

# **BUILDING KNOWLEDGE**

**Informed Consumers,  
Empowered Consumers**

**Discussion  
Paper**

July 2026

**BUILDING  
MONITOR**

Spotlight  
Series



## **Acknowledgement**

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it. We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices. We are committed to genuinely partner, and meaningfully engage, with Victoria's Traditional Owners and Aboriginal communities to support the protection of Country, the maintenance of spiritual and cultural practices and their broader aspirations in the 21st century and beyond.

Authorised and published by the Office of the Building Monitor, Melbourne, July 2026.

## **Disclaimer**

This publication may be of assistance to you, but the State of Victoria and its employees do not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

## **Accessibility**

If you would like to receive this publication in an accessible format, please email [info.buildingmonitor@transport.vic.gov.au](mailto:info.buildingmonitor@transport.vic.gov.au).

This document is also available in PDF format at [www.vic.gov.au/building-monitor](http://www.vic.gov.au/building-monitor).

## Table of Contents

Glossary .....	4
Building Monitor’s Foreword .....	5
Executive summary .....	6
Call for written submissions .....	7
Key questions.....	8
The Building Monitor .....	10
<b>PART A Informed domestic building consumers.....</b>	<b>11</b>
Introduction .....	12
The problem.....	14
Context.....	16
<b>PART B How do we reach consumers? .....</b>	<b>20</b>
Knowledge: right place, right time .....	21
Supporting CALD communities .....	27
<b>PART C What do we want consumers to know? .....</b>	<b>31</b>
Know your builder.....	32
Know your building contract.....	39
Know your building .....	42
Identifying defects – building inspection.....	46

## Glossary

ASIC	Australian Securities and Investments Commission
BPC	Building and Plumbing Commission
CALD	Culturally and linguistically diverse
CAV	Consumer Affairs Victoria
CPRC	Consumer Policy Research Centre
DBDRV	Domestic Building Dispute Resolution Victoria
DBI	Domestic Building Insurance
DBLS	Domestic Building Legal Service
OC	Owners' corporation
QBCC	Queensland Building and Construction Commission
RO	Rectification order
VBA	Victorian Building Authority
VCAT	Victorian Civil and Administrative Tribunal
VMIA	Victorian Managed Insurance Authority

## Building Monitor's Foreword

Building, renovating and owning a home is the foundation of a secure future and a privilege that we all work hard to achieve.

Our building industry is a vital economic driver, but the true value lies in the safety and security of the homes we construct.

Most people enter the building market with high hopes and significant financial investment. However, the stories we hear from consumers tell us that far too many have problems with their builds and end up feeling alone in their disputes. Beyond the economic impacts, these challenges create a profound toll on our communities.

Behind the statistics are people who are overwhelmed in a building system that is difficult to navigate. We hear from people who, despite their best efforts, find themselves caught in a maze of disconnected agencies when trying to find simple information. We hear from Victorians who unknowingly take on huge liabilities and defects, unaware of their legal obligations within an owners' corporation. For our culturally and linguistically diverse communities, these barriers are compounded with technical and bureaucratic jargon that makes things harder to understand.

This information gap leaves consumers in a vulnerable position. It is not enough for information to simply exist. It must be visible, straightforward, and available when it matters most.

This discussion paper examines how we can bridge this information gap to empower people with the information they need before making large financial decisions in building, renovating or buying a new home.

We want to hear from a range of people participating in our building industry to ensure our ideas are well informed. This includes homeowners, advocates, experts, industry practitioners and government agencies.

We will seek information in a range of ways, including:

- Written submissions from the public through this discussion paper.
- Speaking directly with people to understand their experiences across the building industry.
- Gathering a range of data and evidence to verify the information we are hearing.

We intend to consider the above and craft recommendations that are practical, targeted and balanced – but always with consumers front and centre.

The closing date for making a written submission is **7 August 2026**. Submissions can be emailed to [info.buildingmonitor@transport.vic.gov.au](mailto:info.buildingmonitor@transport.vic.gov.au). I look forward to working with you to improve our building system.



Tina Ngu  
Building Monitor

# Executive summary

## Building Knowledge: informed consumers, empowered consumers

Buying, building or renovating a home involves significant financial and emotional investment. It is often the most expensive commitment a person makes in their lifetime. Yet, for too many Victorians, this milestone is marred by challenges in the building process. National data indicates that 70 per cent of households report building quality problems, and one in three Victorians who build new homes experience significant disputes or structural defects. The cost to our state is profound, with major residential defects costing at least \$630 million from the Victorian economy every year.

Given these figures, Victorians should be aware and have access to clear, comprehensive and timely information and advice on their rights and obligations. We commend the recent establishment of the Building and Plumbing Commission (BPC) and the government's reform agenda. We should now build on the low levels of consumer awareness and understanding of the building system to continue improving outcomes. This discussion paper examines how we can bridge this gap to ensure we achieve well-built, safe, and durable homes.

## Information asymmetry and complexity are challenging

The Victorian building system is a major economic driver, contributing nearly 13 per cent to our Gross State Product. However, its complexity overwhelms the people it is meant to serve. Most people typically lack the regulatory literacy to navigate the system until a problem occurs, at which point the financial and emotional damage is done.

Key issues identified include:

- **The right time gap:** Most consumers do not engage with building regulations until they are in the middle of a project or a dispute. By then, the opportunity for proactive risk mitigation has passed.
- **Barriers to due diligence:** Background checking a practitioner is currently a prohibitively complex task, requiring searches across multiple disconnected agency databases.
- **Inaccessible information:** With 44 per cent of Australians facing literacy challenges and a high proportion of Victorians speaking languages other than English, static and technical Frequently Asked Questions (FAQs) on websites are failing to reach those who need them most.

## There is an opportunity to be more innovative and transparent

The establishment of the BPC provides a clean slate to move away from fragmented, agency specific communication to a whole-of-government, user-centric model. We have an opportunity to adopt international and interstate best practices to empower consumers:

- **Verified performance data:** Adopting models like Singapore's CONQUAS or New South Wales' (NSW's) iCIRT to provide consumers with a reliable way to identify qualified practitioners.
- **Consolidated portals:** Replicating the Queensland Building and Construction Commission (QBCC) or Canada's Ontario models to provide a one-stop-shop for builder registration, history, and insurance claims.

- **Dynamic support:** Using artificial intelligence (AI) driven assistants to translate complex legislation into plain language advice and adopting the NSW Fair Trading model of a high-volume complaints register to highlight red flag operators.

## Moving forward

Information alone is not a silver bullet, but it is a fundamental part of a fair system. This paper advocates for a framework where data is not just held by agencies, but is made visible, accessible, and clear.

## Call for written submissions

We seek input from stakeholders with an interest in this topic.

Responses can relate to the specific issues and questions raised in this submission (summarised below) or could highlight additional matters for consideration.

Your submission will be treated confidentially, and no details will be published without your consent.

Please send your submissions to:

**[info.buildingmonitor@transport.vic.gov.au](mailto:info.buildingmonitor@transport.vic.gov.au) by 7 August 2026.**

# Key questions

## Part A – Informed domestic building consumers

- How do we improve consumer awareness of regulators and their rights?
- How do we ensure that consumers can find the information that is relevant to their specific situation?

## Part B - How do we reach consumers?

### **Bespoke advice**

- How can we ensure that consumers in a building dispute can access affordable and accurately tailored advice?

### **Reaching people when they are ready to engage**

- When are the most effective times for a consumer to receive mandated information in their building journey?
- What are the potential benefits and challenges of introducing a mandatory cooling-off period between receiving a mandated fact sheet and signing a domestic building contract?

### **Embedding regulatory nudges at key stages**

- How can government place alerts into banking, lending and conveyancing processes to share key information, without compromising consumer privacy?

### **Proactive support: social listening and engagement**

- Is there a role for influencers to increase awareness of building rights and responsibilities?

### **Moving beyond static FAQs**

- How can government agencies use AI to help consumers, including culturally and linguistically diverse (CALD) communities, understand their rights and responsibilities?

### **Supporting CALD consumers**

- How can we support CALD communities to better navigate building transactions and defects resolution?
- What are the opportunities to reach CALD communities with tailored education, support or partnership initiatives?

## Part C – What do we want consumers to know?

### **Empowering consumers through independent builder ratings**

- What are the benefits and drawbacks of third-party ratings and certification options?

### **Consolidate to a single portal – background check my builder**

- How can we encourage consumers to background check their builder?
- What information should be included in a 'background check your builder' tool?

### **Know your building contract**

- What are the essential information consumers need before signing a domestic building contract?

- What elements of building contracts are the most difficult for consumers to understand?
- How can we support consumers to understand their right to hire their own building surveyors?

**Discovering known defects in an owners' corporation building**

- What information should an owners' corporation share with a prospective buyer about building defects?

**Identifying defects – building inspection**

- How can we ensure that buyers can be confident in the quality and accuracy of the pre-purchase building and pest inspection reports?
- How can we prevent conflicts of interest between the seller and the building and pest inspection practitioner?

## The Building Monitor

The Building Monitor is established as a statutory appointment under the *Building Act 1993*. The Building Monitor provides a voice for Victorian domestic building consumers and advocates for improvements to the building system on their behalf, by:

- Consulting extensively with consumers and their advocates, researchers, industry experts and government stakeholders to identify improvements to the building system.
- Accessing data held by government agencies to identify trends and areas where consumers need better protection.
- Making recommendations to government on ways to address problems faced by building consumers.
- Advising policy makers and regulators in the development and implementation of building system reforms.

### Spotlight Series

In line with our 2026 Strategic Plan, the **Building Monitor's Spotlight Series** enables a detailed examination of priority issues to identify opportunities to improve outcomes for domestic building consumers. The idea is to combine a critical understanding of consumer issues with research and analysis of Australian and international best practice. The intention is to be forward looking, identifying new ways of doing things and responding to advancements in technology and best practice.



This **discussion paper** outlines issues, challenges and best practice Australian and international examples, which could be explored for adoption in Victoria.

It is informed by our engagement with consumers along with data analysis, consultation with experts and desk-top research.

This paper and any subsequent recommendations are the views of the Office of the Building Monitor and do not represent the views of the Victorian government. Implementation of any actions will be at the discretion of the government and relevant agencies.



[www.vic.gov.au/building-monitor](http://www.vic.gov.au/building-monitor)

PART A

**Informed  
domestic  
building  
consumers**

# Introduction

## What is an informed domestic building consumer?

An informed domestic building consumer makes confident, evidence-based decisions throughout the building process. They select, engage, and manage practitioners confidently while fixing any issues that come up. They know their rights and obligations. This helps them secure a safe, healthy and durable home to live in.

## What is the issue?

This paper examines information tools, techniques and practices that can be adopted to maximise consumers' awareness of key building regulations, policies and procedures. By doing so, we want people to think of new ways to empower consumers. This will enable them to take steps within their power to achieve a well-built, safe, healthy and durable home, where defects are minimised or resolved easily.

