JUNE 2026 I VOL 20

SPECTRUM SPEAKS

As we approach 1 July 2026, Victoria's buildingand construction industry is bracing for its most significant regulatory shift in years. The Buyer Protections Act reforms come into force, bringing with them a new regulator in the Building and Plumbing Commission, a First Resort Home Warranty Scheme, and powerful new rectification order powers. This edition leads with our detailed breakdown of what's changing and how to prepare.

Elsewhere in this issue, we bring you a case note on the Court of Appeal's important decision in Singh v Ozzie Homes, insights from this year's Residential Developer Summit, and an update on the (now paused) Minimum Financial Requirements reforms for domestic builders.

We also turn our attention beyond construction law to the importance of full and frank financial disclosure in family law proceedings, and why psychosocial safety deserves a seat at every workplace table.

IN THIS MONTH'S ISSUE:

From a team update, we would also like to make you our clients aware of some changes:

- We congratulate our Associate Lawyers, Maria and Grace, who are both pregnant andwill be heading off onmaternityleave towards the end of September. We wish themall the best, and can’twait to meet theirbabies!
- We also congratulate Hannah Smith, who has been promoted to Special Counsel at Spectrum Lawyers. In this role, Hannah will work closely with Donna on strategic planning for Spectrum Lawyers, and will play a key role in mentoring our junior lawyers.
- We also have some exciting news about further changes happening at Spectrum Group... but you will have to wait for our next edition of Spectrum Speaks for that update!

As always, we hope you find this edition both informative and practical. If anything raised here affects your business, please don't hesitate to reach out to our team.

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Be Aware of the Changes Commencing from 1 July 2026

By Donna Abu-Elias

A significant package of building law reforms commences in Victoria on 1 July 2026. These changes affect how you manage insurance, variations, rectification of defective work, and your dealings with the new regulator.

We have set out below what is changing, why it matters, and what you should be doing now to prepare:

AT A GLANCE COMMENCING FROM 1 JULY 2026:
As you will see detailed in this article, the main changes under these reforms include:

- New Building and Plumbing Commission (**BPC**) established as Victoria's single building regulator.
- First Resort Home Warranty Scheme replaces the current DBI regime.
- Rectification Orders can be issued during construction and up to ten (10) years after completion.
- Increased enforcement powers, including higher penalties and greater director liability.
- New variation reporting obligations and associated penalties.
- Insurable contract threshold increases from $16,000 to $20,000
- Mandatory twenty-eight (28) day response periods for complaints and rectification matters.

A NEW REGULATOR – THE BUILDING AND PLUMBING COMMISSION (BPC)
The Building Legislation Amendment (*Buyer Protections*) Act 2025 (Vic) received Royal Assent on 3 June 2025 and is being progressively brought into force, with most provisions commencing by 1 July 2026. It establishes the Building and Plumbing Commission (**BPC**) as a new "one stop shop" regulator, replacing the Victorian Building Authority, VMIA (which previously managed domestic building insurance), and Domestic Building Dispute Resolution Victoria (DBDRV).
This consolidation was confirmed by the Building and Plumbing Administration and Enforcement Bill 2026, introduced to Parliament on 17 March 2026 and passed on 13 May 2026. That Bill formally abolishes the VBA and gives the BPC control of licensing, enforcement, insurance, dispute resolution and disciplinary action all under one roof.

STRONGER ENFORCEMENT POWERS – WHAT THIS MEANS FOR YOUR BUSINESS
The BPC has been given a substantially broader enforcement toolkit than what the VBA had, including:

- Proactive enforcement – the BPC can now intervene during construction, not only after a complaint is made;
- Higher civil penalties, with a broadened scope of infringement notices carrying significantly increased financial penalties;
- Director personal liability – directors may now be held personally liable for wrongdoing by their building company;
- Anti-phoenixing provisions, making it harder for directors to escape consequences by dissolving and re-forming their business;
- New improvement notice powers, allowing the BPC to monitor compliance and flag issues early; and
- A new public interest objective requiring the health and safety of building occupants to be central to every build.

In practice, this means your compliance standards need to be documented and demonstrable at every stage of a project. More importantly, the BPC can ask for this at any point, not just if something goes wrong at the end.

RECTIFICATION ORDERS – A POWERFUL NEW COMPLIANCE TOOL
The Building Amendment (Rectification Orders) Regulations 2025 come into operation on 1 July 2026. Under these Regulations, the BPC can issue a Rectification Order during the works, or for up to 10 years after the occupancy permit issues (including for buildings completed before these changes took effect).

Importantly, these Orders are not limited to the head builder as they can be issued to any "person who carried out the work," which includes subcontractors and developers. A new Regulation 182B requires every Rectification Order to contain the conditions set out in section 75E(2) of the Building Act 1993. In terms of process, the BPC will assess the work once notified of a potential issue. What this means is that if the BPC considers the work needs fixing, it will issue an order but where possible, the BPC may first notify the builder, subcontractor or developer to give them the opportunity to voluntarily rectify the work before a formal order is issued.

The consequences of non-compliance with a Rectification Order are significant: it is now a first resort trigger for an insurance claim (see below), the BPC can escalate non-compliance to criminal prosecution with increased civil penalties, and Orders will be published publicly.

We recommend your warranty and admin teams adopt the following protocols moving forward:

- Respond to any BPC complaint notification within 28 days – this is a mandatory requirement;
- Document all works, inspections and communications from the outset of every project;
- Seek to rectify issues early and voluntarily where the BPC flags a concern before issuing a formal order; and
- Review your subcontract agreements to ensure warranty obligations and indemnities are appropriately allocated, given subcontractors can now be individually ordered to rectify their own work.

THE NEW FIRST RESORT HOME WARRANTY SCHEME

The First Resort Home Warranty Scheme is confirmed to commence on 1 July 2026 under the Building (Statutory Insurance Scheme) Regulations 2026, and will replace the existing Domestic Building Insurance (**DBI**) regime. Importantly, this represents a significant shift from the existing last resort Domestic Building Insurance model. Under the new scheme, eligible owners may be able to access assistance for defective, non-compliant or incomplete building work without first establishing that the builder has died, disappeared or become insolvent.

Key changes under the new Scheme:

- The insurable contract threshold is increasing from $16,000 to $20,000.
- The scheme does not apply to buildings of 4 storeys or more these will instead be subject to a developer bond scheme (a bond of 2% of the total build cost, lodged before an occupancy permit application), expected to commence for building permits from 1 July 2027.
- The scheme will be administered exclusively by the BPC there will be no private insurer alternatives.
- Cover is now automatic from the moment a consumer signs a building contract, but you must obtain the policy within 10 business days of entering the contract, and you cannot take a deposit before the policy is in place.

