

Media Release

The Hon Daniel Andrews MP
Premier



Tuesday, 16 May 2023

BUILDING REFORMS TO PROTECT VICTORIANS

The Andrews Labor Government is delivering a package of reforms for the construction sector – providing stronger protections to Victorians building or renovating their homes.

The Labor Government has already stepped in to support customers affected by the recent liquidation of Porter Davis Homes, with support payments for those who were left without insurance through no fault of their own.

After the liquidation of Porter Davis exposed a concerning practice of builders not taking out the required insurance when accepting deposits, the Government will reform the Domestic Building Contracts Act 1995 and strengthen domestic building insurance requirements.

Victoria's building regulators will have more powers to monitor whether builders are meeting their obligations under the law to take out domestic building insurance prior to taking a deposit, with tough new penalties for failing to comply with these requirements.

The Victorian Building Authority (VBA) will audit builders regarding collection of deposit and purchase of domestic building insurance.

Builders are currently experiencing significant global economic challenges, including rising supply chain costs – and after consultation with the sector, the Government will consider providing an extended transition for some new National Construction Code requirements that are currently scheduled to commence in October.

The reform package will also provide opportunities to review the role of all regulators and improve the information provided to consumers about a builder's obligation to take out domestic building insurance.

These initiatives will form part of the ongoing building reform program that is reshaping the Victorian building system and helping deliver safe, compliant and durable buildings.

After the resignation of the VBA's former CEO, the VBA board has appointed Anna Cronin as the new CEO to help the agency deliver on these reforms, driving practice and culture Victorians can trust.

The Labor Government is already delivering on foundational recommendations of the Building System Review, including establishing a Building Monitor to represent consumer interests, widening the range of building industry participants who will need to be registered and strengthening oversight of building surveyors.

The introduction of any further reforms will be staged to allow strong consultation with the building industry.

Quote attributable to Premier Daniel Andrews

"These reforms are part of a comprehensive review to modernise Victoria's building system, delivering better protection for Victorians building a home, while providing clarity to the building industry."

Quote attributable to Minister for Planning Sonya Kilkenny

"The building sector is the backbone of our economy – we're ensuring Victorians can have faith in the construction firms who build their homes, protecting their hard-earned savings."

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