Informed consumers drive positive outcomes in the domestic building sector, but they cannot do it alone. Success also requires a robust, fair building regulatory system that delivers fast, accessible dispute resolution and defect rectification.

## Why now?

The criteria for selecting issues for our topics for research are:

- **Likelihood of leading to improved consumer outcomes:** Engagement with consumers has revealed a generally low understanding of Victoria's building system and a lack of knowledge of what to do in different scenarios.
- **Filling gaps and not duplicating existing work:** Work is underway in some agencies to improve consumer information provision, but a whole of government approach towards this issue is missing.
- **Opportunity to be future focused:** the reforms and the establishment of new regulatory arrangements provide a clean slate to build on.
- **Whole of government scope:** several Victorian government agencies will continue to have a role in engaging with domestic building consumers and there is opportunity for a more consistent approach.
- **Opportunity for innovation and new ways of thinking:** advances in technology, shifting media dynamic, and innovative Australian and international case studies, may provide opportunities for new approaches.

## What does this discussion paper cover?

This paper focuses on consumer information and provision across the entire domestic building system. Domestic building consumers include owner builders, people using trades to renovate or build their homes, and purchasers and tenants of recently built homes. Its scope covers the responsibilities of the Victorian government and its agencies.

# Importance of informed consumers

## Informed consumers are better placed to...

	<b>Choose qualified practitioners</b>	Knowing about past performance and regulatory history enables consumers to make informed choices.
	<b>Assert their rights</b>	Understanding regulations and rights empowers consumers to demand that work meets the required standard.
	<b>Avoid misunderstandings</b>	Clear communication and knowledge of contract terms help the consumer and builder be on the same page.
	<b>Avoid common pitfalls</b>	Being aware of issues like underquoting or appointment of building surveyors helps consumers to identify red flags.
	<b>Know where to seek help</b>	Clarity about the different roles of government agencies to better find the right type of help at the right time.
	<b>Assess the reliability of 3rd party information</b>	Informed consumers are better at distinguishing between genuine feedback and biased or paid endorsements and information.
	<b>Know how to navigate disputes</b>	Access to help and guidance empowers consumers to resolve disputes efficiently.
	<b>Hold practitioners accountable</b>	Knowing that consumers are aware of their rights discourages industry practitioners from taking shortcuts.
	<b>Collectively improve the market</b>	As consumers consistently demand higher standards, they encourage the industry to improve its overall service delivery.

## Consumers may not be fully informed because of...

**Accessibility:** Websites that are not intuitive make navigation hard, especially for people with disabilities.

**Competing sources:** Judging the validity & accuracy of third-party information sources can be tricky.

**Opaque roles:** Overlapping responsibilities of relevant agencies may add to confusion.

**Expertise asymmetry:** Building is technical, giving builders an advantage in client discussions.

**Language barriers:** Understanding a complex system is more difficult if English is not your first language.

**Currency:** With reforms underway, consumers may rely on outdated understanding of the regulatory system.

**Optimism bias:** Consumers can underestimate the risk of defects leading them to bypass due diligence.

**Complexity:** Technical regulation & legal jargon is difficult to navigate without expert advice.

**Generalisation:** High-level, one-size-fits-all advice may not address unique complexity of specific projects.

**Bias:** Information provided by private providers may be self-interested or unbalanced.

# The problem

## Many consumers experience building quality problems

A home is usually the biggest investment we will make in a lifetime, typically involving large sums of money and high emotional stakes. Yet a large proportion of building consumers experience problems.

**70%**

A 2022 national survey found that 70 per cent of households reported having building quality problems in their current homes.<sup>1</sup>

**1 in 3**

A 2025 consumer survey revealed that about 1 in 3 of those who built a new home<sup>2</sup> experienced significant disputes or structural problems. This is significantly higher than people who used trades (16%)<sup>3</sup> and people who bought a completed house (21%).<sup>4</sup>

**25%**

25 per cent of renters experienced a dispute or structural problems.<sup>5</sup>

For renters, who often have little control over the buildings they live in, these defects can mean homes that are uncomfortable, unworkable and sometimes unsafe.

**\$630m<sub>p.a.</sub>**

Major defects in residential buildings cost Victoria at least \$630 million each year, with residential apartments making up two-thirds of this cost.<sup>6</sup>



Bearers and joists rotted. No flashing on windows or walls



Mushrooms growing on the skirting boards inside the house.

<sup>1</sup> Australian Housing Condition Data Infrastructure (2022) *The Australian Housing Conditions Dataset*.

<sup>2</sup> Quantum Market Research (December 2025) Building system reform and stakeholder perception study, Draft 4 (internal document). This represents survey respondents who had engaged a builder to build a new home in Victoria in the last 5 years.

<sup>3</sup> Ibid. This represents survey respondents who had used a tradesperson / builder for work to the value of \$16,000+ in the last 5 years and had not built a new home in that time.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> The Centre for International Economics (2021) *Building Confidence Report: Prepared for the Australian Building Codes Board*, CIE.

## Consumers have a low level of awareness Victoria’s building system

An informed consumer knows their rights and where to find help, including understanding the roles of relevant agencies.

- **Awareness:** general understanding that building consumers have rights and where to go to learn more.
- **Knowledge:** specific understanding of rights, processes, practitioners and buildings to enable consumers to make informed choices.
- **Skills:** consumers that can engage confidently in the building system. An informed consumer should not need to become an expert.

Data shows there is a considerable consumer awareness gap across the above areas.

**67%** 67 per cent of consumers have not heard of or know about the BPC. This is expected for a new regulatory body, as the BPC only came into operation from 1 July 2025.<sup>7</sup>

**17%** 62 per cent of Victorians were aware of the VBA, and only 17 per cent claimed to know more than the name.<sup>8</sup>

**50%** 50 per cent of consumers trust the building industry to do the right thing by them.<sup>9</sup>

**33%** 33 per cent of consumers believe they have adequate protections.<sup>10</sup>

**29%** Consumers do not always consult regulatory information. 29 per cent of people who built a new home sought information from the BPC.<sup>11</sup>

**6%** 6 per cent used other sources, such as word of mouth, real estate agents, review websites, other builders or tradies, previous customers and local councils.<sup>12</sup>

**49%** Consumers have low awareness and understanding of the dispute resolution process. 49 per cent of dispute applicants wish they had known who could help if they had a dispute.<sup>13</sup>

**50%** 50 per cent of dispute applicants believe better knowledge of regulation and rights would have been helpful.<sup>14</sup>

**35%** 35 per cent of dispute applicants want clearer guidance from the BPC.<sup>15</sup>

**47%** 47 per cent of those who used a trade (to the value of \$16,000 or more) or built a new house were not aware that domestic building insurance (DBI) was required by their tradesperson / builder, and among those aware only 3 in 4 asked for a certificate.<sup>16</sup>

<sup>7</sup> Quantum Market Research (December 2025) Building system reform and stakeholder perception study, Draft 4 (internal document).

<sup>8</sup> Quantum Market Research (2023) Market segmentation and stakeholder perceptions (internal document).

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

<sup>11</sup> Quantum Market Research (December 2025) Building system reform and stakeholder perception study, Draft 4 (internal document).

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

<sup>15</sup> Ibid.

<sup>16</sup> Ibid.

## Context

### The building system is a big economic contributor

**\$53b**

In 2024–25, the domestic building industry was worth \$53.11 billion to the Victorian economy, with 100,232 building permits issued.<sup>17</sup>

**12.7%**

The sector contributes 12.7 per cent to Victoria's Gross State Product.<sup>18</sup> This means \$13 from every \$100 made or spent in Victoria's entire economy comes directly from building and construction.

**10%**

The construction industry is the third largest employer in Victoria. In 2025, the sector employed nearly 10% of Victoria's workforce.<sup>19</sup>

### The Government's building reforms set a good foundation

We commend the Victorian government's implementation of recent reforms aimed to deliver stronger protections for Victorian homeowners.

#### New integrated regulator

The establishment of the BPC on 1 July 2025, brought together the following agencies into one location:

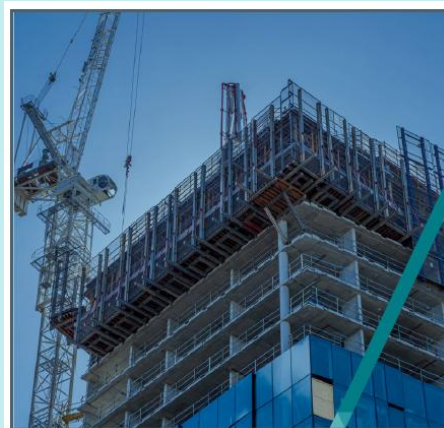
- VBA
- Domestic Building Dispute Resolution Victoria (DBDRV), and
- The DBI arm of the Victorian Managed Insurance Authority (VMIA).

The BPC provides a single front door for consumers and practitioners overseeing all aspects of building quality control – regulation, insurance and dispute resolution. A new BPC central phone hotline serves as the primary contact for regulations, disputes, and insurance inquiries.

There is scope for continued improvements. Low levels of consumer awareness, understanding and trust, continue to impact consumers' confidence in dealing with the building system.

#### Building Statement

To read the Victorian Government's Building Statement and for further information on its building reforms visit: [www.planning.vic.gov.au/guides-and-resources/building-policy/building-reform](http://www.planning.vic.gov.au/guides-and-resources/building-policy/building-reform)



#### Building Statement

Strengthening Victoria's Building System



Department of Transport and Planning

<sup>17</sup> Victorian Building Authority (2025) *VBA Annual Report 2024–25*, VBA.

<sup>18</sup> Master Builders Victoria (2025) *Pre-Budget Submission 2025–2026*, MBV.

<sup>19</sup> In February 2025, the construction industry employed 357,900 out of 3,770,800 workers in Victoria. Jobs and Skills Australia (2025) *Labour Market Insights: Construction Industry Victoria*, Australian Government

Given the above and significance of the building industry to Victoria, it is crucial that information is available and accessible to help consumers make informed decisions.

