



Victoria Government Gazette

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By Authority of Victorian Government Printer

Building Act 1993

SECTIONS 316A(1)(a), 316A(3) AND 316A(5)

The Victorian Building Authority trading as the Building and Plumbing Commission (BPC), hereby:

- (a) Withdraws the minimum financial requirements and guidelines for the administration of the minimum financial requirements published by BPC under section 316A(5) of the **Building Act 1993** (Act) in Victorian Government Gazette No. G 26 on Thursday 25 June 2026; and
- (b) for the period starting on 1 July 2026 and ending on 30 June 2028:
 - (1) determines the following minimum financial requirements under section 316A(1)(a) of the Act; and
 - (2) issues the following guidelines for the administration of the minimum financial requirements in accordance with section 316A(3) of the Act,

both of which are hereby published by BPC as required under section 316A(5) of the Act.

Dated 29 June 2026

ANNA CRONIN
Commissioner and Chief Executive Officer
for and on behalf of the BPC

PART 1 – PRELIMINARY

1. Title

- 1.1 This document is to be referred to as the '*Minimum Financial Requirements and Administrative Guidelines 2026*' (MFRs and Guidelines), which Victorian Building Authority trading as Building and Plumbing Commission (BPC) is required to publish in the Government Gazette under section 316A(5) of the **Building Act 1993** (Act).

2. Commencement and term

- 2.1 The MFRs and Guidelines, as amended from time to time, commence on 1 July 2026 and remain in force until 30 June 2028 (Term).

3. Purposes

- 3.1 The purposes of the MFRs and Guidelines are to:
 - (a) determine the minimum financial requirements (MFRs) for the purpose of Part 11 of the Act for building practitioners in the category of builder, class of domestic builder (limited or unlimited) as required under section 316A(1)(a) of the Act; and
 - (b) issue guidelines for the administration of the MFRs in accordance with the power given to BPC pursuant to section 316A(3) of the Act,with a view to:
 - (c) promoting financial stability within the domestic building industry;
 - (d) providing a transparent framework for assessing the financial capacity of domestic builders; and
 - (e) establishing a framework for determining the maximum Total Value of Domestic Building Work a Registered Building Practitioner may undertake at any point in time.

SPECIAL

- 3.2 The MFRs established by these MFRs and Guidelines are directed to assessing the financial capacity, sustainability and risk profile of Builders.
- 3.3 Nothing in these MFRs and Guidelines limits BPC's consideration of any other matter relevant to registration under Part 11 of the Act, which means a builder may satisfy the registration requirements under Part 11 of the Act but fail to satisfy the MFRs and vice versa.
- 3.4 In determining whether a person satisfies the MFRs, BPC may have regard to matters that are also relevant to registration under Part 11 of the Act, where BPC considers those matters relevant for the purpose of assessing the Builder's financial capacity, sustainability and risk profile.

4. Authorising provisions

- 4.1 The MFRs and Guidelines are determined and issued by BPC in accordance with sections 316A(1)(a) and 316A(3) of the Act.

5. To whom these MFRs and Guidelines apply

- 5.1 The MFRs and Guidelines apply to:
 - (a) a natural person or body corporate (including a member of a partnership) applying for registration as a building practitioner in the category of builder, class of domestic builder (whether limited or unlimited) under Part 11 of the Act (Applicant for Registration); and
 - (b) a natural person or body corporate building practitioner (including a member of a partnership) registered in the category of builder, class of domestic builder (whether limited or unlimited) under Part 11 of the Act (Registered Building Practitioner).
- 5.2 Without limiting clause 5.1, subject to the MR Act, the MFRs and Guidelines apply to a natural person applying for registration or renewal of registration as a building practitioner in the category of builder, class of domestic builder (whether limited or unlimited) pursuant to the MR Act.

