

# More Homes More Opportunity



**Hon Jacinta Allan MP**  
Premier of Victoria

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## NEW BUILDING WATCHDOG FOR BUYER PEACE OF MIND

More homes mean more opportunity – that’s why the Allan Labor Government is delivering more protections for Victorian homebuyers to give them confidence and peace of mind when building, buying or renovating a home.

Premier Jacinta Allan today announced the Government is introducing the *Building Legislation Amendment (Buyer Protections) Bill 2025* – and kicking off consultation on more proposed reforms to protect consumers.

The Bill creates a new integrated building watchdog and gives it tough new enforcement powers to fix dodgy work. It also delivers new schemes for developer bonds and first-resort insurance, to make things fairer for consumers.

Building more homes starts with building *better quality* homes. If homebuyers are more confident in the lasting quality of a new home – especially off-the-plan apartments – they’re more likely to buy.

### New building watchdog

The Building and Plumbing Commission will be a powerful watchdog overseeing domestic building and plumbing industries across the state. The Bill creates this integrated regulator, bringing together all aspects of building quality control – regulation, insurance and dispute resolution – into a single agency.

If you’re a consumer and you have a problem with the quality of your new home, this regulator is the one-stop-shop where you can turn – and it will have tough new powers to protect homebuyers.

### Tough new powers

Currently, the regulator can direct builders to fix substandard work, but only before someone moves in.

Under the Bill, the new regulator will get tough new powers, including for enforcement. If serious defects aren’t rectified, the regulator can stop the issuing of occupancy permits or the completion of off-the-plan sales for apartment buildings. In other words, if it’s not fixed, it’s not for sale.

The powers won’t just apply before someone moves in. With this Bill, the new regulator can order the rectification of dodgy building work up to ten years after an occupancy permit is issued.

The powers will come into place by the end of 2025. Builders can face disciplinary action for failing to comply with these rules, including suspension of registration.

### Introducing developer bonds

Consumers currently have no financial protection for defective building work in buildings that are four storeys and above. This Bill takes the first steps to make the system fairer, by introducing a developer bond scheme.

A developer bond works in a similar way to a rental bond. Under the scheme, developers pay a bond. It is held by the regulator. If there are building issues, this money can be released to pay for rectification works.

The Bill establishes this scheme and sets the bond rate at two per cent of the cost of constructing the building. The bond will be held by the regulator for approximately two years, after which it can be returned.

This scheme will start at the end of 2025, and it is in line with the New South Wales scheme. Longer term, the Government will introduce a decennial (10 year) liability scheme to cover apartment owners.

### Fixing domestic building insurance

Domestic Building Insurance (DBI) protects consumers, but currently, they can only access this insurance as a last resort under very limited circumstances: when their builder becomes insolvent, disappears or dies.

With this Bill, consumers will get access to a 'first resort' insurance scheme allowing them to make a claim when a building issue is first identified, so they won't have to face huge out-of-pocket costs for fixing defects.

Operations of the Victorian Managed Insurance Authority (VMIA) will join the new regulator and, from 2026, deliver the *First Resort Domestic Building Warranty*, to cover domestic building contracts valued over \$20,000 in buildings three storeys and below.

Cover available includes lost deposits – including instances where a builder has not obtained DBI – incomplete building work, and non-compliant or defective building work.

### Building manuals and more inspections

In addition to the Bill, the Department of Transport and Planning has released a Regulatory Impact Statement to start the consultation process on two key proposals to make sure new homes are safe and built well.

One proposal under consideration is for a new building manual for apartment buildings, prepared by builders or occupancy permit holders. It will keep a building's documents and permits in one place, as well as details of building or maintenance works completed.

If you're buying an apartment, the manual will give you the information you need about how it was built and the maintenance that has occurred – and when you move in, the manual can help you navigate the systems in your building and speed up defect repairs.

Another proposal being considered is for more mandatory inspections during construction – specifically, prior to waterproofing and plastering. This will detect non-compliance sooner, reducing the number of homebuyers who must pay for expensive rectifications after moving in.

### **Quotes attributable to Premier Jacinta Allan**

*"Building or buying a new home will be the biggest investment most of us ever make, and Victorians rightly expect to get what they pay for."*

*"This is all about more homes. We will build – and sell – more apartments and townhouses if buyers know they are rock solid and will stand the test of time."*

### **Quote attributable to Minister for Housing and Building Harriet Shing**

*"It's essential that consumers are protected and supported when buying or building their home, and we'll continue to work with industry to get the balance right, and deliver quality homes of a consistently high standard."*

### **Quote attributable to Minister for Consumer Affairs Nick Staikos**

*"We're bringing together building insurance, dispute resolution, and compliance monitoring and enforcement functions under one regulator, making it easier for Victorians to access vital services and resolve issues."*

### **Quote attributable to Minister for Finance Danny Pearson**

*"These are important reforms that will protect homeowners and give prospective homebuyers the confidence they need to invest in new construction developments – this is good regulation that makes business sense."*