### New BPC Website

The BPC is improving its website, so it better supports consumers, practitioners and industry. The updated website will:

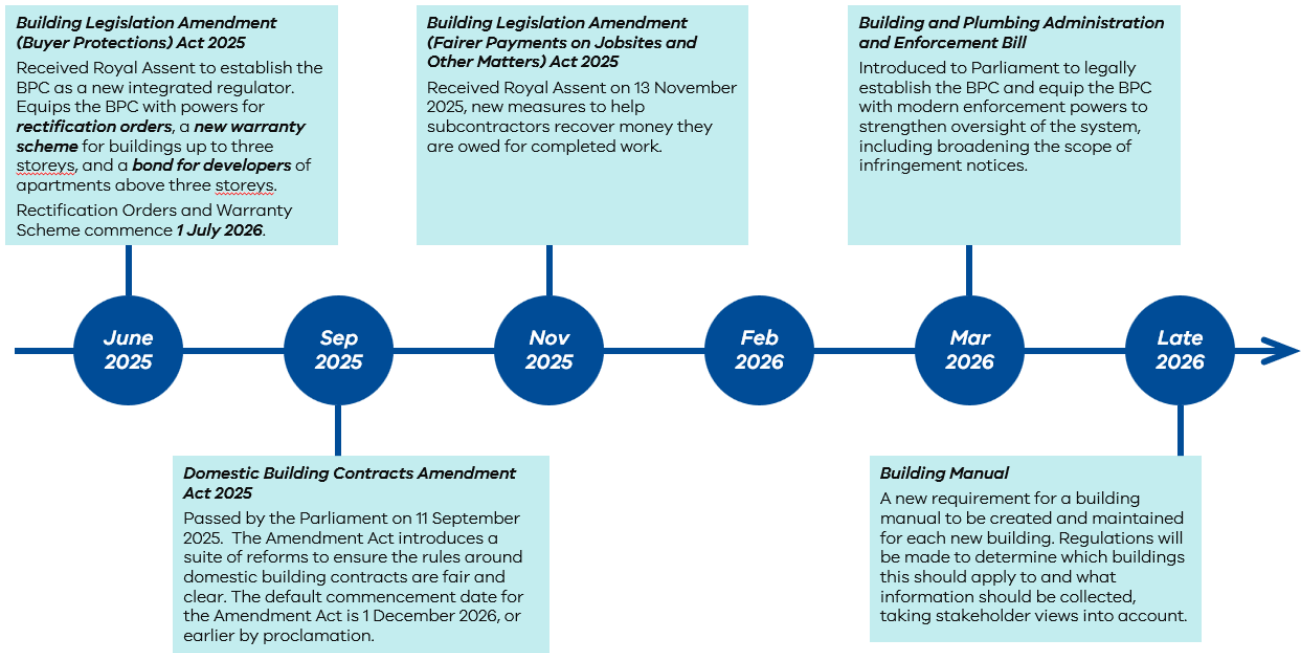
- Improve usability by applying best practice web design principles
- Include clear information about the BPC's new powers, functions and regulatory tools
- Better reflect consumer journeys, including the BPC's role as a single front door for consumers seeking help with building and plumbing matters.

The website renewal is expected to incorporate several elements which are discussed in this paper.

### New regulatory tools

Continuing	New from mid-2026	Coming
Directions to Fix	First Resort Domestic Building Insurance Scheme	Developer Bond Scheme for class 2 buildings
Emergency orders	Rectification Orders	Decennial Insurance Scheme for class 2 buildings
Plumbing Orders / Notices	6-month pre-notification for Class 2 buildings	Domestic Building Contracts Act functions
205M Direction		Building and Plumbing Amendment and Enforcement Bill functions including new infringement notices and civil penalty options.
Building Orders / Notices		Building Legislation and Treasury Legislation (Tax Relief) Amendment Bill (subject to Parliament)
Enforceable Undertaking		Reforms to the Owners Corporation Act (subject to Parliament)
Licensing / Registration Controls		
Dispute Resolution incl. Breach of Dispute Resolution Order Notice		
Domestic Building Insurance		

## Victoria's Building Reform Timeline



## Not all consumers are the same

There are many variables that make up each consumer and their situation. No two cases are the same. Each has a unique journey and information needs. Some of the variables include:

<p><b>Project status?</b></p> <ul style="list-style-type: none"> <li>• Pre-build</li> <li>• Under construction</li> <li>• Mid-construction</li> <li>• Post build</li> <li>• Mid-dispute</li> </ul>	<p><b>Designer?</b></p> <ul style="list-style-type: none"> <li>• Engaged architect or another design professional</li> <li>• No separate design</li> </ul>	<p><b>Applicable regs?</b></p> <ul style="list-style-type: none"> <li>• Legacy regulatory settings apply</li> <li>• New regulatory settings apply</li> <li>• Different mix of regs depending on timing of build</li> </ul>	<p><b>Other parties?</b></p> <ul style="list-style-type: none"> <li>• Neighbours / community members</li> <li>• Owners' corporation</li> <li>• Unregulated trades</li> <li>• Developers, Estate agents, buyer/vendor advs.</li> </ul>
<p><b>Ownership status?</b></p> <ul style="list-style-type: none"> <li>• Owner builders</li> <li>• Homeowners engaging builder</li> <li>• Bought 'off the plan' or from 3<sup>rd</sup> party</li> <li>• Tenant</li> </ul>	<p><b>Building type?</b></p> <ul style="list-style-type: none"> <li>• Standalone</li> <li>• Attached / semi</li> <li>• Multiple dwellings - 3 storeys or less</li> <li>• Multiple dwellings - 4 storeys or more</li> </ul>	<p><b>Project type?</b></p> <ul style="list-style-type: none"> <li>• Renovation</li> <li>• New build</li> <li>• With or without building permit</li> </ul>	<p><b>Demographics?</b></p> <ul style="list-style-type: none"> <li>• Metro or regional</li> <li>• Language spoken</li> <li>• Age</li> <li>• Financial resources</li> <li>• Residency status</li> </ul>

Providing relevant and helpful information and advice to everyone is difficult given the complexity of building regulation, with different tools for different scenarios.

## Adapting to observed consumer behaviour

People find, read and understand information differently. This is not always predictable or rational. Consumer facing information is not always easy to find or understand.

The effectiveness of information could be improved by standardised testing of communication products, such as websites, fact sheets and mail outs with real consumers. We should observe how consumers respond to different messages and delivery mechanisms.

### Best Practice Guide – Behavioural Insights Team

*“Testing is important because institutions can be wrong. For example, one might assume that shortening sentences and words to achieve a lower ‘reading age’ for your terms or policies would improve customer understanding.*

*However, in our testing we did not find this. Our conclusion was that businesses should not judge whether a policy is easy to understand by measuring its ‘reading age’. Instead, businesses should test how well real consumers understand it by asking them.”*

[www.bi.team/wp-content/uploads/2019/07/BIT\\_WEBCOMMERCE\\_GUIDE\\_DIGITAL.pdf](http://www.bi.team/wp-content/uploads/2019/07/BIT_WEBCOMMERCE_GUIDE_DIGITAL.pdf)

## Discussion Questions

How do we improve consumer awareness of regulators and their rights?

How do we ensure that consumers can find the information that is relevant to their specific situation?

PART B

# How do we reach consumers?

## Knowledge: right place, right time

Consumers can be overwhelmed by the task of identifying and navigating relevant information in complex regulatory environments, like building.

People lack the time or inclination to understand the system until they begin building, buying a home or when a problem arises. Unlike builders, consumers rarely engage with the system enough to build knowledge over time. This creates an information imbalance.

The challenge for regulators extends beyond producing accurate and useful information. While this is essential, information will only be effective if consumers access and understand it at the right moment.

This section considers approaches to ensuring consumers have the information they need, when and where they need it - even if they do not know they need it - while avoiding unnecessary detail.

### Bespoke advice is necessary but challenging

Tailored advice is ideal for complex cases, especially those with potential defects and disputes.

However, obtaining tailored advice is challenging and not in the reach of many consumers.

Specialist building lawyers are rare and anecdotally more likely to act for builders than consumers. They can be expensive, especially for someone who is also facing the costs of fixing defects and alternative accommodation.

Costs for legal advice is unlikely to be recouped regardless of the outcome.

### Role of community organisations

The government funds Justice Connect to operate the Domestic Building Legal Service (DBLS) to provide advice to domestic builder consumers. However, DBLS eligibility is limited to those on lower incomes.

Anecdotally, other community legal centres have long avoided getting involved in building work due to the complexity and low likelihood of resolution.

### Artificial intelligence

AI offers a potential way to bridge the gap between complex regulatory information and the needs of specific building consumers.

An AI system could draw on multiple authoritative sources – legislation, regulations, guidance material, standard contracts and dispute decisions – and translate them into plain language, context specific explanations. A consumer can input their situation for the system to generate tailored guidance highlighting relevant obligations, risks and options.

Where the law involves uncertainty or discretion—such as “reasonableness” tests or regulatory decisions—the system could explain this explicitly. It could outline the range

of possible interpretations, the key factors considered, and how similar cases have been handled in practice.

This capability is already feasible using large language models combined with curated, jurisdiction specific data sources and guardrails.

However, achieving consistently reliable, legally precise and context aware outputs would require ongoing moderation and further development. This includes stronger training, integration with up-to-date regulatory datasets and careful system design.

The potential benefits are significant: improved accessibility, scalability at low marginal cost and the ability to deliver timely, personalised information.

There are risks and limitations to consider. AI systems may produce inaccurate or incomplete explanations, struggle with nuanced legal interpretation or fail to fully capture the context.

There is also a risk that in attempting to simplify complexity, the system may understate uncertainty or fail to convey the significance of discretion.

Over reliance on automated guidance could give consumers a false sense of confidence, particularly where legal rights or financial outcomes are at stake.

Additional challenges include accountability, transparency, privacy and ensuring equitable access.

## Reaching people when they are ready to engage

Traditionally, government resources are designed to be comprehensive and thorough, acting as a broad reference for anyone who might need them. The reality is that consumers in the middle of a build are not browsing. Instead, they are acting under pressure with limited time and competing priorities.

*"The building system does not surface what you need to know at the moment you need to know it".*

**Consumer**

In this environment, a targeted approach is more effective. Delivering specific information at the exact moment is required. Proactive interventions (discussed below) are more reliable at influencing behaviour because they reach people when they are ready to engage.

### Behavioural Insights Team (UK) report

The BI team undertook online lab testing of different techniques for information comprehension of detailed contract terms and conditions and found that:

#### Effective techniques

1. Display key terms as frequently asked questions
2. Use icons to illustrate key terms
3. Show customers your terms within a scrollable text box instead of requiring a click to view them
4. Provide information in short chunks at the right time
5. Use illustrations and comics

#### Techniques with mixed evidence

- Present key points in a summary table
- Add examples and icons to your full terms
- Shorten your full terms
- Use simpler language
- Use a visual slider to explain fee

#### Techniques with little or no evidence

- Make summaries expandable, allowing customers to click each summary point for more information
- Add emoji symbols to your terms
- Allow customers to make choices related to your policies while reading them

*Final-TCs-Best-Practice-Guide-July-2019-compressed.pdf*

## Providing mandated information at key touch points

**Domestic Building Consumer Guide**  
**Mandatory contract information statement for consumers**

Your builder must give you a copy of this guide before you sign a major domestic building contract. A major domestic building contract is required for most building projects to build, renovate or extend a house, such as a house or unit, where the cost of the work is over \$10,000.

Reading this guide will help you to know your rights and responsibilities and understand the rules and responsibilities of your builder and building surveyor.

Learn more about the topics in this guide, and domestic building contracts and work generally, at [consumer.vic.gov.au/buildingguide](http://consumer.vic.gov.au/buildingguide).

---

**Before your building project starts**

You will usually need to appoint building practitioners when you build, renovate or extend a house or unit, or do other building work. Other work includes work such as landscaping, fencing or building a swimming pool, driveway or a garage. You may need a builder to complete the building work, and if you need a building permit you will need a building surveyor.

