Building and Plumbing Newsflash 633

Building Reg Reno - Tranche two

Purpose

To provide information on the <u>Building Reg Reno</u> tranche two reforms. The package of reforms is designed to reduce red tape and unnecessary costs, help the industry to run smoothly and improve productivity within the industry, while continuing to support efficient risk-based regulatory effort and appropriate building standards.

Background

Tranche two of the Building Reg Reno reforms was introduced on **7 March 2025** through the Building and Other Legislation Amendment Regulation 2025 (BOLA 2025). These reforms are now in effect and include changes to:

- cut paperwork for approximately 50,000 Self Certifying (SC) 1 and 2 <u>individual</u> licensees, by removing their obligation to submit annual financial reports to the Queensland Building and Construction Commission (QBCC). This will save 97 per cent of individual licensees time and money. Note, this change does not apply to SC1 and SC2 company licensees who must continue to submit their annual financial reporting each year. All other <u>Minimum financial requirements</u> obligations continue to apply
- give licensed builders and other unlicensed workers until 1 May 2030 to meet the occupational licensing requirements for passive fire protection work as well as the upskilling requirements for other existing licences, such as some Special Hazards licences
- provide free occupational licences for plumbers who already pay for a QBCC contractor licence to do certain fire protection work
- provide building certifiers with a further two years (until 30 June 2027) to be able to perform their functions while holding <u>Professional Indemnity Insurance</u> with particular cladding exclusions (in recognition of the continuing constraints in the insurance industry)
- help continue to build more diverse and affordable housing by extending the exemptions for certain new houses on particular narrow lots and particular small pre-built houses from the Modern Homes standards livable housing design provisions for a further 18 months (until 30 September 2026).

Removing annual financial reporting for smaller, lower risk individual licensees (SC1 and SC2)

The removal of annual reporting requirements for individual licensees with a maximum revenue of up to \$200,000 (category SC1), and licensees with a maximum revenue of up to \$800,000 (category SC2) will not only reduce administrative burden for these licensees but also free up QBCC resources to regulate higher risk licensees.

These licensees will still need to meet their other MFR obligations, such as complying with their Maximum Revenue and Net Tangible Asset requirements. QBCC will retain its existing regulatory powers, e.g. the ability to audit these licensees to ensure compliance or request MFR reports from licensees where potential risks or concerns have been identified.

Other categories of licensees, including company licensees in SC1 and SC2, are not impacted by these changes and will still need to meet annual financial reporting requirements.



Providing more time to meet fire protection licensing changes

In Queensland, an occupational licence is generally required to carry out fire protection work, including where the work is carried out for a licensed fire protection contractor (e.g. as an employee or subcontractor).

On 1 May 2021, a revised fire licensing framework commenced to streamline existing licences and address high rates of defective work.

Licensing changes included amendments to classes of licence, scopes of work, key definitions and technical qualifications to address gaps between licence requirements, safety standards and industry best practice.

Passive fire protection licensing

The revised fire protection licensing framework created a single 'fire protection – passive stream' licence.

Transitional arrangements were provided to support existing licensees and unlicensed workers who require a licence for newly regulated passive fire protection work.

The deadline to meet the occupational licensing requirements for passive fire protection work has now been extended to **1 May 2030** for:

- licensed builders to obtain a relevant fire protection licence to continue personally carrying out the work and generally directly or indirectly causing the work to be carried out or providing building work services
- certain unlicensed workers (i.e. those carrying out relevant work for an appropriately licensed contractor prior to 1 May 2021 and who are continuing to carry out this work for an appropriately licensed contractor) to obtain an occupational licence to carry out this work.

Remaining upskilling requirements

The revised framework also included requirements for some licensees to get additional qualifications to ensure that their skills are up-to-date and in line with contemporary fire protection practices. Specific deadlines were provided for these upskilling requirements.

There are six types of licences where the holders are still subject to upskilling requirements. The deadlines for meeting for these upskilling requirements were previously either 1 May 2025 or 1 May 2027, depending on the licence.

The deadline to meet these remaining fire protection upskilling requirements has now been extended to **1** May 2030.

These extensions give industry more time to comply with the revised fire licensing framework. In the meantime, there will be more education and support to help prioritise fixing common defect areas.

Extending fee waivers for more plumbers undertaking fire protection work

Contractors who perform regulated plumbing and drainage work must hold both a contractor licence and an occupational licence from the QBCC.