THE “VARIATION TRAP” – A CRITICAL NEW COMPLIANCE RISK

Under the Consumer Legislation Amendment Bill 2026, it is now a criminal offence to enter into an undocumented variation that either brings a contract's total value to $20,000 or more, or increases an already-insurable contract by $5,000 or more. The penalty is 50 penalty units currently approximately $10,175 or more, and this increases every 1 July.

Separately, any variation of $5,000 or more must be reported to the BPC together with payment of an increased insurance premium. Failing to pay that increased premium carries its own penalty, which can exceed $100,000.

What you should do now is review and update your variation documentation processes before 1 July 2026, and ensure every variation document clearly records any associated premium increase.

WHAT'S COVERED – AND WHAT ISN'T

Under the new scheme, an owner can claim for loss of deposit, and for defective, non-compliant or incomplete building work at any stage of the build, within a 10-year statutory limitation period. However, the insurance will not apply to: cost-plus contracts; Class 1 buildings of more than 3 storeys; work not related to a home; Class 1b, 3, 4, 5, 6, 7b, 8 or 9 buildings; building work not fixed to land; or landscaping, paving, retaining structures, driveways or fencing (unless an exception applies).

Key monetary caps to be aware of: assistance for incomplete work is capped at 30% of the contract price; assistance for a home is capped at $400,000, and for a swimming pool at $100,000; securing a building site is capped at $5,000; and accommodation, removal and storage costs are capped at $10,000. The defect limitation periods remain unchanged 6 years for a major defect, 2 years for any other defect.

Finally, in addition to the existing triggers for a claim (the builder dying, disappearing or becoming insolvent), failure to comply with a Rectification Order is now itself a first resort trigger.

CLAIMS PROCESS AND TIMING

Where a claim notice is given, it must be in the approved form and contain the prescribed information, and generally must be served on the relevant person on the day, or the day before, the notice is filed (subject to limited exemptions). A relevant person which may include you as the builder then has 28 days to respond to a complaint, providing the prescribed information. Given the consequences of a missed deadline, we strongly recommend your team is briefed on these timeframes now.

HOW TO PREPARE BEFORE 1 JULY 2026 – A PRACTICAL CHECKLIST

1. Update your variation documentation processes and templates now, ensuring every variation is properly documented and any premium impact is recorded.
2. Brief your warranty and admin teams on the mandatory 28-day response requirement for BPC complaints and rectification matters.
3. Implement or tighten systems for documenting works, inspections and communications from the very start of each project this evidence will be critical if the BPC intervenes.
4. Review your subcontractor agreements to ensure warranty obligations and indemnities properly reflect the risk that subcontractors may be individually subject to a Rectification Order.
5. Update your contract and insurance systems to reflect the new $20,000 insurable contract threshold, and the requirement to obtain a policy within 10 business days (with no deposit taken beforehand).
6. Brief your directors on the new personal liability exposure and anti-phoenixing provisions.
7. Build a visible paper trail around the new public interest objective occupant health and safety considerations should be clearly built into your processes and documentation.

THE DEVELOPER BOND

As set out above, while not expected to commence until 1 July 2027, developers of residential buildings of four storeys or more should be aware that these projects will be excluded from the First Resort Home Warranty Scheme and instead become subject to the new developer bond regime. Broadly, developers will be required to lodge a bond equivalent to 2% of the total build cost before applying for an occupancy permit, with the bond intended to provide financial security for the rectification of defective building work.

The proposed Building (Developer Bonds) Regulations 2025 set out that the total build cost is to be calculated in accordance with Regulation 7, and developers must provide prescribed information to an independent assessor under Regulation 11.

How long the bond is held: The bond is retained for up to 2 years after completion to cover the cost of rectifying defects, with release governed by Regulation 15, which is:

- 12 months after the assessor's final report,
- 150 days after an affected person may apply to the Authority or VCAT for review; or
- 150 days after VCAT makes a determination (or any appeal is finalised).

What the bond covers: The bond responds to "reportable defective building work," which captures three categories: defective work in the common property of a residential apartment building; defective work in a private residential lot within such a building; and serious defects in any other part of a residential apartment building.

Cost implications: In addition to the bond itself, developers should budget for additional fees arising from this process, which at a minimum will include a Notice of Developer Bond fee, the cost of the assessor, and a Final Inspection fee.

It remains to be seen whether under this scheme developers will respond by seeking equivalent security from their builders as a pass-through risk allocation (which in turn is a cost to be borne by the end consumer).

We recommend developers and builders working on eligible projects begin reviewing project costings, contract security provisions, and assessor engagement processes now, ahead of the anticipated commencement date.

Next Steps

These reforms represent one of the most significant shifts in Victorian building regulation in recent years, and the practical impact will vary depending on your business structure, contract types and current systems.

We would be very happy to run a tailored briefing session for your team, or to review your current variation, warranty and subcontractor documentation against these new requirements.

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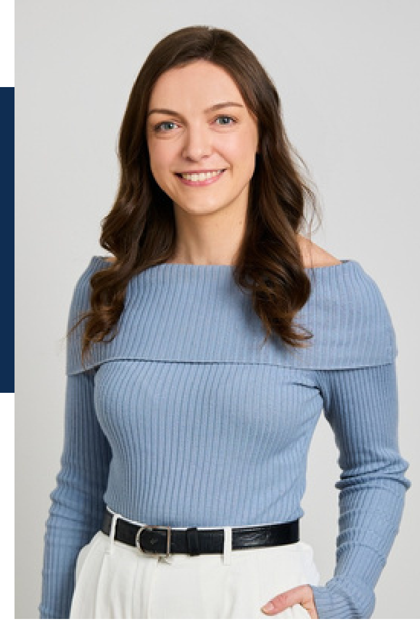


Victoria's Proposed Minimum Financial Requirements for Domestic Builders: What the Reforms Mean in Practice

By Rebecca Connolly

Introduction
Victoria's Minimum Financial Requirements (**MFR**) framework for domestic builders has been one of the most significant building industry reforms considered in recent years.

The MFR framework introduces mandatory financial standards for registered domestic builders, including minimum net tangible asset requirements, liquidity thresholds, revenue caps and ongoing financial reporting obligations. The framework formed part of the Victorian Government's broader building reform agenda and was designed to strengthen consumer protection and improve confidence in the domestic building sector.

The Minimum Financial Requirements and Administrative Guidelines 2026 (**MFRs and Guidelines 2026**) were published in the Victoria Government Gazette No. G 26 on 25 June 2026 and commenced on 1 July 2026, operative until 30 June 2028.

Understanding what the MFRs and Guidelines require and how they apply remains important for businesses operating within Victoria's construction industry.

Why the Reforms Were Proposed
The proposed MFR framework arose from reforms introduced through the Building Legislation Amendment (*Buyer Protections*) Act 2025 (Vic), which established the legislative basis for prescribed financial requirements to apply to domestic builders.