The Victorian Building Authority (VBA) registers building practitioners. If you are concerned about the conduct of a building practitioner you should contact the VBA.

You can check the registration and disciplinary history of a building practitioner via the links at [consumer.vic.gov.au/buildingguide](http://consumer.vic.gov.au/buildingguide).

Your builder must also take out Domestic Building Insurance (DBI) for your project, if the building work costs more than \$15,000. This covers defective or incomplete work for up to six years if your builder dies, disappears or becomes insolvent. You can also claim on DBI with the Victorian Managed Insurance Authority if your builder fails to comply with a final order from the Victorian Civil and Administrative Tribunal or a court.

Check when you may make a claim via the links at [consumer.vic.gov.au/buildingguide](http://consumer.vic.gov.au/buildingguide).

**Appointing your builder**

You appoint your builder by signing a major domestic building contract.


Your contract must be in writing and include details such as:

- the contract price
- the deposit and progress payments required by law for completed stages of work
- a description of the building work to be carried out
- the plans and specifications, and
- advice on the five-day cooling-off period.

The contract price should be a fixed amount. Cost-plus contracts, for example where your builder charges you by the hour, are only allowed for projects over \$1 million, or for renovation projects in limited circumstances.

(1 August 2017)

Page: 1 of 2  
This guide must not be taken as legal advice.



Information is only useful if it arrives in time to influence a decision. Currently, CAV's two-page fact sheet titled Domestic Building Consumer Guide, must be given to consumers when they sign a contract. It could be argued that this is too late. By the time a consumer is ready to sign, they are emotionally and psychologically committed, and they are reluctant to back out.

To be effective, this fact sheet could be provided to a consumer well before they are ready to sign. This is important for new Australians and CALD communities who may not know the potential risks.

For example, the fact sheet could be delivered at the start of the building journey in display villages, or by real estate agents, architects and designers. These cohorts are often the first professionals a consumer engages, representing a vital opportunity to share relevant advice at the earliest stage.

### Transfer of responsibility for domestic building contracts

The responsibility for overseeing domestic building contracts is expected to transition CAV to BPC in late 2026. This provides an opportunity to revisit and renew information provided at the contract stage and integrate that with BPC's broader communications approach.

CAV's fact sheet should be short and focus on just three or four must know facts. Research will be needed to check if these specific facts are helping people make informed choices.

To give people time to read and understand this information, we could look into a mandatory cooling-off period. This cooling-off period forces a short pause between the time a buyer receives the fact sheet and the moment they sign a contract.

### Mandated information is supported by a dedicated consumer webinar program

To support these earlier touchpoints, agencies could consider moving toward dynamic learning platforms that offer real time engagement. Currently, the BPC hosts a webinar series for industry practitioners regarding technical rules.<sup>20</sup> There is an opportunity to provide this for the public by launching a dedicated consumer webinar program.

<sup>20</sup> Victorian Building Authority (2026) *Webinars*, VBA, [VBA Webinars Website](http://VBA Webinars Website).

These sessions could bring the mandated fact sheet to life. It could also cover high-priority topics such as the first homeowner journey, contract danger zones, and managing the building surveyor. These webinars could also allow consumers to seek direct guidance from experts. To reach the public, this could be supported by a marketing strategy.

### **Embedding regulatory nudges at key stages**

Rather than waiting for people to find information, regulators can work with financial service providers to embed helpful alerts directly into everyday banking, loan applications, or the conveyancing process.

Since lenders care about the quality of the property, they are in a great position to share helpful information during the loan application process.

Agencies could explore partnerships with lenders to integrate awareness materials in loan approval packs or first homeowner grant letters, reaching consumers during financial milestones.

This proactive approach could also extend to progress payment workflows. For example, a bank's digital platform could prompt a consumer to seek mandatory inspection certificates before authorising a frame stage payment.

Similar partnerships could be established with residential builders to provide awareness materials in showrooms and display homes, engaging consumers the moment they begin looking for a new home.

Additional opportunities are available in existing regulatory touch points. For instance, the new requirement for building surveyors to provide an information statement within a certain period of issuing a permit offers a window to equip owners with essential advice before building work begins.

However, embedding regulatory alerts into private workflows raises questions regarding data privacy and informed consent. This requires consideration of Australian privacy laws. There is a risk that consumers may see these alerts as intrusive or misinterpret alerts as formal advice. Consideration would need to be given to balancing proactive consumer protection with maintaining clear boundaries between regulatory oversight and financial transactions.

### **Proactive support: social listening and engagement**

When issues occur, many Victorians turn to online forums and social media before contacting government. These platforms provide support but can also spread incorrect advice.

### **Consumer brands or hubs on websites**

Consumers can be better supported when information designed for them is brought together under a dedicated consumer brand in a single, easy-to-remember place.

Examples of home related hubs include:

[QBCC | Home owner hub](#)

[Welcome to Your Home | YourHome](#)

[Residential EV, Solar & Battery Solutions - EnergyAustralia](#)

The rise of viral building inspectors on platforms like TikTok and Instagram—with millions of views on construction defects—highlights a clear demand for visual and accessible information.

However, viral content can spread sensationalised or technically inaccurate advice that lacks regulatory nuance.

To provide correct advice, agencies could consider adopting social sweeps and listening strategies to monitor trending problems, such as specific defect types. The BPC already does this on its social channels. Verified experts could join online conversations to provide authoritative advice, similar to the ATO Community model where moderators monitor peer-to-peer forums.

By leveraging high reach building social media influencers as educational conduits and partnering with reputable voices, agencies can ensure viral videos are accompanied by links to official facts.

### **Moving Beyond Static FAQs**

The technical and legal complexity of the building system remains a significant barrier to consumers. Currently, agencies use static FAQs on websites. These may fail to address specific concerns because they require users to self-diagnose complex legal issues. This creates friction that can lead to disengagement at critical moments of the building journey.

Agencies could implement AI driven assistants to transform dense knowledge bases into personalised roadmaps. Using natural language processing, these tools allow consumers to ask plain English questions, such as "Is my builder's deposit too high?", to receive immediate guidance and direct links to the correct information.

### **Answer engine optimisation**

The rise of AI overviews and generative AI search tools has fundamentally changed how Victorians read content.

### **Case Studies: Success in Action**

- **ATO Community:** The Tax Office uses verified moderators to monitor peer-to-peer forums. When a confusing topic trends, they jump in with authoritative answers, reducing bureaucratic spin and building trust.
- **ACCC Social Sweeps:** In 2023–24, the ACCC used AI to sweep social media for fake reviews and undisclosed ads. This proactive approach identifies market-wide issues before they cause widespread financial loss.

### **Case study: The NSW Ombudsman's AI assistant**

The NSW Ombudsman provides an example of how Australian agencies are successfully transitioning from static information to contextual guidance.

In 2024–25, the agency launched a new website featuring an integrated AI assistant as part of a commitment to improve digital accessibility and user experience.

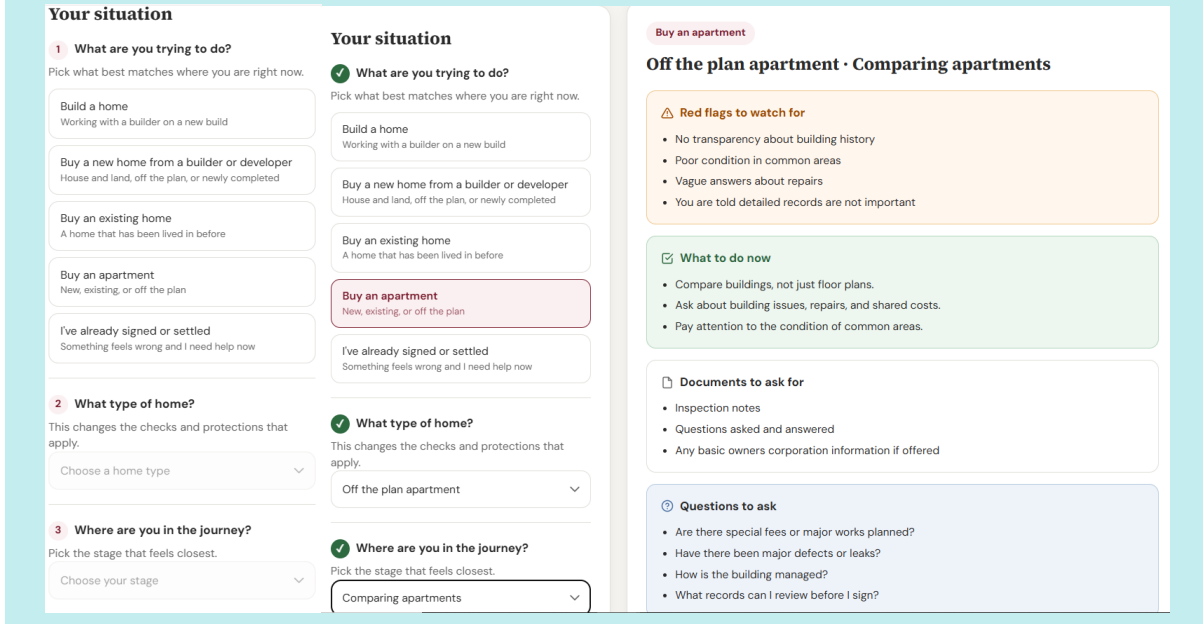
The AI assistant helps triage enquiries by directing people to the correct service pathway, answering questions about the Ombudsman's services, and providing simple answers written in plain English.

In its first few months of operation, the AI Assistant handled 1,186 conversations. This new digital tool is positively contributing to how users navigate the Ombudsman's website, helping more people reach the right information.

To remain a single source of truth, agencies could consider adopting answer engine optimisation. By structuring content into concise Q&A formats, agencies can increase the likelihood of its authoritative data being captured and displayed within AI generated results, reaching consumers who may not visit their website.

### Case study – My Home Navigator (prototype)

This tool was developed by a member of the Building Monitor’s Consumer Reference Group for consumers to quickly describe their specific situation and be directed to the most relevant advice based on their drop-down selections.



## Discussion Questions

### Bespoke advice

How can we ensure that consumers in a building dispute can access affordable and accurate, tailored advice?

### Reaching people when they are ready to engage

When are the most effective times for a consumer to receive mandated information in their building journey?

What are the potential benefits and challenges of introducing a mandatory cooling-off period between receiving a mandated fact sheet and signing a domestic building contract?

### Embedding regulatory nudges at key stages

How can government agencies place alerts into banking, lending and conveyancing processes, without compromising consumer privacy?

### Proactive support: social listening and engagement

Is there a role for influencers to increase awareness of building rights and responsibilities?

### Moving beyond static FAQs

How can government agencies use AI to help consumers, including CALD communities, understand their rights and responsibilities?

## Supporting CALD communities

### Thirty per cent of Victorians were born overseas

In the recent census, 30 per cent of Victorians were born overseas, and 33 per cent spoke a language other than English at home.<sup>21</sup> Victoria has 863,621 permanent migrants, with over 800,000 living in Greater Melbourne.<sup>22</sup>

Having information, translated or dubbed, is essential to help people get the information they need. 44 per cent of Australians have low or very low literacy as well,<sup>23</sup> further emphasising the need for plain English.