PART 2 – MINIMUM FINANCIAL REQUIREMENTS (MFRs)

6. MFRs for Applicants for Registration

- 6.1 The MFRs for an Applicant for Registration are that:
 - (a) the Applicant for Registration submits an MFR Application with any application for registration under Part 11 of the Act; and
 - (b) the Applicant for Registration provides to BPC the information required by BPC to determine and set the Applicant for Registration's MCC and corresponding ANTA Threshold, using the formulas set out in clauses 8 and 9 respectively; and
 - (c) where the Applicant for Registration is a natural person, the Applicant for Registration:
 - (i) has not been bankrupt and was not a director of a body corporate which entered into External Administration at any time within three years prior to lodgement of the Application for Registration and was not a director of that body corporate within one year of the body corporate entering External Administration; and
 - (ii) has not, within six years prior to the date of the MFR Application, exceeded \$1 million in Claim Payments; or

- (d) where the Applicant for Registration is a body corporate or a partnership:
 - (i) neither the Applicant for Registration nor a Related Entity has, at any time within three years prior to lodgement of the Application for Registration, been under External Administration; and
 - (ii) none of the directors or the partners (whichever applies) of the Applicant for Registration have been bankrupt within three years prior to lodgment of the Application for Registration, nor were a director of a body corporate within one year of that body corporate entering into External Administration; and
 - (iii) within the past six years prior to the date of the MFR Application, neither the Applicant for Registration nor any director or partner (whichever applies) of the Applicant for Registration has exceeded \$1 million in Claim Payments; and
- (e) the Applicant for Registration does not have any unpaid judgment debts.

7. MFRs for Registered Building Practitioners

7.1 Subject to clause 7.2, the MFRs for a Registered Building Practitioner are that:

- (a) the Registered Building Practitioner must ensure at all times that its Total Value of Domestic Building Work at any point in time does not exceed the Registered Building Practitioner's MCC; and
- (b) the Registered Building Practitioner's ANTA at any time, must not be less than the ANTA Threshold required to support the Registered Building Practitioner's MCC; and
- (c) where the Registered Building Practitioner's MCC is \$2 million or more, the Registered Building Practitioner must prepare Internal Management Accounts for each quarter during the Term, completed within 30 days of the end of each quarter; and
- (d) where the Registered Building Practitioner is a natural person, the Registered Building Practitioner:
 - (i) has not been bankrupt and was not a director of a body corporate which entered into External Administration at any time within the past three years and was not a director of that body corporate within one year prior to that body corporate entering External Administration; and
 - (ii) has not, in the prior six years, exceeded \$1 million in Claim Payments; and
- (e) where the Registered Building Practitioner is a body corporate or a partnership:
 - (i) neither the Registered Building Practitioner nor a Related Entity has, at any time during the prior three years, been under External Administration; and
 - (ii) none of the directors or the partners (whichever applies) of the Registered Building Practitioner have been bankrupt within the last three years or were a director of a body corporate under External Administration within one year of that body corporate entering into External Administration; and
 - (iii) neither the Registered Building Practitioner nor a director or partner (whichever applies) of the Registered Building Practitioner has during the previous six years exceeded \$1 million in Claim Payments; and
- (f) the Registered Building Practitioner does not have any unpaid judgment debts; and

- (g) if the Registered Building Practitioner:
 - (i) becomes aware that it is likely to fail to comply with any of the MFRs in this clause 7.1, the Registered Building Practitioner must give BPC written notice to this effect within seven days of becoming aware, including details of how and why any of the MFRs may not be complied with; or
 - (ii) fails to comply with any of the MFRs in this clause 7.1, it must give BPC written notice to this effect within seven days of the noncompliance, including details of how and why any of the MFRs was not complied with; and
 - (h) within 14 days of the date of a request from BPC, the Registered Building Practitioner must provide to BPC any information reasonably required by BPC to enable BPC to determine whether the Registered Building Practitioner is complying with the MFRs in this clause 7.1, including:
 - (i) information to allow BPC to calculate the ANTA and Total Value of Domestic Building Work to verify that the Registered Building Practitioner has maintained its ANTA Threshold and not exceeded the MCC set by BPC; and
 - (ii) the Internal Management Accounts verified by a Qualified Accountant.
- 7.2 Where a Registered Building Practitioner does not comply with any of the MFRs in clause 7.1, BPC may, at its discretion, agree to enter into a written MFR Agreement with the Registered Building Practitioner after the commencement of the Term, to document a plan to enable the Registered Building Practitioner to move towards compliance with the MFRs in clause 7.1, in which case the MFRs for that Registered Building Practitioner are, subject to clause 7.3, that:
- (a) the Registered Building Practitioner complies with the requirements and obligations of the Registered Building Practitioner under the MFR Agreement; and
 - (b) the Registered Building Practitioner procures the preparation of Internal Management Accounts for each quarter during the Term, completed within 30 days of the end of each quarter; and
 - (c) if the Registered Building Practitioner:
 - (i) becomes aware that the Registered Building Practitioner is likely to fail to comply with any of the MFRs in this clause, the Registered Building Practitioner must give BPC written notice to this effect within seven days of becoming aware, including details of how and why any of the MFRs may not be complied with; or
 - (ii) fails to comply with any of the MFRs in this clause, the Registered Building Practitioner must give BPC written notice to this effect within seven days of the noncompliance, including details of how and why any of the MFRs were not complied with; and
 - (d) within 14 days of the date of a request by BPC to do so, the Registered Building Practitioner must provide to BPC:
 - (i) a copy of the Internal Management Accounts verified by a Qualified Accountant at the time of responding to BPC's request; and
 - (ii) any other information reasonably required by BPC to enable BPC to determine whether the Registered Building Practitioner is complying with the MFRs.