Historically, builders have been required to demonstrate financial capacity when applying for registration. However, Victoria has not previously operated under a detailed legislative framework requiring builders to maintain prescribed financial thresholds on an ongoing basis.

The reforms were developed against a backdrop of financial pressure within the construction industry. Rising construction costs, labour shortages, supply chain disruptions and broader economic conditions contributed to financial stress across the sector, with a number of builders entering external administration or insolvency.

The Government's stated objective was to improve consumer protection by ensuring builders maintain an appropriate level of financial capacity throughout the life of their registration. In practical terms, the proposed framework sought to align a builder's capacity to undertake domestic building work with the financial strength of the business.

Key Dates
The proposed implementation timetable differentiated between new applicants and existing registered builders.
The key dates under the draft framework were:

- **1 July 2026:** MFRs and Administrative Guidelines 2026 commence, applying to all domestic builder applicants and (on review) registered practitioners.
- **30 June 2028:** MFRs and Guidelines expire (unless amended or replaced).

Note: Registered practitioners holding a current Letter of Eligibility as at 1 July 2026 retain their existing Total Construction Limit until BPC reviews their financial potion under the new framework.

Who is affected?
The MFRs and Guidelines apply to all registered domestic builders in Victoria, including both individuals and corporate entities registered to undertake domestic building work under the Building Act 1993 (Vic).

They also apply to new applicants seeking registration.

Existing registered practitioners holding a Letter of Eligibility issued before 1 July 2026 retain their previous Total Construction Limit until BPC conducts a review of their financial position and sets a new ANTA threshold and MCC, or enters into an MFR Agreement with the practitioner.

The Framework: ANTA and MCC
The MFRS and Guidelines 2026 use a formula based framework built around two (2) linked metrics:

- Adjusted net tangibles Assets (**ANTA**); and
- Maximum Construction Capacity (**MCC**).

Rather than classifying builders into fixed tiers (as originally proposed), BPC calculates each builder's individual MCC and NNATA threshold based on their financial position at the time of application or review.

Adjusted Net Tangible Assets (ANTA)
Under the MFRs and Guidelines 2026, the relevant metric is Adjusted Net Tangible Assets (ANTA) and not Net Tangible Assets (NTA).

ANTA is made up of Assets **less** liabilities **less** disallowed assets.

Permitted Assets include cash, receivables for domestic building work performed, amounts owing, inventory, investments convertible to cash, motor vehicles, plant and equipment, real property, listed shares and tools of trade.

Disallowed Assets are expressly defined and excluded from the ANTA calculation. They include recreational vehicles, unlisted shares, crypto assets, non-monetary credits, units in unlisted trusts, intangible assets (including goodwill) and superannuation or insurance benefits not currently accessible by the builder.

Maximum Construction Capacity (MCC):
The MCC caps the total value of domestic building work a builder may have on foot at any time. It is calculated as follows:

- Where MCC ≤ \$20 million - MCC + ANTA ÷ 0.05
- Where MCC ≥ \$20 million – MCC = (ANTA - \$400,000) ÷ 0.03

A builder's Total Value of Domestic Building Work is the sum of the contract price under every active Insurable Domestic Building Contract, plus the market value of any Speculative Domestic Building Works for which Home Warranty cover has commenced and the Completion Date has not yet occurred.

ANTA Threshold
Registered practitioners must always maintain ANTA at or above their ANTA Threshold. The ANTA Threshold mirrors the MCC formula:

- Where MCC ≤ $20 million: ANTA Threshold = 0.05 × MCC
- Where MCC > $20 million: ANTA Threshold = (0.03 × MCC) + $400,000

Financial Reporting Obligations
The MFRS and Guidelines 2026 require registered practitioners with an MCC of $2 million or more to prepare quarterly Internal Management Accounts within thirty (30) days of the end of each quarter. Internal Management Accounts must include:

- A profit and loss statement;
- Balance sheet;
- Aged debtors and creditors report (including dates invoices are to be paid or received); and
- A statement of cash flows.

All MFR Applications and Change Applications must include two (2) years of financial statements, tax returns and (where MCC applies for is $2 million or more verification by a Qualified Accountant.

A Qualified Accountant must be a current financial member of CPA Australia, Charted Accountants of Australia and New Zealand, or the Institute of Public Accountants, hold a current practising certificate and be independent of the builder.

Trust Structures and ANTA
Under the MFRS and Guidelines 2026, Disallowed Assets are expressly defined and excluded from NTA calculations. Trust related assets are not automatically disallowed, loans to Related Entities (including Trusts) where the Related Entity holds positive ANTA are a permitted Assets. However, units in unlisted trusts are a Disallowed Asst.

Builders operating through trust structures should obtain specified advice on how their arrangements interact with the ANTA calculation under the MFRs and Guidelines 2026.

Ongoing Compliance Obligations
Registered practitioners have several ongoing obligations under the MFRs and Guidelines 2026:

- Ensure the Total Value of Domestic Building Work does not exceed the MCC at any time.
- Maintain ANTA at or above the ANTA Threshold at all times.
- Prepare quarterly Internal Management Accounts within thirty (30) days of each quarter end (where MCC is $2 million or more).
- Give BPC written notice within seven (7) days of becoming aware of likely or actual non-compliance with the MFRs, including details of how and why the MFRs may not be or have not been complied with.
- Provide information or evidence requested by BPC within fourteen (14) days

Non-compliance with the MFRs is a breach of registration conditions and may give rise to disciplinary proceedings or immediate suspension of registration.

Guarantees
BPC may (at its discretion) accept a Guarantee when calculating a builder’s Assets. The Guarantee must:

- Be provided by an eligible guarantor (including a director, trust beneficiary, fellow partner, Related Body Corporate or BPC approved person);
- Have a minimum term of ten (10) years, unless BPC approves a shorter period;
- Be in BPC approved form; and
- Be accompanied by a statement of financial position from a Qualified Accountant and a solicitor’s certificate confirming the guarantor received independent legal advice.

MFR Agreements
Where a registered practitioner does not comply with the standard MFRs, BPC may, at its sole discretion, enter into a written MFR Agreement as an alternative compliance pathway. An MFR Agreement may require the practitioner to adopt alternative financial requirements, submit a financial plan, inject capital, provide a Guarantee, reduce their active workload or provide additional financial information.

MFR Agreements are discretionary. BPC is under no obligation to offer one, and practitioners in financial difficulty should not assume an Agreement will be available.

Industry Response to the Reforms
The MFR framework generated considerable industry attention during the consultation process that preceded its enactment.