### Engaging in complex translations in a second language can be difficult

A study by the Consumer Policy Research Centre (CPRC) found that some consumers with CALD backgrounds face significant and disproportionate challenges when engaging with essential services and complex financial contracts.<sup>24</sup> These challenges are worsened by systemic barriers and lack of inclusive design.

Key findings that can be applied to contracts and disputes in domestic building include:

- CALD consumers disproportionately reported experiencing unfair terms and conditions or feeling misled by information provided by suppliers. For instance, in the energy sector, CALD consumers were more than four times as likely to report unfair terms compared to English speakers.
- Standard communication channels, such as websites and phone systems, are often not designed for those with limited English proficiency. Furthermore, translation services often lack technical expertise, making complex issues hard for consumers to resolve.
- Some community members, particularly those from authoritarian regimes, may inherently distrust government or

#### Case study: Supporting CALD residents after Maribyrnong River flooding

The 2022 Maribyrnong River floods inundated homes, causing significant damage to floors, walls, and possessions, with some left uninhabitable for years. When locals shared their challenges in claiming insurance, Andrew, a local resident, saw the need to make supporting information available to all, that was based on learnings from the community.

With support from Maribyrnong City Council and GenWest, and community input gathered in English and Vietnamese, the Flood Insurance Guide was developed. The guide helped residents, many of whom speak English as a second language, confidently engage with insurers. The guide was also translated into Vietnamese, a common language spoken in the community. The project has also informed other advocacy initiatives.

#### BPC's proactive approach to translating key materials

BPC has been making an effort to ensure that key consumer resources are available in alternative languages on its website. To ensure that these resources are relevant and useful, BPC identified the most common languages spoken in areas with the highest number of building permits.

<sup>21</sup> Australian Bureau of Statistics (2022) *Snapshot of Victoria: 2021 Census*, ABS.

<sup>22</sup> Australian Bureau of Statistics (2023) Permanent migrants in Australia, 2021, ABS.

<sup>23</sup> *Programme for the International Assessment of Adult Competencies, Australia, 2011 - 2012* | Australian Bureau of Statistics

<sup>24</sup> Consumer Policy Research Centre (2021) *COVID-19 and Consumers: Key Insights Series – CALD Consumers*, CPRC.

corporate agents. Instead, they prefer to rely on informal advice from family, friends, and community leaders when navigating complex decisions.

It is also worth noting that CALD Australians are likely to be overrepresented on insecure employment arrangements. The proportion of permanent migrants who are homeowners is similar to Australia's general population. However, permanent migrants are twice as likely to be spending over 30 per cent of their income on mortgages.<sup>25</sup>

While many CALD Australians have a high proficiency in English and high literacy in their first language, others face multiple risks in major financial transactions like building or buying a home. For these Victorians, standard communication methods are often not enough.

#### **Case study: Good Money**

The Victorian government, Good Shepherd Microfinance, and National Australia Bank partnered on Good Money, a program offering safe, affordable financial services to low-income residents in locations such as Collingwood, Geelong and Dandenong. This collaboration addresses financial exclusion and strengthens financial wellbeing, with customers showing increased financial capability and confidence over time.

### **Some communities need bespoke information**

While plain English information is essential, awareness of its existence and openness to receiving the information can be a barrier. This is particularly true for some CALD audiences, who may not be aware information is in their language (where it exists), may mistrust government or may feel unsafe complaining to government about a builder.

Tailored communication and support are required for specific communities who have a higher engagement in the domestic building market, due to population numbers (including Vietnamese, Mandarin, Cantonese and Arabic speakers) or where there is concentration in growth areas.

Potential ways to reach these consumers include:

- Partnering with trusted ethno-specific and multicultural community organisations to co-design and share messages. This may be through online, collateral and information sessions. This can also include paying organisations to develop and distribute content to their communities. Consideration should also be given to the community's current understanding of commonly used domestic building terminology, as familiarity of these terms may vary.
- Engaging community leaders and champions to spread information by word of mouth, and report unethical behaviour they are aware of.
- Attending and embedding outreach at community events, festivals and cultural celebrations.
- Webinars or seminars on buying or building a home, provided in multiple languages with multicultural community organisations.
- Identifying common pathways for purchasing new home builds and off-the-plan properties, to understand key touchpoints where government can provide relevant information, including through banks, conveyancers, and mortgage brokers (as discussed in Part B of the discussion paper).
- Helping support groups, such as community legal centres, to know the referral points when consumers have a domestic building dispute or issue.

---

<sup>25</sup>Australian Bureau of Statistics (2024) [Migrant Settlement Outcomes, 2021](#), ABS.

- Using multicultural and ethnic media (community radio, TV, newspapers, or social media groups) to reach communities and highlight online and offline information available.

## AI provides opportunities to support CALD communities

AI is increasingly transforming how Australians access information. This has particular benefits for CALD communities where AI can be used to overcome language barriers that often limit access to government information. Notably:

- People who speak a language other than English at home report higher use of AI tools for information searches (58.1 per cent) compared with English-only speakers (40.5 per cent),<sup>26</sup> reflecting a growing reliance on AI for translation and personalised information.
- AI tools such as Google Translate can support real-time website translations, allowing all content to be translated into a preferred language, rather than translating selected content into a limited number of languages. This reduces costs and maintenance of translations. Examples include:
  - [Building or renovating your home](#)
  - [Translate | City of Wollongong](#)
- Video content offers advantages for reaching CALD audiences. AI tools (such as ChatGPT) cannot fully summarise the audio-visual context of videos. This creates an incentive for users to engage directly with (more accurate) video content, which can combine language, visuals, and demonstration in ways that text cannot.<sup>27</sup> Specifically, the ability for auto-dubbing in a range of languages (YouTube offers 27 languages<sup>28</sup>) allows users of low literacy to also access information. An example is: [How to Build a House in Australia: The ONLY Guide You Need](#)
- It is important to optimise English web content for AI driven access by CALD communities. Examples include plain English content such as short sentences, a single idea per sentence, and jargon free content.
- Resources that are best viewed in their original format (such as PDF guides), can be presented as official or complete resources, to encourage visit to the website, rather than rely on AI summaries.<sup>29</sup>
- AI can be used in complaints and dispute resolution processes. A study by the University of Newcastle and the NSW Ombudsman found that AI assisted tools increased the ability for CALD consumers' to complain and improved perceptions that the complaint will likely be successfully resolved, while reducing their

### Case study: Greater London Authority

The [Greater London Authority \(GLA\)](#) uses Google Translate, an AI-powered neural machine translation tool, to provide real-time translations of its website content. While translations may not be perfectly accurate, the tool significantly improves accessibility for non-English speakers, allowing broader engagement with online information ([Globibo Blog](#)). The benefit of this approach is the ability for people who speak a wide range of languages to access the content, increasing accessibility across the community.

<sup>26</sup> ADMS Centre (2025) *Australia is facing an 'AI divide', new national survey shows*, ARC Centre of Excellence for Automated Decision-Making and Society.

<sup>27</sup> Search Engine Journal (2025) *Reuters Institute: Publishers Pivot to Video as AI Disrupts Search Traffic*, SEJ

<sup>28</sup> YouTube blog (2026) *Unlocking a global audience with auto dubbing - YouTube Blog*

<sup>29</sup> ROI (2026) *Answer Engine Optimisation Australia: The Complete Guide for Ranking in AI Search Results* in 2026, ROI Digital Marketing

perception of language discrimination.<sup>30</sup> This finding has application to broader dispute resolution processes.

### **Case study: Building Awareness at Wyndham Holi Festival**

Following awareness of unscrupulous builders taking advantage of the Indian Community in Wyndam Vale, members of the BPC attended the local Holi festival. They highlighted the importance of insurance, contracts, progress payments, and the importance of using a registered builder. They also promoted the [Protect your Build](#) guide, available in Hindi and Punjabi.

### **Discussion Questions**

- How can we support CALD communities to better navigate building transactions and defects resolution?
- What are the opportunities to reach CALD communities with tailored education, support or partnership initiatives?

---

<sup>30</sup> NSW Ombudsman (2025) [Utilising Generative Artificial Intelligence \(GenAI\) to assist complainants who speak English as a Second Language](#), NSW Government

PART C

# What do we want consumers to know?

# Know your builder

## Better tools will help consumers choose the right builder

Selecting a builder is the most critical factor in home quality and construction experience. While past performance is a good indicator of future results, a significant information gap leaves consumers vulnerable to unreliable operators and future building defects.

### Online reviews may be unreliable

Information on builders can come from a range of sources.

Public platforms like Google, Product Review, and Trustpilot are key sources, with over 50 per cent of building consumers checking online reviews before choosing a builder.<sup>31</sup>

While generally viewed as helpful, their use is limited:

- Reviews are vulnerable to fake praise from builders or biased attacks from aggrieved consumers.
- Consumers in disputes found that positive reviews failed to reflect the builder's actual performance.
- Smaller builders frequently lacked the review volume necessary to form a representative track record.

While online reviews offer a starting point, they are unreliable in isolation. To make informed decisions about prospective builders, consumers need access to verified, independent information.

### Fragmented regulatory information makes background checking builders challenging

Independent background checks are currently prohibitively complex, requiring consumers to navigate a fragmented regulatory landscape.

Presently, CAV advises consumers to:

- Check if the builder is registered with the Building Practitioners Board on a BPC web page.
- Check for disciplinary action on a separate BPC web page (the builder's registration record will not alert the consumer to any history of disciplinary actions).
- Check how long they have been trading under the same name with the Australian Securities and Investments Commission (ASIC).
- Search for any involvement in legal or disciplinary action with CAV, the BPC, the Building Practitioners Board or the Victorian Civil and Administrative Tribunal (VCAT).
- Hire their own building lawyer, building surveyor and possibly an independent building consultant.<sup>32</sup>

This process is labour intensive, costly and requires a high level of consumer literacy and search skills. We note the relevant web pages noted above will soon migrate to the

---

<sup>31</sup> Quantum Market Research (December 2025) Building system reform and stakeholder perception study, Draft 4 (internal document).

<sup>32</sup> Consumer Affairs Victoria (2025) [Building a home with a smaller building company – checklist](#), Consumer Affairs Victoria, Victoria.

BPC, creating an opportunity to review and update content including removing reference to the abolished Building Practitioners Board.

Without a centralised, verified source of truth, consumers are at risk of unwittingly engaging poor quality builders, undermining industry accountability.

### Empowering consumers through independent builder ratings

Government agencies have a key opportunity to partner with third party certification systems to improve construction standards and provide consumers with a reliable way to identify qualified builders.

By adopting models like Singapore’s CONQUAS or NSW’s iCIRT (see below), regulators can offer a data driven assessment of a builder’s quality, reliability, and past performance. These systems have been used successfully elsewhere for large scale builders and, with sufficient uptake and support, could drive higher industry standards while empowering consumers, particularly those purchasing new or off-the-plan apartments.

