

Media Release

The Hon Nick Staikos MP
Minister for Consumer Affairs
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NEW BUILDING REFORMS TO PROTECT CONSUMERS AND INDUSTRY

The Allan Labor Government is delivering stronger protections for Victorians building or renovating their home with reforms introduced to Parliament today.

The reforms to the *Domestic Building Contracts Act 1995* will better protect consumers while at the same time supporting Victoria's building industry – helping get more homes built.

The reforms will ensure the rules around domestic building contracts are fair and clear, and better protect Victorians by:

- Updating rules around when and how builders get paid by prescribing deposit limits, progress payment stages and progress payment limits to be prescribed in regulations
- Allowing the use of cost escalation clauses for domestic building works with a contract price of \$1 million or more to manage unforeseen costs, with a 5 per cent ceiling on price increases. There will also be additional consumer protections
- Aligning Victoria's laws with other jurisdictions by removing the preparation of plans, specifications and bills of quantity from the definition of domestic building work
- Addressing issues such as 'contract splitting' and allowing consumers to cancel contracts if timelines blow out by more than 50 per cent or costs rise by more than 15 per cent.

The Bill will also support the establishment of the Building and Plumbing Commission – a new powerful watchdog, by transferring powers from Consumer Affairs Victoria to the Victorian Building Authority. This will bring together all aspects of building quality control – regulation, insurance, and dispute resolution – into a single agency.

The Government consulted with a range of consumer, banking and builder groups on the reforms, including the Housing Industry Association, the Master Builders Association of Victoria, and the Consumer Action Law Centre.

The reforms are the latest in a series of measures the Labor Government has taken to protect consumers and builders since the collapse of Porter Davis homes in 2023.

The Labor Government's ongoing reforms are reshaping the Victorian building system – delivering more safe, compliant, and durable homes for Victorians.

Quote attributable to Minister for Consumer Affairs Nick Staikos

"These reforms will strengthen protections for consumers while supporting the building industry – helping get more homes built."

Quotes attributable to Minister for Housing and Building Harriet Shing

"As we build and approve more homes across the state to meet demand, we're also delivering reforms that focus on certainty, quality, and accountability. These reforms strike an important balance for buyers making the biggest purchase of their lives, and for the vast majority of builders who take great pride in their work."