Master Builders Victoria (**MBV**) and the Housing Industry Association (**HIA**) were among the most active participants during consultation and both raised concerns regarding several aspects of the draft regulations. While both organisations supported measures aimed at improving consumer confidence and financial accountability within the building industry, they questioned whether aspects of the proposed framework would operate effectively in practice.

Particular concerns were raised regarding the treatment of trust structures and the additional reporting obligations that would apply to builders. In February 2026, MBV and HIA jointly called for further consultation before implementation.

The consultation process demonstrated the important role industry bodies play in shaping regulatory outcomes. Their involvement contributed to a broader discussion about how financial accountability can be strengthened without creating unintended consequences for builders, housing supply or industry participation.

What Builders Should Do Now

The MFRS and Guidelines 2026 are now in force. Builders must take active steps to understand and comply with their obligations.
Practical steps may include:

- Calculating your ANTA under the formula set out in the MFRS and Guidelines 2926 (Assets less Liabilities less Disallowed Assets) and confirm it supports your MCC;;
- Assessing liquidity and working capital management practices;
- Understanding how your business structure (including any trust arrangements) affects the ANTA calculation under the MFRS and Guidelines 2026;
- Reviewing internal accounting and financial reporting systems;
- Obtaining legal and accounting advice where trust structures are used;
- Ensuring quarterly Internal Management Accounts are prepared within thirty (30 days of each quarter end if your MCC is $2 million or more; and
- Noting the seven (7) day notification obligation to BPC if you become aware of likely or actual non-compliance with the MFRS

What This Means in Practice

The MFRs and Guidelines 2026 are in force from 1 July 2026. Builders must now comply with their obligations under the framework.

For most builders, the framework is focused on financial management rather than construction operations. The way domestic building work is carried out does not fundamentally change construction contracts, project delivery, subcontractor engagement and day-to-day site management continue to operate as they do today. However, the reforms introduce a greater focus on financial governance, balance sheet management and reporting obligations.

Financial capacity, transparency and ongoing compliance are now active legal obligations for registered domestic builders in Victoria, not merely aspirational goals.

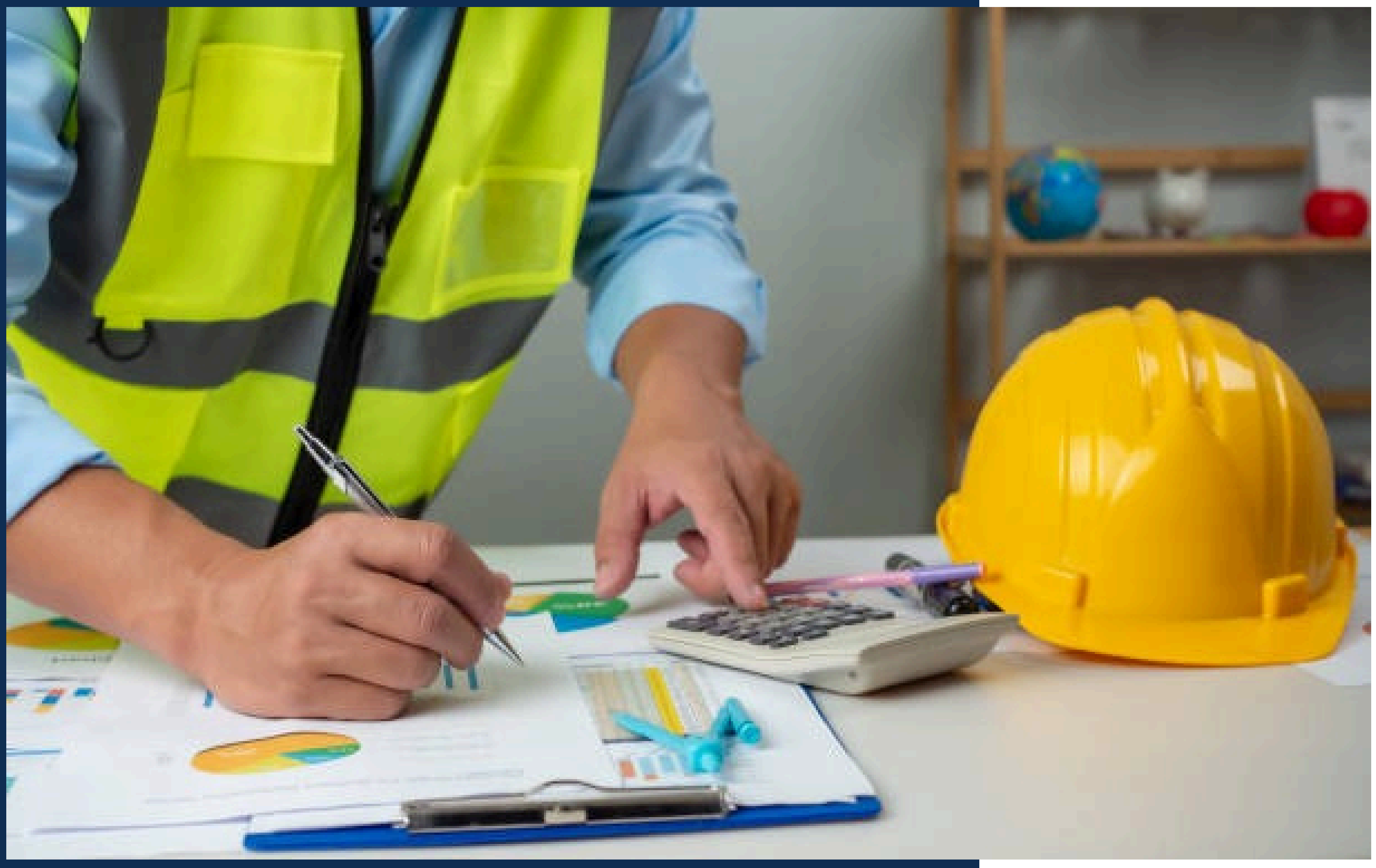
Conclusion

The MFRs and Administrative Guidelines 2026 have been published and are in force. The framework represents a significant shift in the ongoing financial obligations of registered domestic builders in Victoria.

The consultation process demonstrated the important role industry bodies such as MBV and HIA play in shaping regulatory outcomes. Their involvement contributed to a broader discussion about how financial accountability can be strengthened without creating unintended consequences for builders, housing supply or industry participation.

For builders, the practical message is clear: the framework is now law. Builders who understand their obligations, maintain accurate financial records and engage proactively with their professional advisers will be best placed to comply and to continue operating within Victoria's evolving building industry.

While the final form of any revised MFR framework remains uncertain, builders who remain informed and engage early with their professional advisers will be better positioned to adapt as Victoria's building reform agenda continues to evolve.