Before adopting these systems, governments must carefully consider the potential risks and downsides. The Building 4.0 CRC report found that databases such as iCirt have been criticised for being overly rigorous, penalising builders who have payment defaults unrelated to their building work and for being largely unregulated.<sup>33</sup>

#### Case Study: Construction Quality Assessment System (CONQUAS) – Singapore

CONQUAS has been in place for 3 years (replacing a similar system that predates it) and rates developers and builders based on their history of construction and defects over the past 6 years. CONQUAS has been found to improve construction quality. Developments with high scores have also been found to enjoy higher property values over time.

##### Quality Housing Portal (QHP)

The Quality Housing Portal (QHP) is a platform that allows potential homebuyers like you to get information on the past construction workmanship quality performance of developers and builders. It is important to consider the quality segment that a developer belongs to before you make your property purchase.



Quality performances of developers and builders are banded, with Band 1 firms having exemplary track records and Band 6 firms having the poorest track records. Firm bandings are determined based on their Construction Quality Assessment System (CONQUAS) project performance/s over the past 6 years and consideration of valid feedback on major defects, providing an indication of consistency in quality delivery. Projects are similarly banded, with Band 1 projects having a very low incidence of major defects and Band 6 having an unsatisfactorily high incidence of major defects.



DEVELOPERS							BUILDERS						
BAND	1	2	3	4	5	6	BAND	1	2	3	4	5	6
NO. OF FIRMS ON EACH BAND	31	38	18	18	8	2	15	26	11	15	13	2	

You can use the search tool to find out bandings of firms and projects.

Search and Compare 🔍  By Developer  By Builder  By Property  By Banding  Not Banded

<sup>33</sup> Building 4.0 CRC (2025) [Why are insolvencies so high in the residential construction industry and what can be done about it? Final Report](#), Building 4.0 CRC, Australia.

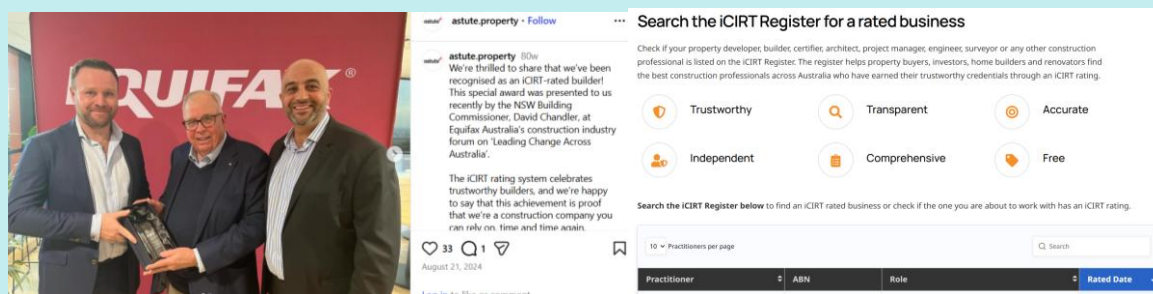
## Case Study: iCIRT

In 2023, the NSW Building Commissioner supported the introduction of iCIRT in NSW as part of the Construct NSW strategy (responding to the Building Confidence report). The iCIRT is an industry-led market surveillance tool provided by global ratings agency Equifax. iCIRT assesses builders and provides star ratings from zero to five, publishing a list of builders achieving 3 gold stars and above. This public list of highly rated builders can support consumers, especially when buying apartments and off-the-plan housing where builder and developer reputation is critical.

Lenders are starting to use iCIRT ratings when evaluating projects for financial risk, with half of surveyed NSW lenders considering iCIRT in 2025, and 40 per cent of them refusing a project due to having a poor or no iCIRT rating.

The success of iCIRT in NSW relied on a formal procurement process for the NSW Building Commissioner to endorse Equifax as the provider. This endorsement was further supported by the Commissioner promoting iCIRT, including presenting certifications to highly rated builders.

The ACT has recently endorsed iCIRT as their approved rating entity for property developers, requiring an iCIRT rating for all licenced developers from October 2026.



## Consolidating and publishing high value information about builders

While online reviews and third-party ratings provide some insight, the most vital information for consumer protection is held by government agencies.

To strengthen industry accountability, there is an opportunity to evolve data disclosure practices.

### Fragmented public records and hidden risks

As noted above, the current regulatory reporting system is siloed. Consumers must navigate separate, unlinked web pages to confirm a registration, check for disciplinary records, or validate insurance. This fragmented landscape forces

### Am I the only one?

Consumer Policy Research Centre analysis found that approaches to publication of consumer complaints and issues are most useful when:

- ✓ **Data is comprehensive**—inclusive of the name of the business, industry, product, service and issue a complaint relates to, as well as the number of complaints received.
- ✓ **Data is published in a variety of formats**, including CSV or Excel files, interactive tables and written reports.
- ✓ **Publication is frequent**, occurring quarterly or monthly.
- ✓ **Publication is consistent**, with the same data released in each wave allowing comparisons over time.
- ✓ **Data is usable** and can be utilised in different ways by a range of audiences.
- ✓ **Data is highly accessible**.

Done effectively, data publication can encourage competitive tension around customer care and complaints, helping to focus business attention on the efforts needed to reduce complaints.

consumers to perform their own high-level investigations across multiple agencies (BPC, ASIC, VCAT, and CAV).

**Public registers can improve industry behaviour and protect consumers**

Publishing complaints data helps consumers to make informed choices and encourages practitioners to do better. To keep things fair, complaints would need to be carefully checked first, and agencies should communicate with affected practitioners before publishing their names.

This model already works well in other parts of Australian. For example, NSW Fair Trading maintains a [complaints register](#) and publishes a list of businesses who have been subject to at least 10 complaints within a single month (see the case study below). The practice of naming businesses has been found to motivate behaviour change and benefit consumers.

**Exemplar publication models**

**Case Study: Ontario Builder Directory**

The Ontario Builder Directory (Canada) consolidates relevant information about a builder’s history in an easy-to-use dashboard. In addition to the history of orders, disciplinary activity, court records and any insurance claims, the Directory specifies the addresses of past projects with warranties and the amounts of any past claims paid.

The screenshot shows the Ontario Builder Directory interface. At the top, there is a search bar and the Home Construction Regulatory Authority logo. The main profile area includes fields for 'Vendor/Builder Legal Name' and 'Doing Business As Name', both redacted. To the right, it shows 'Licensed' status as 'No', 'Licence Number' as redacted, and 'Licence Status' as 'Expired' with dates: 'Status Last Updated' on November 29, 1994 and 'Initially Licensed' on November 25, 1993.

The dashboard features a sidebar with navigation options: Overview (selected), Related Companies, Properties, Condo Projects, Notices & Orders (0), Disciplinary Activities (0), and Court Charges and/or Convictions (0).

The main content area is divided into three sections:

- AT A GLANCE** (LAST 10 YEARS, UPDATED DAILY):
  - Total Possessions: 0
  - Total Freehold Properties: 0
  - Condominium Units: 0
- REGULATORY ACTIONS**:
  - Notices and/or Orders Issued: 0
  - Disciplinary Activities: 0
  - Court Charges and/or Convictions: 0
- TARION WARRANTY OVERVIEW** (LAST 10 YEARS, DATA UPDATED DAILY):
  - Chargeable Conciliations: 0
  - Total Dollars Paid in Claims: \$0.00
  - Outstanding Claims Paid Owing: \$0.00
  - Breach: \$0.00
  - Tarion Action on Behalf (TAB) of Vendor/Builder: \$0.00

## Case study: QBCC Licence Search

Consumers in QLD can enter a builder's details into a single search engine and generate a one stop shop PDF report that shows:

- License details, status and conditions
- Any history of directions to rectify work, disciplinary actions, initiated convictions, infringement notices, demerit points, exclusions, disqualification or bans
- License class
- Maximum revenue financial category
- How many jobs completed per year and total value of jobs per year dating back to the 1990s
- Any claims made under statutory insurance

These details are set out in legislation (QBCC Act s99) including clear details on when each piece of information must be included on the register and specifies when different pieces of information must be removed.

The licence search has been digitally published for 15 years, and is widely promoted and used in QLD, both by consumers and practitioners managing their working relationships.

While the licence search is a powerful tool, there are key areas for improvement:

- Currently, the PDF document is very long and not in plain language, making it difficult to read.
- The process involves several clicks, which often leads to users dropping off before they download the report.
- The system currently shows individuals, companies and their associates separately. There is an opportunity to better display the connections so consumers can see a builder's full history, without having to background check each entity.

The screenshot shows a detailed PDF report from the Queensland Building and Construction Commission (QBCC). The report is organized into several key sections:

- Current Information:** Includes fields for Name, Business Address, Licence Number, and Licence Class.
- License Class Status:** A table showing the current status of the licence, including Licence Class, Licence Type, Condition, and Status.
- Disciplinary Record:** A table listing any disciplinary actions taken against the licensee, including the date, nature of the action, and the amount of any fine.
- Maximum Revenue Financial Category:** A table showing the licensee's maximum revenue for the current year and the previous year.
- Record of Residential Construction Work:** A table listing all residential construction work completed by the licensee, including the start and end dates, the value of the work, and the number of jobs completed.
- Record of Claims Approved Under Statutory Insurance Scheme:** A table listing any claims approved under the scheme, including the date, the amount of the claim, and the status of the claim.
- Record of Permanent Exclusions:** A table listing any permanent exclusions from the register, including the date, the reason for the exclusion, and the duration of the exclusion.
- Record of Infringement Notices:** A table listing any infringement notices issued to the licensee, including the date, the amount of the notice, and the status of the notice.
- Key Personal Details - Current:** A table listing the personal details of the licensee, including their name, date of birth, gender, and address.

## Case Study: NSW Fair Trading

A national review into the practices of Australian consumer law, regulators highlighted NSW Fair Trading as having a strongly developed approach to complaints data publication, effectively empowering consumers while observing procedural fairness for businesses.

NSW Fair Trading maintains a complaints register, and each month publishes a list of businesses who have been subject to at least 10 complaints within a single month. Builders were eligible for this list prior to the NSW Building Commission being established separate to NSW Fair Trading.

The practice of naming businesses has been found to motivate behaviour change and benefit consumers, and this has been refined over time by ensuring that complaints are carefully validated before being included in the official count and keeping open communication with affected businesses before publishing their names.

NSW Fair Trading uses a Name and Shame Register for real estate agents, property managers and strata agents; the NSW Food Authority has one for businesses breaching food safety laws.

## Opportunities

Upcoming powers to publish rectification orders (ROs) provide an opportunity to modernise the BPC's publication *framework*. The BPC could consider the following:

### **Consolidate to a single portal – 'background check my builder'**

Integrate registration, disciplinary records, insurance status, and future relevant ROs into a unified consumer friendly dashboard, mirroring the QBCC and Ontario models.