7.3 If an MFR Agreement is found to be void or unenforceable or if clause 7.2(a) is found not to constitute a minimum financial requirement for the purpose of the Act, the MFRs for that Registered Building Practitioner are the MFRs set out in clause 7.1, with effect from the date of the MFR Agreement.

8. How we will determine the Maximum Construction Capacity (MCC)

8.1 Subject to clauses 8.2 or 8.3 (whichever applies), where the Builder's MCC is up to and including \$20 million, the Builder's MCC is the amount determined in accordance with the following formula:

$$\text{MCC} = \text{ANTA} / 0.05$$

8.2 Where the MCC determined in accordance with clause 8.1 is more than \$20 million, the Builder's MCC is the amount determined in accordance with the following formula:

$$\text{MCC} = (\text{ANTA} - \$400,000) / 0.03$$

8.3 Where a Registered Building Practitioner has a Letter of Eligibility which is current as at 1 July 2026, that Registered Building Practitioner's MCC is the amount which is equal to the Total Construction Limit stated in that Letter of Eligibility until BPC conducts a review of the Registered Building Practitioner's financial position and sets an ANTA Threshold and MCC under clause 7.1 or enters into an MFR Agreement with the Registered Building Practitioner under clause 7.2 (as applicable).

9. How we will calculate Adjusted Net Tangible Assets (ANTA)

9.1 A Builder's ANTA is the amount determined in accordance with the following formula:

$$\text{ANTA} = \text{Assets} - \text{Liabilities} - \text{Disallowed Assets}$$

9.2 For the purpose of calculating the ANTA, 'Assets' are limited to:

- (a) for an Applicant for Registration, the Assets set out in the MFR Application (and verified by a Qualified Accountant, where required by clause 16.1(h)(iii)); or
- (b) for a Registered Building Practitioner, the Assets set out in the Change Application (and verified by a Qualified Accountant where required by clause 16.1(h)(iii)).

10. Meaning of Assets

10.1 For the purposes of the MFRs and Guidelines, 'Assets' means the sum of the following owned by, or payable to, the Builder:

- (a) cash held;
- (b) amounts payable for Domestic Building Work which have, at that time, been performed by the Registered Building Practitioner under an Insurable Domestic Building Contract but which have not yet been paid;
- (c) amounts owing;
- (d) the value of inventory;
- (e) the value of any investment convertible to cash on the date the Assets are calculated;
- (f) the value of a motor vehicle;
- (g) the value of plant and equipment;
- (h) the value of real property;
- (i) the value of a loan given to a Related Entity of the Builder, where that Related Entity holds ANTA (excluding any Guarantee) of at least \$0;
- (j) the value of shares in companies listed on a recognised stock exchange;
- (k) the value of tools of trade; and
- (l) the maximum guaranteed amount specified in any executed Guarantee provided by or on behalf of the Builder to BPC in accordance with clause 12.

11. Meaning of Disallowed Assets

11.1 For the purposes of the MFRs and Guidelines, 'Disallowed Assets' includes:

- (a) recreational vehicles (including offroad motorcycles, trikes, vessels, aircraft, and motorsport vehicles);
- (b) unregistered vehicles required to be registered under the **Road Safety Act 1986**;
- (c) animals used for or intended for competitive racing, including racehorses and greyhounds;
- (d) collectors' items;
- (e) Contingent Assets;
- (f) Intangible Assets;
- (g) furniture used solely or predominantly for personal purposes;
- (h) investments in, or shares in, companies not listed on a recognised stock exchange;
- (i) nonmonetary credits, including crypto assets and goods or services owed in exchange for other goods or services;
- (j) units in unlisted trusts;
- (k) superannuation benefits not currently accessible by the Builder; and
- (l) amounts under life or income protection insurance policies not currently accessible by the Builder.