Case note: *Singh v Ozzie Home Building & Construction Pty Ltd [2026] VSCA 25*

By Grace Beale

Introduction

The Victorian Court of Appeal decision in Singh v Ozzie Homes confirms the Court's interpretation of the statutory and contractual requirements for progress payments under the Domestic Building Contracts Act 1995 (Vic) (**DBCA**). The case centres on a dispute over whether a builder can claim payment for substantial completion of the lock-up stage, and the legal consequences that follow when both the owner and builder fail to properly terminate the contract.

Background of the Facts

The owners entered into a standard form domestic building contract with Ozzie Homes (the **Builder**) for the construction of a new dwelling in Craigieburn, Victoria. Upon reaching what it considered to be the "lock-up stage", the Builder issued a progress claim. The owners refused to pay the progress claim on the basis that the garage door had not been installed and several external door openings were merely boarded up with plywood. There were other issues raised in relation to defective works, however it was confirmed that the presence of defective works did not preclude the completion of the stage.

In response to the non-payment, the builder suspended works and eventually walked off the site. The owners subsequently engaged a new builder to finish the project without serving a formal notice of termination on the Builder.

The County Court initially found for the builder, ruling that substantial performance of the lock-up stage was sufficient to justify the invoice. That decision was overturned in the Court of Appeal.

Judicial Consideration of Major Issues

1. The Requirement of Strict Completion for Progress Stages

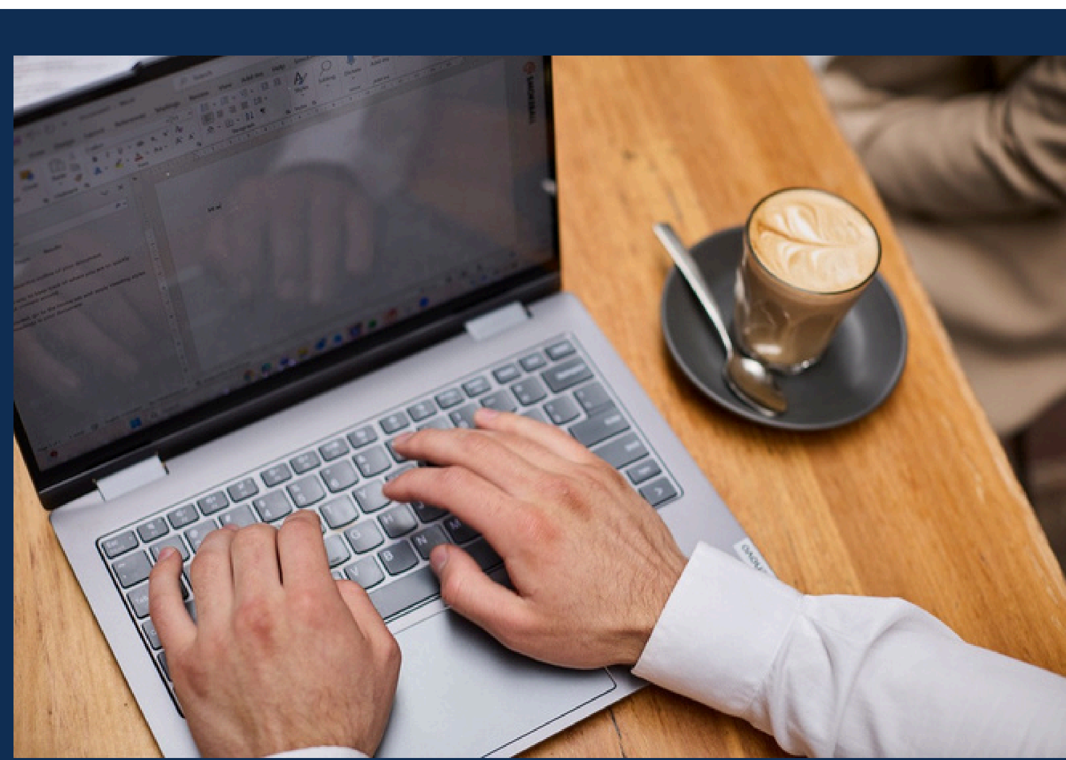
The Court of Appeal rejected the ruling that substantial performance was sufficient to justify the progress claim. The Court held that because the contract and the DBCA define the lock-up stage to include the fixing of external doors and windows (even if those doors are temporary), the use of temporary plywood sheets did not satisfy the definition because they were a fixed barrier preventing access to or from the building and did not amount to fixing a temporary door. Further, there was no door (whether permanent or temporary) installed to the garage.

The Court also clarified that a builder is not entitled to a progress payment even if 95% is complete; the stage as defined in the contract and the DBCA is either completed or not, having regard to the contractual definition, the specifications and the state of the work. The builder must complete the stage in its entirety before it will be entitled to receive payment.

It was held that the lock-up stage is reached when the work is complete in accordance with the contract and statutory requirements, not when the purpose of the lock-up stage is achieved.

2. Termination vs. Abandonment

A critical point of the judgment was the legal status of the contract after the Builder left the site. Because the Court found the lock-up stage was not complete and the Builder proceeded to suspend works, the Builder was in breach of the contract. The Builder issued a notice of intention to terminate for non-payment, however it could not be found to have terminated the contract if it was itself in breach of the contract. In turn, the owners did not accept any purported repudiation on the part of the Builder and did not formally terminate the contract (they appointed a new builder to complete the works). In those circumstances, the court determined that by both parties' conduct the contract had been abandoned by mutual consent or more accurately, by inferred agreement. This meant that neither party could claim damages for breach of contract or loss of bargain.



3. The Preclusion of Quantum Meruit

The builder further sought payment of its lock-up stage invoice on the basis of quantum meruit, seeking the value of the work performed regardless of the contract's stage requirements. The Builder conceded that if it was the defaulting party and the contract was terminated accordingly, it would be precluded from quantum meruit. However, the Builder argued in the alternative that if the contract was mutually abandoned, neither party was innocent and it would be unjust for the owners to retain the benefit of the work without paying for it. This was considered by the Court to be a quantum meruit claim not based on implied contract, but on restitution based on unjust enrichment.

However, the mere fact that the builder conferred a benefit or provided services to the owners is insufficient, of itself, to establish a legal entitlement to restitution. The High Court decision in Lumbers confirmed that where there is a contract between the parties, for the innocent party to claim quantum meruit, the retention of the benefit must be unconscionable. The relevant question then is how the claim fits with the contract the parties have agreed to be bound by. The Court considered in Lumbers that a party cannot use the law of restitution to redistribute the risks which have been agreed upon in the applicable contract.

4. The Preclusion of Quantum Meruit
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In this case, the Court was of the view that in circumstances where the Builder suspended the works of its own accord on the basis that it had not been paid for the lock-up stage and in breach of the contract (as the lock-up stage had not been completed), there was nothing unjust or unconscionable in the owners retaining the benefit of the works without payment for its value. The owners' conduct in withholding payment for the incomplete works, did not prevent the Builder from completing the works. The Builder was, therefore, not entitled to payment on a quantum meruit basis.