The ideal path for a consumer may include be to:

- Visit a website with a clear name and purpose, e.g. 'Background check my builder', using plain language, minimal clicks and clear navigation, with translation and accessible functions and features.
- Enter the details of the practitioner – a search function which can use phone number, name, partial name, ABN, builder registration number among other options.
- One website covers all practitioners including building surveyors and plumbers.
- Be presented with a clear summary and details of the practitioner's current status and relevant history, highlighting any red flags, and including any red flags of associated companies or connections. This information is published in digitally accessible formats to maximise searchability. If someone searches online, they will quickly find any red flag information from the BPC.
- Have the option to follow the record using a Follow My Providers service, similar to the model used by Victoria's Labour Hire Authority.
- Promote any other ways to research builders such as approved third party ratings or selection checklists.

#### **Case study: Staying up to date on your practitioners: the Follow My Providers service**

Victoria's Labour Hire Authority maintains a licence register similar to the BPC, and offers this additional service:

*"Using this tool, you can subscribe to be notified of changes to the status of a labour hire provider's licence. You can follow as many providers as you wish, then manage your active subscriptions as required.*

*The tool enables you to be notified via email and SMS when: licences are granted, suspended or cancelled conditions are added to a licence suspended licences are re-issued applications are refused or withdrawn."*

Being able to follow a practitioner's status benefits consumers during the build process and may also be helpful to practitioners and industry stakeholders remaining aware of any issues impacting their business or colleagues.

### **Background check your (registered) tradespeople**

In Victoria, licensed trades are regulated across different agencies, including BPC, and Energy Safe Victoria (electricians).

A preferred consumer experience would allow consumers to background check any licensed trade through a single, unified tool.

This consolidated approach raises awareness for the ability to vet niche practitioners, such as those supplying pre-purchase building inspections (see Know Your Building chapter below).

### **Establish a public interest disclosure framework**

Develop guidelines to publish all data relevant to consumer choice, balancing consumer rights with business procedural fairness. This includes substantiated complaints and near miss warnings.

### **Implement a high-volume complaints register**

As noted above, adopt the NSW model to identify and publish practitioners with high levels of substantiated complaints, ensuring industry wide visibility of systemic poor performance.

### **Mandatory advertising disclosures**

In Victoria, consumers generally have access to a builder's trading name, phone number and website but they are not searchable fields in the current BPC Find a Practitioner tool.

A valuable step would be to introduce mandatory advertising of a background check tool, perhaps via a QR code on the building contract, in the Domestic Building Consumer Guide, or on all advertising material next to the licence number.

### **Building Monitor Issues Report July 2025: Recommendation 7**

The 2025 Building Monitor Issues Report recommended supporting work underway by the BPC to implement Recommendation 7 part B (i) and (ii) of the Building Reform Expert Panel's Stage Two Report to:

- Establish a single, integrated portal including relevant practitioner details, registration classes, insurance coverage and claims, discipline history and outcomes and other relevant information; and
- Develop a consumer communications strategy detailing the importance of using registered practitioners, checking the portal and using domestic building contracts.

### **Discussion Questions**

#### **Empowering consumers through independent builder ratings**

What are the benefits and drawbacks of third-party ratings and certification options?

#### **Consolidate to a single portal – background check my builder**

How can we encourage consumers to background check their builder?

What information should be included in a 'background check your builder' tool?

## Know your building contract

CAV recommends getting independent legal advice before signing a domestic building contract.<sup>34</sup> However, as discussed above, specialist building lawyers can be expensive. In light of this, we want to highlight main traps and dangers in the contracts, so consumers know the most important aspects to check before they sign.

### Major harms in the building process and how to avoid them

Risk	Harm	Likelihood	What to check	Feasibility
Project is disrupted and not completed (insolvency, disaster/death etc)	Major	Minor	Correct milestone payments and inspections scheduled – do not pay until work is done and inspected	Possible – incoming contract rules specify milestone payment %
Major defects, work done incorrectly	Major	High (1 in 3 new builds)	Who is the building surveyor? Did you choose them or did the builder “suggest” one?	Difficult – past efforts have largely failed. Process not working  Stopgap: background check your surveyor?
Are you getting the builder you picked?	Major	UNKNOWN	Does the builder’s name and registration number match on:  The contract  The domestic building insurance  The builder background check	Easy

#### New laws to strengthen consumer protection

The *Domestic Building Contracts Amendment Act 2025* (DBC Amendment Act) seeks to better protect Victorians building or renovating their homes by:

- Extending documentary requirements that currently only apply to a major domestic building contract to all domestic building contracts. This includes the requirement that all contracts must be in writing and legible, state the name and address of the contracting parties, describe the work to be carried out, and include the price and date of the contract.
- Authorising deposit limits, progress payment stages and progress payment limits to be prescribed in regulations, with any payments for work completed subject to a general proportionality requirement.

The DBC Amendment Act will come into effect by 1 December 2026.

<sup>34</sup> Consumer Affairs Victoria (2026) [Building contracts](#), Consumer affairs Victoria, Australia.

## What might the 'before you sign' communication look like? A possible leaflet for consumers

### Before you sign a building contract

#### Who are you signing up with?

Does the **builder's** name and licence number match on

- the contract,
- the Background check your builder tool, and
- the domestic building insurance (once supplied)

Your **building surveyor** is the inspector who will make sure the work is done properly. Did you choose someone or did the builder pick them? Have you looked them up on the background check tool?

#### When do you pay them?

The deposit should never be more than 5% for a typical house contract. At each stage you only pay for what has been completed. Always make sure the milestone work is complete and inspected by your building surveyor before you pay (this protects you if the project runs into problems). Never pay in advance! Use the milestone payments calculator to check how much you should pay at each milestone.

For comparison, below is the current version of the contract checklist.

**Director of Consumer Affairs Victoria**  
**Approved Domestic Building Contracts Checklist**

Section 31(1)(f) of the *Domestic Building Contracts Act 1995*

This checklist must be included in major domestic building contracts entered into from 1 September 2016 in substantially the same form or to the same effect as follows.

Before signing this legally binding contract, check this list:

If the cost of the building work is more than \$16,000, has an insurance policy or certificate of currency for domestic building insurance covering your project been issued and provided to you?  
(Note: If not, the contract is conditional upon you receiving either an insurance policy or a certificate of currency for domestic building insurance.)

Yes  No

If this contract is conditional upon you receiving written approval for finance, have you obtained such approval?  
 Yes  No

Have you appointed a private building surveyor or has a municipal building surveyor been engaged?  
(Note: If not, you will need to choose and engage a building surveyor before your building work starts so that a building permit can be issued for your building work.)

Yes  No

**If you answer 'NO' to any of the following questions that apply to your building project, you are not ready to sign the contract:**

Have you had this contract long enough to read and understand it? Yes  No

Have you been provided with evidence that the builder named in this contract is registered with the Victorian Building Authority?  
 Yes  No

Are the price and progress payments clearly stated? Yes  No

Do you understand how the price is calculated and may be varied? Yes  No

Has the builder assessed the suitability of the site for the proposed works? If tests are necessary, have they been carried out? Yes  No

If a deposit is payable, is it within the legal limit? The maximum under the *Domestic Building Contracts Act 1995* is:  
 1. 10% if the price is less than \$20,000, or  
 2. 5% if the price is \$20,000 or more.

Yes  No

Is the work shown and described clearly in the contract, plans and specifications and any other relevant documents (such as engineering computations or soil report)? Yes  No

Are your special requirements or standards of finish included in the plans and specifications? Yes  No

Are the commencement date and completion date clearly stated or capable of being worked out? Yes  No

Do you understand the procedure for extensions of time? Yes  No

Are any 'provisional sums' or 'prime cost items' clearly stated in the schedules and understood by you? Yes  No

Do you understand the procedure for variations of plans and specifications? Yes  No

Do you understand the circumstances in which you can end the contract? Yes  No

Did your builder give you a copy of the Domestic Building Consumer Guide? Yes  No

If yes, insert the date on which you were given a copy of this guide  
 dd/mm/yyyy

Have you read the Domestic Building Consumer Guide and the related information at [consumer.vic.gov.au/buildingguide](http://consumer.vic.gov.au/buildingguide)? Yes  No

**This checklist does not form part of the contract.**

**We have read and completed this checklist:**

Signature/s

Date dd/mm/yyyy

### **Building Monitor Issues Report July 2025: Recommendation 6**

The 2025 Building Monitor Issues Report recommended reviewing and making the model domestic building contract more user friendly by:

- Simplifying the information, terms and conditions it contains
- Improving the advisory and explanatory notes and warnings and applying them generally and specifically to consumers and to building practitioners, where relevant
- Redesigning the form and layout of the model contract to make it easier to read and understand
- Providing online access to multilingual translations of the updated model contract.

The NSW standard contract for major domestic building work greater than \$10,000 provides a useful guide for reviewing and redesigning the model contract for Victoria.

### **Discussion Questions**

What are essential information consumers need before signing a domestic building contract?

What elements of building contracts are the most difficult for consumers to understand?

How can we support consumers to understand their right to hire their own building surveyors?

# Know your building

## Understanding the costs and responsibilities of being an OC member

More Victorians are choosing apartments, with roughly a quarter of the state's population (1.5 million people) owning or living in strata buildings.<sup>35</sup>

This figure is set to climb as the Victorian government introduces more medium and high-density housing through initiatives in *Victoria's Housing Statement*.

Understanding the collective responsibilities of an OC is essential.

Membership in an OC is automatic for those who purchase an apartment, flat or unit with shared areas, such as a driveway, foyer, or garden.

It is essential for members of an OC to understand their obligations because they hold joint legal and financial responsibility for the building's common property, including the mandatory maintenance of Essential Safety Measures.

However, many buyers do not fully grasp these responsibilities during the purchasing process, often focusing on their individual unit rather than the collective entity they are joining. This lack of awareness can lead to owners being caught out by unexpected liabilities, such as special levies for urgent repairs or restrictive rules regarding renovations and pets.

### Case Study: A wake-up call on apartment ownership

Sara and her partner purchased the apartment they had been living in and after attending several OC meetings, began to realise there were significant issues within the building's management. Key safety checks were overdue, early defects had not been addressed in a timely manner, and funds were not being managed well.

Motivated to improve the situation, Sara collaborated with other owners to appoint a new strata manager, refocus the committee, and establish a stronger foundation for the building's future.

In retrospect, Sara says there are many questions she should have asked before purchasing to ensure she fully understand the property's current condition and administration. And she encourages owners to get involved – otherwise you won't know what is happening and other owners will be making decisions about your money.

---

<sup>35</sup> Kairouz, M. (2019) *Owners Corporations and Other Acts Amendment Bill 2019*, Second Reading, Parliament of Victoria.

## Discovering known defects in apartment buildings

The scale of defects in apartment buildings is significant. According to the Australian Apartment Advocacy 2023 Apartment survey, 58 per cent of Victorian apartment owners and residents surveyed have experienced defects. The most common issues identified include water penetration from outside, followed by poor internal waterproofing, structural cracking, and defective plumbing.<sup>36</sup>

Prospective buyers, especially those considering newly built apartments, require a clear understanding of a building's history to make informed decisions. This includes access to records of current and past defects and key structural documents.

