

Media Release

The Hon Daniel Andrews MP
Premier



Thursday, 20 April 2023

COMPENSATION PAYMENTS TO HELP PORTER DAVIS CUSTOMERS

The Andrews Labor Government is stepping in to help Porter Davis customers get back on their feet by compensating those customers who were left without insurance through no fault of their own.

The Labor Government today announced compensation payments for Porter Davis customers who signed their contracts and paid their deposits, but where Porter Davis did not take out Domestic Building Insurance (DBI), in breach of their obligations.

More than 500 families discovered their deposits had been lost due to the failure of the company to take out insurance cover on their behalf.

The one-off relief scheme means compensation will be paid, with a website to be established within the next 48 hours to allow customers to register. Customers without domestic building insurance cover will now be treated as if they had the cover Porter Davis had been obliged to take out on their behalf.

Authorities are investigating the actions of Porter Davis leading up to the company's collapse, to establish exactly what happened and guide potential future reforms to protect consumers.

While that important work continues, through information provided by the liquidator, we have established that the company did not take out mandatory domestic building insurance on behalf of about 560 customers when accepting deposits for projects that had not started at the time the company entered liquidation.

Refunds will be paid up to the legal maximum deposit payment under the Domestic Building Contracts Act of 5 per cent.

The Department of Government Services will work with the VMIA to verify and approve claims and deliver compensation for deposits as soon as possible. These claims will be processed as if these customers had DBI.

The responsibility remained with Porter Davis to ensure domestic building insurance was obtained for its customers when a deposit was paid. The Victorian Building Authority is also investigating Porter Davis Homes for potential breaches of the law.

Quote attributable to Premier Daniel Andrews

"This one-off scheme is about making sure that hard-earned money of Porter Davis customers is refunded as quickly as possible and we'll keep investigating the actions of Porter Davis to ensure this can't happen again."

Quote attributable to Assistant Treasurer Danny Pearson

"Hundreds of Victorians who paid a deposit in good faith to their builder have faced the prospect of losing their money cold, through no fault of their own – that's why we're stepping in to help."