

Media Release

Mr Danny Pearson MP

Minister for Transport Infrastructure

Minister for the Suburban Rail Loop

Assistant Treasurer

Minister for WorkSafe and the TAC



Wednesday, 6 March 2024

EXTENDING PROTECTION FOR VICTIMS OF COLLAPSED BUILDERS

The Allan Labor Government is extending the Liquidated Builders Customer Support Payment Scheme to help Victorians whose builder has become insolvent without taking out insurance on their behalf – as required by law.

Around 100 extra Victorians may be eligible for payments from the scheme, joining former customers of Porter Davis Homes who were left without Domestic Building Insurance (DBI) through no fault of their own.

The expanded scheme now covers customers of builders that entered into liquidation this financial year – from 1 July 2023 up until 20 February 2024 – including Montego Homes' customers.

All builders should understand that this extension is occurring under special circumstances and will be funded through the previously announced \$13.55 million support package.

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

Under new offences introduced last month 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, a penalty of up to \$96,000 is in place for an individual or \$480,000 for a company.

The new offences are the first in a suite of reforms the Labor Government will deliver to ensure Victorians can build or renovate with confidence.

Applications for the extended scheme are expected to open in coming weeks. More details are available at vic.gov.au/liquidated-builders-customer-support-scheme.

Quotes attributable to Assistant Treasurer Danny Pearson

"We are supporting families who have been left stranded through no fault of their own – and putting builders on notice: new penalties apply to individuals and companies who fail to take out Domestic Building Insurance."

"We urge all customers to check that their builder has taken out insurance – as all builders are obliged to – through the VMIA policy checker."

Quote attributable to Minister for Consumer Affairs Gabrielle Williams

"This scheme has been a lifeline for many Victorians – this extension will provide customers affected by the collapse of Montego Homes and other builders some much needed support as they try to move forward."

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 delivering a suite of building reforms that provide clarity for industry and stronger protections for Victorians."

Media contact: Alan Padgham 0418 783 688 | alan.padgham@minstaff.vic.gov.au