similarly sensible guideline in Victoria, so builders are not unfairly constrained or caught out, as predicting and responding to revenue and work fluctuations may be challenging at times.

The proposed three tiers for building businesses appear appropriate and the proposed transition timeframes for the application of the changes also appear appropriate. Again noting that Queensland has additional tiers which has allowed some lower value businesses to be treated differently to the larger businesses, this would be an area for review over the first few years of operation.

### **Trust Asset Transition**

Within the pool building industry there are many businesses currently operating under a Trust model. These businesses may require further support and time to transition into the new model, which may include electing to structure their business in an alternative model. Ensuring there is adequate information and time for industry to understand and meet the requirements is essential.

### **Notification and Significant Changes Timeframes**

With respect to the notification timeframes set out for changes in a business operating arrangement, it is considered that they may be challenging for businesses to meet. SPASA believes that longer timeframes are likely to be necessary to provide reasonable time for a business to both become aware of and to confirm the changes in their situation, particularly regarding these instances as outlined in the consultation paper:

- a) The builder will or believes they are likely to exceed their set maximum revenue – advise the BPC at least seven days prior.
- b) The current ratio falls below 1. This must be reported within 10 days.
- c) The builder is unable to pay debts on or before the day they are due – notify within five days.

If you would like to discuss SPASA's submission further, please do not hesitate to contact Ben Makepeace, Policy Manager, via email: [ben@spasa.com.au](mailto:ben@spasa.com.au).

Yours sincerely,



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CEO