Final Decision
The Court held that the Builder was not entitled to payment of the lock-up stage invoice and that the contract had been abandoned. Consequently, the builder's claim for payment of the unpaid invoice was dismissed, and the owners were not required to pay for the incomplete stage.

The Takeaway
The Court's decision signals that there is little flexibility regarding the completion of defined progress stages. For the builder to be entitled to payment, the relevant stage must be completed strictly in accordance with the contract and the statutory definition of the stage. Builders should be aware the 95% complete is legally equivalent to 0% complete when it comes to a payment obligation and the use of fixed plywood barriers for external doors will not satisfy the statutory definition of the lock-up stage.

Owners and builders ought to take note that the finding of a mutual abandonment of the contract will limit their rights to claim damages or claim payment for works completed.

Lastly, a builder cannot use restitution to escape a bad bargain or an unearned stage payment. If the work was governed by a contract and the relevant stage wasn't reached, the builder cannot ask to be paid the fair value for that work in equity.

Property Development in 2026: Insights from the Residential Developer Summit Melbourne

By Sang Nguyen

Executive Summary

I attended The Residential Developer Summit on 21 May 2026, hosted by the Urban Developer at the Glasshouse Melbourne. This spectacular event aimed to discuss the status and future of Property Developments and brought together many major players and consultants in the property development space across Melbourne, Sydney and Brisbane to examine the forces shaping the development of residential homes in greenfield estates and across Australia's east coast markets.

The Summit opened with a national market outlook from Richard Temlett of Charter Keck Cramer and Yew Zhi Tan of Mitchell Brandtman. This was followed by very constructive panel discussions between major developers in both the greenfield communities and apartment sectors (i.e. Frasers Property, Jinding Australia, Resi Ventures, Abadeen and many others).

As a building and construction lawyer who regularly advises developers, builders and investors, events like this offers something that legal practice cannot alone always provide. It provided me with genuine visibility into the commercial decisions being made on the ground, and the pressures driving them. It allows me to have a better understanding of how these pressures are essential to providing advice that is not only legally sound but commercially relevant.

The Impact of Feasibilities in Property Development

Across all segments, whether it be greenfield communities or apartment sectors, a consistent theme emerged: feasibility is difficult, and in many markets the numbers simply do not stack up. For developers, the margin between a feasible and non-feasible project continues to narrow, making cost certainty at the pre-construction stage more critical than ever.

In response to these pressures, some developers and builders are exploring alternative delivery models including medium to high density construction, prefabricated housing and modular homes. These are legitimate commercial responses to feasibility constraints, but they carry contractual and legal implications that standard form building contracts (eg. the HIA, MBV, ABIC and AS contracts) are generally not designed to address.

It is important that any developer or builder undertaking these types of projects ensures that they have bespoke contracts which are carefully structured to reflect the unique characteristics of the delivery model, rather than adapting them from conventional standard form building contracts.

Planning Reforms and Regulatory Risks

Mark Naughton and Paul Little from Planning and Property Partners delivered an excellent summary of the planning policy reforms across Victoria for 2026 and beyond. The message was clear: planning risk has not diminished, approval timelines remain long, policy settings continue to shift and the interaction between new zoning frameworks and project-specific circumstances creates ongoing uncertainty, especially in the greenfield communities.

For Melbourne specifically, increasing attention is being directed towards medium-density housing and urban renewal opportunities as developers respond to sustained population growth and ongoing housing supply shortages. However, the delivery of new housing continues to be constrained by infrastructure coordination challenges and the limited availability of serviced land in key growth areas.

Planning risk remains one of the most underestimated risks in the development lifecycle. Developers frequently commit to site acquisitions before planning certainty has been achieved, often on the expectation that approvals will follow. When approvals are delayed, refused, or granted on terms materially different from those anticipated, the consequences for project feasibility and profitability can be severe.

We consider that this risk should be managed effectively at the acquisition stage. Development Agreements and conditional contracts for the purchase of land should include properly drafted conditions precedent tied to planning outcomes, with clearly defined milestone dates, extension and termination rights. The planning condition should specify not merely that a permit be granted, but that it be granted in a form acceptable to the developer which is a distinction that can be critical where permit conditions significantly affect project yield or construction cost.

Victoria's planning environment is changing materially in 2026. The reforms currently being progressed by the state government, including changes to activity centre zones, housing targets and approval pathways, presents both opportunity and risk. Developers should ensure that town planning consultants and legal advisers work together to understand how these reforms interact with specific sites and project proposals.

Where planning approvals are contested, the cost and delay associated with VCAT review needs to be factored into project feasibility from the outset. Project governance frameworks should include clear decision-making protocols around when to challenge a refusal, when to negotiate amended conditions and when to reconfigure a project to secure consent.

If you seek legal advice at the acquisition stage, there will be fewer expenses for you than dealing with the consequences of being locked into a site with unworkable planning conditions.

ECI Agreements and Design and Construct Contracts
Many of the financial challenges developers encounter during construction can be traced back to contractual arrangements that fail to adequately manage cost and delivery risk from the outset. This is why it is important to ensure that you always have a trusted lawyer on speed dial, who understands both the property development industry and the construction sector.

Early Contractor Involvement (**ECI**) Agreements are becoming increasingly common across the greenfield developers and builders as a means of identifying and managing project risks at an earlier stage. An ECI Agreement enables a developer to engage a head contractor during the design development phase, prior to entering into a fixed-price Design and Construct Contract. This allows developers to have at their disposal, access to real-time cost feedback, buildability advice and preliminary procurement decisions that can materially influence project viability.

ECI arrangements need to be carefully structured to define the scope of the pre-construction services, the basis on which the contractor's overhead and profit is compensated, the process by which the parties transition to a full construction contract, and what happens if the parties are not able to agree on a price for the Design and Construct Contract.

Where construction contracts are ultimately entered into, Design and Construct Contracts that clearly allocate design responsibility and include properly defined provisional sums, contingency arrangements and rise-and-fall provisions appropriate to the project's risk profile are essential.

Joint Ventures and Development Agreements
Joint Venture (**JV**) Agreements, often called money partner agreements, remain a common vehicle for property development projects, particularly where parties seek to combine land, capital, development expertise or project management capabilities. However, these arrangements are inherently complex and require careful legal drafting to ensure that the commercial objectives of each party are properly protected.

A well-structured JV Agreement should clearly address the respective contributions of the parties, profit-sharing arrangements, governance and decision-making rights, deadlock resolution mechanisms, capital contribution obligations, exit rights, and the consequences of default or insolvency.