12. Guarantees

12.1 BPC may, in its sole discretion, agree to accept a Guarantee when calculating the Assets of a Builder if:

- (a) the guarantor:
 - (i) is a director of the body corporate which is the Builder;
 - (ii) is a beneficiary of a trust and the Builder is the trustee of that trust;
 - (iii) is a partner in the same partnership as the Builder;
 - (iv) is a Related Body Corporate (other than another Group Entity in the same Extended Closed Group) and the Builder is a Group Entity; or
 - (v) is any other natural person or entity approved by BPC;
- (b) the Guarantee does not end earlier than 10 years after the date it is given (unless a shorter period is approved by BPC in writing);
- (c) the Guarantee is in a form approved by BPC;
- (d) the Guarantee is accompanied by:
 - (i) a statement of financial position from a Qualified Accountant of the guarantor in a form approved by BPC; and
 - (ii) evidence that the guarantor has obtained Independent legal advice in relation to the Guarantee in the form of a solicitor's certificate; and
- (e) BPC is satisfied that there is sufficient evidence that the proposed guarantor has sufficient assets and financial capacity to satisfy the guarantor's obligations under the Guarantee, to the maximum guaranteed amount specified in the Guarantee.

13. Meaning of Liabilities

13.1 For the purposes of the MFRs and Guidelines, 'Liabilities' includes:

- (a) amounts owing by the Builder to any third person, including to a Related Entity; and
- (b) if the Builder has defaulted on a loan and the lender has not waived its rights – the sum of the default amount and any associated charges payable by the Builder.

14. How we will determine your ANTA Threshold

14.1 Subject to clause 14.2, a Builder's ANTA Threshold is the amount determined in accordance with the following formula:

$$\text{ANTA Threshold} = 0.05 \times \text{Builder's MCC}$$

14.2 Where the Builder's MCC determined in accordance with clause 8 is more than \$20 million, the Builder's ANTA Threshold is the amount determined in accordance with the following formula:

$$\text{ANTA Threshold} = 0.03 \times \text{Builder's MCC} + \$400,000$$

15. How we will calculate a Registered Building Practitioner's Total Value of Domestic Building Work at any point in time

15.1 A Registered Building Practitioner's Total Value of Domestic Building Work is the sum of:

- (a) the Contract Price under every Insurable Domestic Building Contract entered into by the Registered Building Practitioner, excluding any Insurable Domestic Building Contract:
 - (i) under which the Completion Date has occurred; or
 - (ii) which has been terminated; and
- (b) an amount equal to the market value of all Speculative Domestic Building Work carried out by the Registered Building Practitioner in Victoria where cover has commenced under Home Warranty, but excluding any Speculative Domestic Building Work for which the Completion Date has occurred.

15.2 BPC may request such information and evidence as required by BPC to determine the Registered Building Practitioner's Total Value of Domestic Building Work as at a specified point in time and the Registered Building Practitioner must provide that information or evidence within 14 days of BPC's request

PART 3 – ADMINISTRATIVE GUIDELINES**16. What an MFR Application and Change Application must include and how we will respond**

16.1 An MFR Application and a Change Application must include:

- (a) a profit and loss statement for the current and previous financial years;
- (b) a balance sheet for the current and previous financial years;
- (c) a statement of cash flows for the current and previous financial years;
- (d) tax returns for the previous two financial years;
- (e) confirmation of the MCC being applied for by the Builder;
- (f) information and evidence (including in relation to the Assets and Liabilities of the Builder) sufficient to enable BPC to calculate the ANTA Threshold and MCC for the Builder;
- (g) information about the type and Total Value of Domestic Building Work the Builder reasonably expects to carry out in the 12 months following the submission of the MFR Application or Change Application (whichever applies); and