Prospective buyers can research a building's health by reviewing the OC certificate attached to the Section 32 Statement and the minutes of the OC's annual general meetings (AGMs), amongst other things.<sup>37</sup>

The OC certificate discloses critical information about an OC, including the current fees, insurance cover and maintenance works carried out. It also details any proposed works, fee increases and any potential or existing legal claims affecting the property.

However, even diligent research has limitations, as these documents may fail to capture hidden defects or issues not yet formally recorded.

### Case Study: Significant defects in an apartment building

Geraldine bought an off-the-plan apartment in Melbourne's south. Noticing that at settlement, details of the building were unfinished, Geraldine got involved with the OC.

Defects started to show in subsequent years, including faulty cladding, collapsing balconies, water ingress and structural and safety issues. It was essential for owners to work together to seek repairs from the builder. It was discovered that the builder took out insurance for only half of the apartments, significantly impacting the OC's ability to use insurance for the repairs.

The owners pursued the builder and developer but were ignored. They eventually had to take out a significant strata loan to fix the defects. The builder is now deregistered but not before significant mental and financial stress was experienced by the owners.

<sup>36</sup> Australian Apartment Advocacy (2023) *2023 Apartment Survey: Resident owners, renters and investors of apartments Victoria Report*, AAA

<sup>37</sup> Prospective buyers can also review the OC manager's details on the public register of OC managers, the contract of sale, and any contracts, agreements, leases or licenses affecting the common property.

### Time lag in disclosure

If a major defect or maintenance problem is discovered shortly after an AGM, it may not be formally documented in the minutes until the following year's meeting.

A prospective buyer purchasing an apartment in the intervening months may be unaware of these emerging issues, as they are not yet part of the past 12 months of official records provided in a Section 32 Statement.

### Deliberate sanitisation of records

There are anecdotal reports of some OCs intentionally excluding sensitive maintenance discussions from official minutes to protect property values or insurance premiums. If these discussions remain informal or unrecorded, they will not appear in the documents provided in a Section 32 Statement.

The BPC maintains visibility of building issues through recorded data, including:

- Formal complaints and disputes
- Directions to fix
- Rectification orders (coming soon)
- Results from investigations and mandatory inspections
- Insurance and warranty claim histories.

Defects known to an OC but not formally documented in the most recent AGM minutes means a buyer may inherit significant physical and financial liabilities that are undisclosed at the time of sale.

Disclosing a history of defects presents a complex challenge. While increased disclosure empowers prospective buyers to make informed decisions, it may simultaneously reduce property values for current owners once problems become public record.

### Building Manual

Victoria is implementing a new requirement for a building manual to be created and maintained for each new building.

The building manual will be a single repository of all relevant information relating to a building's construction and subsequent building works, including maintenance.

This aims to improve safety for occupants by strengthening regulatory oversight. Centralised, readily accessible design and construction documentation can assist with decisions made during the building's operational lifetime.

The ready availability of comprehensive documentation may also assist owners and OCs to identify building defects early in the building's life and have them addressed. The owner or OCs will be required to keep the manual and update it.

### Case Study: Consumer

Daniel bought an off-the-plan property in a large development. After settlement, he joined the OC to help address issues and represent other owners.

However, he found that one representative who was aligned with the developer held delegated voting rights (proxies) from many owners, creating an uneven voting balance. As a result, motions to pursue the developer to address defects were not passed.

### Australian Apartment Advocacy Report: support for disclosure of defects

The 2023 AAA Report revealed that more than **three in five** resident owners and investors support mandatory provision of information to the buyer about identified defects in an apartment complex.

To balance these interests, one option is for mandatory disclosures to focus primarily on defects requiring resolution. Fully rectified issues could be considered out of scope, as their inclusion may unnecessarily deter buyers despite the building being returned to a safe standard.

### **Regulator engagement for significant apartment defects**

To support OCs facing significant financial burdens from building defects, adopting an apartment-wide town hall approach may be useful. These meetings would bring together government agencies, support services, and consumer advocates—such as Justice Connect and CALD representatives—to ensure consistent information and a shared understanding of the rectification process.

### **Discussion Questions**

#### **Discovering known defects in an owners' corporation building**

What information should an owners' corporation share with a prospective buyer about building defects?

## Identifying defects – building inspection

Selecting a qualified, trustworthy practitioner for a building inspection is vital and currently difficult to achieve. We recommend maximising the use of registered practitioners and encouraging consumers to background check them.

### Pre-sales inspections

The Victorian government has announced that it will introduce a mandatory building and pest inspections scheme, with safeguards to protect buyers. The report will need to be organised and paid for by the vendor and made available to all potential purchasers. Legislation is expected to be introduced into parliament in 2027.

Pre-purchase building inspections are widely recommended as a critical protective step. While CAV and the BPC promote the use of registered building inspectors, a registration is not technically required for pre-purchase inspection work.

Using a registered building practitioner helps prospective buyers learn more about what they are buying and identify if any defects exist.

The recent proposal for vendors to supply an inspection report to prospective buyers may save house hunters from purchasing multiple reports, but as CAV warns:

“Be wary of any property inspection report offered by the agent or the seller. Getting your own report is the only way to make sure it is independent and accurate.”<sup>38</sup>

Industry stakeholders have echoed this risk of vendor-initiated reports being vulnerable to exploitation and low quality.<sup>39</sup> If vendor supplied inspection reports are implemented, safeguards against the conflict of interest will be essential.

### Consumer Case Study: Using an unregistered building inspector

Following a recommendation Sarah used an (unknown to her) unregistered building inspector for a pre-purchase inspection who found **six issues**.

Following settlement and discovering more defects, Sarah arranged for a registered building inspector who found **over seventy defects** and non-compliant items. Sarah wishes she had understood that not all building inspectors were the same and would not have purchased the property had she known about the extent of defects.

### Building Monitor Issues Report July 2025: Recommendation 17

The 2025 Building Monitor Issues Report recommended renaming private building surveyors and inspectors as statutory building surveyors and statutory building inspectors to better reflect their regulation role in the building system and mandate training on the National Construction Code and the Australian Standards.

<sup>38</sup> Consumer Affairs Victoria (2026) *Inspect properties before you buy*, Consumer Affairs Victoria, Australia.

<sup>39</sup> Mawby N (2026) *Allan govt home inspection plan sparks fears of loopholes, rebates*, realestate.com.au, Australia.

### Building Monitor Issues Report July 2025: Recommendation 18

The 2025 Building Monitor Issues Report recommended:

- Bringing forward the registration of building consultants as recommended by the Building Reform Expert Panel in its Stage One Report.
- Introduce a best practice standard for the preparation of reports by building consultants and other building experts along the lines of the standard developed by the Insurance Council of Australia.

### Navigating available information

We propose that consumers receive the below information clearly and succinctly in one document:

Building type	Ideal information	Current state
All	History of developers, builders and building permits	Not supplied
	Independent, trustworthy building and pest inspection report	Can be purchased at buyer's expense and initiative (proposal for vendors to supply)
Class 1  (3 storeys or less)	Home warranty status, payment history	NA
Class 2  (4 storeys or more)	Outstanding defects and maintenance issues	Available in OC certificate
	Outstanding resolutions from the OC	Available in OC certificate
	Use of the developer bond	NA
	Any ongoing levies or additional costs to owners	Available in OC certificate
	If not disclosed by those means, any outstanding directions or orders from the BPC to fix defects	Not available

### Supplied information is not always clear

As noted above, prospective buyers can research the OC by reviewing the OC certificate attached to the Section 32 Statement. This has details of current fees, insurance cover and maintenance works carried out, amongst other things. In the below example, the OC certificate is on page 80 of a 112-page Section 32 Statement.

**OWNERS CORPORATIONS CERTIFICATE**  
**Owners Corporations Act 2006 (Section 151)**  
**Owners Corporations Regulations 2018 (Regulation 16)**

Owners Corporation



Vendor  
Reference

This certificate is issued for Lot [redacted] Lot Liability 101 Lot Entitlement 101  
the postal address of which is: [redacted]

1 Section 151(4)(a)(i)&(ii) Regulation 16(a)  
The current fees for Administration Fund for the above lot are:

Description	Amount	Due Date	Date Paid	Notice Date
01/01/21 to 31/03/21	597.87	01/01/21	19/01/21	20/11/20
01/04/21 to 30/06/21	597.87	01/04/21	16/04/21	25/02/21
01/07/21 to 30/09/21	627.76	01/07/21	07/07/21	25/05/21
01/10/21 to 31/12/21	627.76	01/10/21	30/09/21	25/08/21

Regulation 16(b)  
The Administration Fund fees are paid up until 31/12/21  
Amount unpaid including billed not yet due Nil  
Section 151(4)(a)(iii) Regulation 16(c)  
Unpaid Administration Fund Fees (Credit shown with -) Nil

2 The current fees for Maintenance Fund for the above lot are:

Description	Amount	Due Date	Date Paid	Notice Date
01/01/21 to 31/03/21	23.25	01/01/21	19/01/21	20/11/20
01/04/21 to 30/06/21	23.25	01/04/21	16/04/21	25/02/21
01/07/21 to 30/09/21	23.25	01/07/21	07/07/21	25/05/21
01/10/21 to 31/12/21	23.25	01/10/21	30/09/21	25/08/21

Regulation 16(b)  
The Maintenance Fund fees are paid up until 31/12/21  
Amount unpaid including billed not yet due Nil  
Section 151(4)(a)(iii) Regulation 16(c)  
Unpaid Maintenance Fund Fees (Credit shown with -) Nil

3 Regulation 16(d) Administration Fund  
The following special fees or levies have been struck and are payable as follows:

Description	Amount	Due Date	Date Paid	Notice Date
See Annexure 'Fees Details'				

Amount unpaid including billed not yet due Nil  
Unpaid Administration Fund Special Fees (Credit shown with -) Nil

4 Regulation 16(d) Maintenance Fund  
The following special fees or levies have been struck and are payable as follows:

Description	Amount	Due Date	Date Paid	Notice Date

Amount unpaid including billed not yet due Nil  
Unpaid Maintenance Fund Special Fees (Credit shown with -) Nil

5 Section 151(4)(a)(iii) Other amounts owing

Purpose	Fund	Amount	Due Date	Amount Unpaid
See Annexure-Fees Details				0.00

Prospective buyers receive the contract of sale (section 32) with CAV's due diligence checklist, which includes the below lines:

**Is the property subject to an OC?**

If the property is part of a subdivision with common property such as driveways or grounds, it may be subject to an OC. You may be required to pay fees and follow rules that restrict what you can do on your property, such as a ban on pet ownership.

This note could provide (or link to) more detailed advice on how to review the other Section 32 documents for OC buildings, and any other helpful information sources to check.

**Discussion Questions**

How can we ensure that buyers can be confident in the quality and accuracy of the pre-purchase building and pest inspection reports?

How can we prevent conflicts of interest between the seller and the building and pest inspection practitioner?

# BUILDING MONITOR