In the current market, construction costs and financing conditions can materially change over the life of a project. This is why it is important to ensure that there are provisions which deal with cost overruns and additional funding requirements. It would need to establish clear mechanisms for capital calls, define how unexpected cost increases are to be funded, and specify the consequences if a party fails to contribute additional capital when required.

Development Management Agreements (**DMA**) are also an increasingly prevalent, particularly where a capital partner, investor or landowner pays an experienced developer a fee to manage and deliver a project on their behalf. These arrangements can provide access to valuable development expertise, but they also require careful documentation to ensure that the responsibilities and risks are appropriately allocated.

A well-structured DMA should clearly define the development manager's authority, decision-making powers, reporting obligations, performance requirements and remuneration structure. It should also address the treatment of project variations, contingencies, budget overruns, approval processes and termination rights. A poorly drafted DMA often leads to disputes, which can expose both the principals and development managers to significant commercial and legal risk.

As projects become more complex and capital structures more sophisticated, properly drafted JV Agreements and DMAs are essential to managing risk and preserving alignment between parties undertaking property developments.

How We Assist Property Developers and Builders
Our building and construction team regularly advises developers, builders, landowners and capital partners across all stages of the residential development cycle, from site acquisition, project structuring through to delivery, contract administration and dispute resolution.

Our services include:
- Preparing, reviewing and advising on bespoke building contracts for prefabricated, modular and other alternative delivery models.
- Preparing, reviewing and advising on DMAs and JV Agreements.
- Preparing, reviewing and advising on ECI Agreements and construction procurement strategies.
- Preparing, reviewing and advising on Design and Construct Contracts and other standard form construction contracts.
- Providing advice on planning risk management and conditional acquisition structures.
- Providing advice on the Victorian building and construction reforms and their implications for project delivery and risk allocation.
- Preparing and negotiating consultant engagement agreements, technology procurement agreements and project delivery documentation.
- Providing advice and assisting with dispute resolution, contract administration and representing clients in VCAT, Courts and other dispute resolution forums.

As the development and construction landscape continues to evolve, obtaining strategic legal advice at the outset of a project can significantly reduce risk, protect project viability and improve commercial outcomes.

If you would like to discuss any of the issues raised in this article or require assistance with a current or proposed development project, please contact our office.

Managing Disputes in the Residential Building Industry: Protect Your Projects, Your Reputation and Your Bottom Line

By Maria Fokianos

Working in the residential building industry, disputes aren't a question of if they are a question of when. Knowing how to handle them well, and better still, how to stop them arising in the first place, is one of the most valuable skills any building professional can have.

A poorly managed dispute can do real damage. It can sour relationships with homeowners and subcontractors you have worked hard to build, harm your reputation in an industry where word of mouth is everything, and eat into your profitability through delays, legal costs and unpaid invoices. Disputes can occur between builders and homeowners, between head contractors and subcontractors, and between employers and employees. From our experience, the longer an issue is left to fester, the harder (and more expensive) it becomes to resolve.

Your contract is your first line of defence
It might sound obvious coming from a legal professional, but it's true. The single best protection you have is a well-drafted contract. A clear, comprehensive contract sets expectations from day one and gives you something solid to fall back on when disagreements arise.

For those of you building in Victoria keep in mind that domestic building work is governed by the *Domestic Building Contracts Act* 1995 (Vic) (**the Act**). Among other things, the Act requires major domestic building contracts (generally those over $10,000) to be in writing and to include certain prescribed information, and it implies a set of warranties into every domestic building contract regardless of what the parties agree. Getting the formalities wrong can expose you to penalties and weaken your position if a dispute lands in front of a tribunal .

Plan for variations and the unexpected
The second piece of the puzzle is anticipating change. Very few builds run exactly to plan. There may be site conditions that surprise you, materials get delayed, owners change their minds. A contract that properly deals with variations, extensions of time and unforeseen circumstances stops these everyday events from escalating into full-blown disputes.

In Victoria, the variation procedures under the Act are strict. Variations generally need to be documented in writing before the work is carried out, and builders who skip the paperwork can find it very difficult to recover payment for that work later, even where the owner clearly asked for it. A quick written variation notice today can save you a payment fight tomorrow.

Know the dispute resolution pathways
If a dispute does arise, it pays to understand the avenues available before reaching for litigation:

For most domestic building disputes in Victoria, the first port of call is Domestic Building Dispute Resolution Victoria (**DBDRV**). The DBDRV is a free, government-run conciliation service. In most cases, you must attempt resolution through DBDRV before the matter can proceed to the Victorian Civil and Administrative Tribunal (**VCAT**).

For payment disputes between builders and subcontractors on commercial arrangements, the Building and Construction Industry Security of Payment Act 2002 (Vic) provides a fast-track adjudication process for recovering progress payments however it comes with tight timeframes, so acting promptly is essential.

Whatever the forum, good records will assist in winning disputes. Keep your contracts, variation notices, site diaries, photos, invoices and correspondence organised and accessible. The party with the paper trail almost always starts in the stronger position.

If you'd like tailored advice on a contract or a dispute you're currently facing, get in touch with our team as we would be glad to help.

Understanding Psychosocial Hazards in the Workplace: Why the Conversation Matters

By Hannah Smith

In recent years, there has been an important shift in how workplace safety is understood. While physical safety has long been a focus for employers, there is now growing recognition that psychological wellbeing is equally important.

One term increasingly appearing in workplace discussions is "psychosocial hazard." While it may sound like legal or corporate jargon, the impact of psychosocial hazards is deeply personal and very real for many workers.

What is a Psychosocial Hazard?
According to WorkSafe Victoria, psychosocial hazards are aspects of work that can cause psychological or physical harm.

Importantly, these hazards extend beyond obvious misconduct such as bullying or harassment. They can arise from the way work is designed, managed or experienced on a daily basis.

Examples of psychosocial hazards may include:

- High or excessive workloads;
- Very low job demands or lack of meaningful work;
- Limited control over how work is performed;
- Poor support or supervision;
- Unclear job expectations or role confusion;
- Poorly managed workplace change;
- Job insecurity;
- Fatigue and burnout;
- Remote or isolated work;
- Exposure to violence or aggression;
- Bullying, harassment or sexual harassment;
- Workplace conflict or strained relationships;
- Intrusive workplace surveillance; and
- Exposure to traumatic events or distressing material.

If the source of harm stems from workplace systems, management practices, work design or interactions between people, it may be considered a psychosocial hazard.

What Does This Look Like in Practice?
Psychosocial hazards are not always obvious. Often, they build slowly over time.

It may be an employee feeling overwhelmed by constant pressure and unrealistic expectations. A worker left unsupported in a demanding role. A team struggling through workplace changes with little communication or guidance. Or someone experiencing ongoing tension, conflict or behaviour that leaves them anxious about coming to work each day.