- (h) a declaration that:
 - (i) the information is true and correct;
 - (ii) the MFRs set out in clause 6 (in respect of an Applicant for Registration) and clause 7.1 (in respect of a Registered Building Practitioner) are satisfied; and
 - (iii) where the MCC being applied for by the Builder is \$2 million or more, the information and evidence referred to in clauses 16.1(a) to 16.1(f) has been verified by a Qualified Accountant; and
 - (iv) is signed within 3 months of preparation, by:
 - (1) in the case of a Builder who is a natural person – that person; or
 - (2) in the case of a Builder that is a body corporate or a partnership – all directors of the body corporate or partners of the partnership (whichever applies).
- 16.2 Where the Builder:
- (a) is a trustee, the information referred to in clause 16.1 must also be prepared for the trust;
 - (b) carries on business in a partnership, the information must be prepared for the partnership; or
 - (c) elects to meet the MFRs as an Extended Closed Group, the information must be prepared for all of the entities in that Extended Closed Group and the declaration referred to in clause 16.1(h) must be given by each entity in the Extended Closed Group.
- 16.3 BPC will, following receipt of an MFR Application or Change Application (whichever applies):
- (a) calculate the ANTA of the Builder in accordance with clause 9 and notify the Builder of their ANTA Threshold; and
 - (b) calculate the MCC of the Builder in accordance with clause 8 and notify the Builder of their MCC.

17. MFR Agreements

- 17.1 BPC may, in its sole discretion, enter into an MFR Agreement with a Registered Building Practitioner pursuant to clause 7.2, by giving notice in writing to the Registered Building Practitioner.
- 17.2 The purpose of an MFR Agreement is to document a plan to achieve compliance with the MFRs set out in clause 7.1 over an agreed period of time, by requiring the Registered Building Practitioner to comply with certain obligations, for a fixed term, in lieu of one or more of the MFRs set out in clause 7.1.
- 17.3 An MFR Agreement:
- (a) must be in writing, on terms and in a form approved by BPC and executed by the Registered Building Practitioner and BPC;
 - (b) may require the Registered Building Practitioner to, without limitation:
 - (i) agree to meet the financial requirements set out in the MFR Agreement, including any requirements which BPC considers are appropriate in lieu of the ANTA, MCC and ANTA Threshold requirements set out in clause 7.1;
 - (ii) prepare and submit a financial plan in a form approved by BPC and comply with the terms of that approved financial plan;
 - (iii) make or procure a capital injection;
 - (iv) provide a Guarantee in a form approved by BPC;

- (v) reduce the Registered Building Practitioner's Total Value of Domestic Building Work;
- (vi) provide additional financial information, valuations, or audited accounts in a timely manner as BPC requires; and
- (vii) take any other action BPC considers necessary or appropriate to ensure the Registered Building Practitioner complies with the MFR Agreement;
- (c) may specify that the MFR Agreement is for a fixed term; and
- (d) must be signed by the Registered Building Practitioner and any other natural person or body corporate to which the MFR Agreement applies.

18. Group Entities

- 18.1 A body corporate that is a Group Entity within an Extended Closed Group must elect to meet the MFRs either by reference to:
- (a) that body corporate alone; or
 - (b) the Extended Closed Group of which it forms part.
- 18.2 The body corporate must make an election in accordance with clause 18.1 by notifying BPC in writing at the time of making an MFR Application or Change Application.
- 18.3 The election must apply consistently to all MFRs. A body corporate cannot meet some requirements as an individual entity and others as part of the Extended Closed Group.

19. Related Entity

- 19.1 A person is a Related Entity for the purposes of these MFRs and Guidelines of another if:
- (a) where the person is an individual – the other person is a member of the person's family;
 - (b) where the person is a body corporate – the other person, or a family member of the other person, is a majority shareholder, director, or company secretary of the body corporate or a Related Body Corporate, or holds a 50% or greater interest in the body corporate;
 - (c) where the person or a related entity is a beneficiary of a trust – the other person is the trustee of that trust;
 - (d) where the person is a body corporate – the other person is a Related Body Corporate;
 - (e) where the person is a trustee of two or more trusts – the other person is a beneficiary of two or more of those trusts, or both the other person and a related entity of that person are each a beneficiary of at least one of those trusts; or
 - (f) where the person is an owner of land – the person acquires an interest in the other person or has an interest acquired by the other person in an associated transaction within the meaning of the **Duties Act 2000**.
- 19.2 For the purposes of this clause 19, 'family' in relation to a person means the person's spouse, parents and grandparents (of the person or their spouse), siblings, children and grandchildren and the spouses of any of the foregoing.

20. Template documents

- 20.1 BPC may approve template documents for the purposes of the MFRs and Guidelines. Where BPC has approved a template document, that template document must be used. Current approved template documents are available on BPC's website.