If a person holds both an occupational licence and an associated contractor licence set out in Schedule 9 of the Plumbing and Drainage Regulation 2019, they do not need to pay a fee for the occupational

13 March 2025 2

licence. However, Schedule 9 did not previously list all of the associated QBCC Act licences for fire protection work.

Changes will ensure that all plumbers will receive a free occupational licence where they already hold and pay for a QBCC contractor licence to do certain fire protection work.

Extending time-limited provisions for building certifiers to hold Professional Indemnity Insurance with particular cladding exclusions

The exemption period that allows building certifiers to hold professional indemnity insurance with an exclusion relating to external cladding has been extended from 30 June 2025 to 30 June 2027.

The Building Regulation (BR) 2021 amendment will:

- extend the exemption period for a further 24-months, allowing private building certifiers to continue to work while holding a professional indemnity insurance policy with an external cladding related exclusion
- give certifiers clarity on when their licences will be effective following the expiry of the exemption period on 30 June 2027
- ensure that if a private certifier's licence has professional indemnity insurance exemption for cladding in force when the exemption period ends (30 June 2027), the exemption will continue to apply until the end of the one-year period after the licence was granted or last renewed, unless the licence is earlier cancelled, suspended, amended or surrendered.

For example, if the licence was renewed on 8 September 2026, the professional indemnity insurance cladding exemption will apply to the licence until 8 September 2027, even though the exemption period will end on 30 June 2027, unless the licence is earlier cancelled, suspended, amended or surrendered.

Extending exemptions from Modern Homes standards livable housing design provisions for certain narrow lots and certain small pre-built dwellings

The Modern Homes standards were introduced into the National Construction Code in 2022. These standards, among other things, require new houses and units to be designed and constructed to be more accessible for everyone including older people, people with disability and families with young children.

In Queensland, the livable housing design standards commenced on 1 October 2023 and are supported by the Queensland Development Code Mandatory Part 4.5 – Liveable dwellings and grading to floor wastes (QDC 4.5).

QDC 4.5 includes a time-limited exemption (previously due to expire 31 March 2025) from the livable housing design provisions, for class 1a buildings (e.g. a house) on certain narrow lots with a frontage of 12.5 metres or less (affected lots), and certain pre-built small dwellings (affected dwellings).

As housing affordability and supply remain significant pressures in 2025, these exemptions will be extended until 30 September 2026 to help support industry and consumers to transition.

The exemption will only apply to an effected lot or affected dwelling, as detailed below (and in QDC 4.5):

An effected lot means a lot with any frontage of 12.5 metres or less in width that is:

created prior to 1 October 2023, or

13 March 2025 3

- created on or after 1 October 2023 and on or before 30 September 2026 but only if:
 - a properly made application for a development permit for reconfiguring of a lot to create the lot was made prior to 1 October 2023, or
 - the lot was identified in a disclosure plan under the Land Sales Act 1984 prior to 1 October 2023

An affected dwelling means a class 1a building that:

- has a floor area of 55 metres² or less
- · was wholly or predominantly manufactured off-site
- was completed prior to 1 October 2023
- is installed on or prior to 30 September 2026.

More information

For more information about the changes, please visit the <u>Department of Housing and Public Works</u> <u>website</u> or contact the department at <u>buildingpolicy@epw.qld.gov.au</u>

If you are a licence holder and have an enquiry about your licence, visit www.qbcc.qld.gov.au/contact-us.

The BOLA 2025 and explanatory notes are available on the Queensland Legislation website.

Contact us

Building Policy

Department of Housing and Public Works

Email: buildingpolicy@epw.qld.gov.au

If you have not received this Newsflash directly from Building Policy, you can subscribe via buildingpolicy@epw.qld.gov.au.

DISCLAIMER: The information contained in this Newsflash is provided by the Queensland Government, through the Department of Housing and Public Works ('the department') as an information source only. The information is general in nature and the department makes no statements, representations, or warranties about the accuracy, quality, reliability, adequacy or completeness of any information contained in this Newsflash. It is not to be relied on as a substitute for consulting the relevant legislation or for obtaining appropriate professional advice relevant to your particular circumstances. The department disclaims all responsibility and all liability (including without limitation, liability in negligence) for all expenses, losses, damages and costs (including consequential or indirect loss or damage or loss of profits) you might incur as a result of the information being inaccurate, inadequate or incomplete in any way, and for any reason.

13 March 2025 4