

Media Release

The Hon Nick Staikos MP
Minister for Consumer Affairs
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BUILDING REFORMS TO DELIVER STRONGER PROTECTIONS

The Allan Labor Government has delivered stronger protections for Victorians building or renovating their home, with reforms to the *Domestic Building Contracts Act 1995* passing Victorian Parliament today.

The reforms will help more homes get built, while protecting consumers and industry with more certainty and stability. The reforms will ensure domestic building contracts are fair, clear and better protect Victorians, by:

- Updating rules for when and how builders get paid, by using deposit limits, progress payment stages and progress payment limits
- Allowing the use of cost escalation clauses to better manage increases in building costs due to unforeseen shocks – these will be subject to a price ceiling and other requirements to protect consumers
- Aligning the definition of domestic building work with other jurisdictions by removing the preparation of plans, specifications and bills of quantity from the definition
- Simplifying the process for ending domestic building contracts, making it easier for consumers to exercise their rights.

The legislation will also support the establishment of the Building and Plumbing Commission by transferring powers under the Act from the Director of Consumer Affairs Victoria to the Victorian Building Authority, combining all aspects of quality control – contracts, 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 ongoing building reform program will reshape the Victorian building system, deliver safe, compliant, and durable buildings, allowing the government to achieve its vitally important Housing Statement objectives for the people of Victoria.

The reforms will come into effect in stages, with final implementation scheduled for 1 December 2026.

Quotes attributable to Minister for Consumer Affairs Nick Staikos

"The reforms will protect Victorians while delivering safer, more compliant and more durable buildings."

"For many families, their home is the single largest investment they will make in their lifetime – which is why it's critical that domestic building contracts are clear and fair."

Quote attributable to Minister for Housing and Building Harriet Shing

"These changes are another important part of putting consumers at the heart of a better building sector, and they also provide industry with the flexibility needed to respond to demand."