21. Confirming compliance with MFRs

- 21.1 BPC may appoint an independent valuer or auditor, at its own cost and on its behalf, to confirm the accuracy of any financial information provided by a Builder to BPC in an MFR Application or Change Application or to confirm that a Builder has complied with the MFRs in these MFRs and Guidelines.

22. Consequences of noncompliance with MFRs and enforcement

22.1 A failure to meet the MFRs as required by the MFRs and Guidelines is a ground for:

- (a) disciplinary action under section 179(1)(ea) of the Act; and
- (b) immediate suspension under section 180(da) of the Act.

22.2 BPC must immediately suspend the registration of a Registered Building Practitioner if it reasonably believes the Registered Building Practitioner has ceased to meet the MFRs.

22.3 BPC may exercise any of its statutory functions and powers to enforce the MFRs.

23. Definitions

23.1 In these MFRs and Guidelines, unless the context otherwise requires:

Act	means the Building Act 1993 , as amended or varied from time to time.
Adjusted Net Tangible Assets (ANTA)	means the amount determined by BPC at any point in time in accordance with clause 9.
ANTA Threshold	means the amount determined by BPC as the Builder's ANTA at the time an Application for Registration or a Change Application is lodged in accordance with clause 9, used as the basis by BPC to determine the MCC, and as notified to the Builder by BPC in accordance with clause 16.3(a).
Applicant for Registration	has the meaning given in clause 5.1(a).
ASIC	means the Australian Securities and Investments Commission, established under the Australian Securities and Investments Commission Act 2001 .
Assets	has the meaning given in clause 10.
Body	has the same meaning as in section 9 of the Corporations Act.
BPC	means Victorian Building Authority trading as Building and Plumbing Commission.
Builder	means an Applicant for Registration or a Registered Building Practitioner (whichever applies).
Change Application	means an Application for a Change to the ANTA Threshold and MCC lodged by a Registered Building Practitioner, which complies with the requirements of clauses 16.1 and 16.2.
Claim Payments	means the total amount paid to any person by an insurer (including BPC) on account of a claim under the relevant domestic building insurance scheme and/or similar statutory insurance scheme where: <ul style="list-style-type: none"> (a) the Builder was the builder; or (b) the builder was a body corporate and a director of the Builder was a director of the builder at the time the incomplete, defective or noncompliant building work was undertaken.
clause	means a clause in these MFRs and Guidelines.
Closed Group	means the Holding Entity and its Wholly Owned Entities.

Closely-Held Subsidiary	means a Body of a Holding Entity where no member of the Body is a person other than: (a) the Holding Entity; (b) a person or entity nominated to act on behalf of the Holding Entity; or (c) a Body that is itself a closely-held subsidiary of the Holding Entity.
Contingent Asset	is an asset whose existence depends on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Builder.
Completion Date	means either: (a) the date of issue of the occupancy permit in respect of the building (whether or not the occupancy permit is subsequently cancelled or varied); or (b) if an occupancy permit is not issued, the date of issue under Part 4 of the Act of the certificate of final inspection of the building work for the construction of the building; or (c) if neither an occupancy permit nor a certificate of final inspection is issued or required to be issued, then the completion date is the earlier of the following dates that can be ascertained for the work: (i) the date on which the builder handed over possession of the work to the building owner; or (ii) the date the insurable domestic building contract was validly terminated; or (iii) the date on which the builder last attended the building site to carry out work.
Contract Price	has the same meaning as in the DBCA.
Control and Controlled	has the same meaning as in section 9 of the Corporations Act.
Corporations Act	means the Corporations Act 2001 (Cth), as amended or varied from time to time.
DBCA	means the Domestic Building Contracts Act 1995 , as amended or varied from time to time.
Deed of Cross Guarantee	means a deed lodged with ASIC under subsection 341(1) of the Corporations Act 2001 (Cth) relieving parties from certain obligations under Parts 2M.2, 2M.3 and 2M.4 of that Act.
Disallowed Assets	has the meaning given in clause 11.
Disclosing Entity	has the same meaning as in section 111AC of the Corporations Act.
Extended Closed Group	means a Closed Group together with any other Body that is a party to a Deed of Cross Guarantee and is controlled by a Holding Entity, but excludes a Body that holds office as trustee under the Deed of Cross Guarantee and is not a Group Entity.
External Administration	has the same meaning as in the Corporations Act.

