

Media Release

The Hon Jacinta Allan MP
Premier



Tuesday, 28 November 2023

PROTECTING VICTORIAN FAMILIES BUILDING A HOME

The Allan Labor Government is delivering on its promise to provide stronger protections to Victorians building or renovating their homes with the introduction of new legislation into the Victorian Parliament today.

The *Building Legislation Amendment (Domestic Building Insurance New Offences) Bill 2023* will ensure consumers are covered by insurance before providing any money to a builder under a contract for domestic building work costing more than \$16,000.

The new legislation follows the collapse of Porter Davis Homes and other domestic volume builders which exposed several concerning practices, including companies not taking out the required insurance before accepting deposits under a Major Domestic Building Contract.

New offences will be introduced into the *Domestic Building Contracts Act 1995* – if a builder receives money under a Major Domestic Building Contract without holding the required domestic building insurance – with a penalty of up to \$96,000 in place for an individual or \$480,000 for a company.

The new offences are first in a suite of reforms to better protect Victorians building or renovating their home, including a review of the *Domestic Building Contracts Act 1995*, with consultation now open on measures to improve safeguards for consumers when they enter into a domestic building contract.

The Stage Two Report of the Expert Panel reviewing Victoria's building system has also been released today, providing 14 recommendations to deliver greater accountability, strengthen compliance and enforcement and improve insurance coverage in the home building sector.

The Labor Government has already acted on foundational recommendations from the Expert Panel Stage One report with the passage of the *Building Legislation Amendment Bill 2023* earlier this year, and will now consult with the building industry and consumer groups on Stage Two recommendations.

These reforms build on the improvements made to culture and governance at the Victorian Building Authority (VBA) under the guidance of new Chief Executive Officer Anna Cronin. A refresh to the regulator's approach to improving consumer protections has been announced today, with the release of its new Regulatory Policy Statement.

Quote attributable to Premier Jacinta Allan

"We said we'd reform our building system to better protect Victorians, and that's exactly what we're doing – protecting Victorian families' hard-earned savings as well as their dreams of building a house to call their own."

Quote attributable to Minister for Planning Sonya Kilkenny

"Victorians rightly expect their homes to be built to approved building standards and built to last. We're introducing a suite of building reforms that provide clarity for industry and stronger protections for Victorians."

Quote attributable to Minister for Consumer Affairs Gabrielle Williams

"We're delivering on stronger protections for consumers and sending a message to industry on the importance of adhering to insurance requirements, giving consumers greater confidence in the building industry."

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