Foreign Body Corporate	means a body corporate incorporated outside Australia (or in an external Territory) that is not a corporation, sole or exempt public authority or an unincorporated body formed outside Australia, that may sue or be sued and does not have its principal place of business in Australia.
Group Entity	means a Body that is part of an Extended Closed Group.
Guarantee	means a guarantee and indemnity in the form of a signed deed under which: <ul style="list-style-type: none"> (a) the guarantor guarantees payment to BPC, on demand, of any amounts BPC is entitled to recover under section 137ZD of the Act, which can be up to a specified maximum amount; (b) a demand for payment can be made by only specifying the amount owing (without requiring a statement of the basis of calculation); and (c) specifies a maximum guaranteed amount; and which complies with the requirements of clause 12.
Holding Entity	means a body corporate (or Disclosing Entity) or registered Foreign Body Corporate of which another Body is a Closely-Held Subsidiary, and which is itself party to a Deed of Cross Guarantee and is not Controlled by any of its Closely-Held Subsidiaries that are also parties to the Deed of Cross Guarantee.
Home Warranty	means the statutory insurance scheme established by Part 9A of the Act and the Building (Statutory Insurance Scheme) Regulations 2026.
Independent	means the person is not: <ul style="list-style-type: none"> (a) an employee of; (b) an officer of; or (c) a controlling interest holder in the body corporate that is the Builder; or (d) an employee or officer of a Related Entity to the Builder; or (e) a partner of the Builder.
Insurable Domestic Building Contract	has the same meaning as in section 3(1) of the Act and includes any building contract for work outside Victoria where that building contract would otherwise satisfy the definition of 'Insurable Domestic Building Contract' under section 3(1) of the Act.
Intangible Assets	means the following assets owned by the Builder: <ul style="list-style-type: none"> (a) intellectual property (such as patents, copyright and trademarks); (b) proprietary data (such as customer lists, customised software and franchise agreements); and (c) goodwill.
Internal Management Accounts	means accounts in a form approved by BPC including: <ul style="list-style-type: none"> (a) a profit and loss statement; (b) a balance sheet; (c) an aged debtors and creditors report (including the dates invoices are to be paid or received), unless waived by BPC; and (d) a statement of cash flows.

Letter of Eligibility	means a letter from a designated insurer under section 137AA of the Act stating that a specified building practitioner is eligible to purchase domestic building insurance policies, and includes an amended Letter of Eligibility.
Liabilities	has the meaning given in clause 13.
Maximum Construction Capacity (MCC)	means the maximum Total Value of Domestic Building Work the Builder can have at any point in time, determined by BPC in accordance with clause 8 and notified to the Builder in accordance with clause 16.3(b).
MFR Agreement	means a written agreement which complies with the requirements of clause 17.
MFR Application	means an application for registration lodged by an Applicant for Registration, which complies with the requirements of clauses 16.1 and 16.2.
MFRs and Guidelines	means this document.
Minimum Financial Requirements (MFRs)	means the requirements set out in Part 2 of these MFRs and Guidelines.
MR Act	means the Mutual Recognition Act 1992 (Cth).
Qualified Accountant	means a person who: (a) is a current financial member of CPA Australia, Chartered Accountants Australia and New Zealand, or the Institute of Public Accountants; (b) holds a current practising certificate issued by that body; and (c) is Independent in relation to the person for whom any financial information is prepared.
Registered Building Practitioner	has the meaning given in clause 5.1(b).
Related Body Corporate	has the same meaning as in section 9 of the Corporations Act.
Related Entity	has the meaning given in clause 19.
Speculative Domestic Building Work	has the same meaning as in section 137H of the Act and includes any building work outside Victoria where that building work would otherwise satisfy the definition of ‘Speculative Domestic Building Work’ under section 137H of the Act.
Term	has the meaning given in clause 2.
Total Construction Limit	means the value of domestic building work permitted to be performed by a Builder as specified in a Letter of Eligibility.
Total Value of Domestic Building Work	has the meaning given in clause 15.
Wholly Owned Entities	in relation to a Holding Entity, means all bodies corporate and Foreign Bodies Corporate that are: (a) Controlled by, and Closely-Held Subsidiaries of, the Holding Entity; and (b) parties to the Deed of Cross Guarantee (excluding entities that are solely trustees and not Group Entities).

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