What is often dismissed as "just stress" can, in some circumstances, reflect broader workplace issues that require attention and care.

Why These Conversations Are Important
For many people, work represents more than employment. It provides stability, purpose, connection and identity. When a workplace negatively impacts someone's mental wellbeing, the effects can extend far beyond office walls impacting families, relationships and overall quality of life.

Creating psychologically safe workplaces benefits everyone. Open communication, respectful leadership, supportive systems and early intervention can help foster healthier and more productive work environments.

While psychosocial hazards are becoming an increasingly important topic across Australian workplaces, every business and workplace is different. Understanding these risks is an important step in promoting safer and more supportive environments for employees and employers alike.

At Spectrum Lawyers, we believe conversations around workplace wellbeing matter. Even where issues fall outside a firm's core practice areas, raising awareness and encouraging proactive discussions can help contribute to healthier workplaces and stronger communities.

Why Sales must be the Central Focus of a New Home Business

By Fred Abu-Elias

Starting a home business is one of the most empowering decisions a person can make. It represents independence, control, and the ability to create something meaningful from your own ideas and effort. Many people begin this journey with excitement, driven by passion for a product, a skill, or a vision of financial freedom. However, while passion is important, it is not what ultimately determines success. The true foundation of every successful business, including home-based ones, is sales.

Sales are the process through which a business turns its ideas, products, and services into income. Without sales, there is no revenue, and without revenue, even the most creative or well-designed business cannot survive. This is why new home businesses must focus on sales above all else, especially in the early stages. While it is tempting to prioritise branding, design, or planning, none of these elements matter if they do not result in people actually buying. Many new entrepreneurs fall into the trap of trying to build the “perfect” business before selling anything. They spend hours refining logos, selecting colours, creating websites, or adjusting product details. While these things can improve a business, they are not the core drivers of success. A business that looks perfect but makes no sales will fail, while a simple business that consistently generates revenue has the opportunity to grow and improve over time.

The reason sales are so critical is that they validate your idea. Before the first sale, everything you believe about your business is based on assumptions. You may think people want your product, that your pricing is fair, or that your marketing message is effective. However, none of these beliefs are proven until someone is willing to pay. A sale is the ultimate form of validation because it shows that a customer has recognised value in what you offer.

This validation is especially important for home businesses because they typically operate with limited resources. Unlike large companies, they cannot afford to spend months or years developing a product without generating income. By focusing on sales early, entrepreneurs can quickly determine whether their idea works in the real world. If it does, they can continue building on that success. If it does not, they can adjust their approach before investing too much time or money.

Another reason sales must be the primary focus is the importance of cash flow. A home business often starts with minimal financial backing. It relies on the income it generates to survive and grow. Sales provide this income. They allow the business owner to pay for materials, tools, marketing, and other expenses. They also provide personal financial support, which is often necessary for someone transitioning into self-employment.

Even small amounts of revenue can have a significant impact. The difference between making no sales and making consistent small sales is enormous. It creates stability, reduces stress, and allows the entrepreneur to plan for the future. Over time, these small sales can grow into larger and more predictable income streams.

Sales also play a crucial role in building confidence. The first sale is often the hardest to achieve, but it is also one of the most meaningful. It transforms the idea of a business into a reality. It shows the entrepreneur that their efforts can produce results. This sense of accomplishment builds motivation and encourages continued effort.

As sales increase, so does confidence. Entrepreneurs become more comfortable talking about their products or services. They improve their communication skills and learn how to address customer concerns. This growth is not theoretical; it comes from real-world experience, which is far more valuable than planning alone.

One of the most important benefits of focusing on sales is the learning that comes from interacting with customers. Every conversation, question, and transaction provides information. Customers reveal what they like, what they do not understand, and what they expect. They provide insight into pricing, value, and demand.

This feedback is essential for improving a business. It allows entrepreneurs to refine their offerings, adjust their messaging, and better meet customer needs. Without sales, this learning does not occur. The business remains based on assumptions rather than real data.

Understanding sales requires a shift in mindset. Many people associate sales with pressure, manipulation, or discomfort. They imagine pushy tactics or aggressive behaviour. In reality, effective sales are based on helping people. Customers are not looking to be persuaded for no reason; they are looking to solve problems or fulfil desires.

When a business focuses on the value it provides, selling becomes a natural process. Instead of asking, “How can I convince someone to buy this?” the question becomes, “How can I help this person?” This change in perspective makes sales more authentic and more effective. For example, a person who runs a home cleaning service is not just selling cleaning. They are offering convenience, peace of mind, and more free time. A person who sells handmade clothing is not just selling fabric; they are offering style, uniqueness, and self-expression. When the focus shifts to these benefits, it becomes easier to communicate value and connect with customers.

Trust is a key factor in this process. Customers are more likely to buy from businesses they trust, especially when the business is new and does not yet have an established reputation. Building trust takes time, but it begins with simple actions. Being honest, delivering what you promise, and communicating clearly all contribute to building a reliable image.

Consistency is also essential in building trust and generating sales. Many new business owners expect quick results and become discouraged when sales do not happen immediately. However, sales often require repeated exposure and interaction. A customer may need to see a product multiple times before deciding to buy. They may need time to consider their options or compare alternatives.

By staying consistent in communication, promotion, and outreach, a business increases its chances of success. Consistency shows reliability and professionalism, which are important for gaining customer confidence.

There are many ways for a home business to generate sales, and many of them do not require significant financial investment. Social media platforms provide access to large audiences and allow businesses to showcase their products or services. When used effectively, they can create opportunities for engagement and direct communication with potential customers.
Word of mouth remains one of the most powerful forms of promotion. When customers have a positive experience, they often share it with others. This creates trust and credibility that is difficult to achieve through other means. Encouraging satisfied customers to recommend the business can lead to new opportunities.

Direct communication is another effective approach. Reaching out to potential customers, introducing your offer, and starting conversations can lead to immediate sales. While this may feel uncomfortable at first, it is one of the fastest ways to generate results, especially for service-based businesses.

Despite its importance, sales can present challenges. Fear of rejection is one of the most common barriers. Many people worry about being told no or being judged. However, rejection is a normal part of the process. Not every person will be interested, and that is acceptable. Each interaction provides experience and helps improve future performance.

Another challenge is lack of experience. Sales is a skill that improves with practice. The more you engage with customers, the more you learn what works and what does not. Over time, you develop confidence and become more effective.

Maintaining consistent effort is also important. Sales do not happen by chance; they are the result of regular action. This may involve reaching out to potential customers, following up on leads, or promoting products. By making sales activities a daily habit, a business increases its chances of success.

A clear and simple sales process can help guide these efforts. This process begins with understanding the target customer. Knowing who you are trying to serve allows you to tailor your message and approach. When you understand your customer's needs, you can position your offer more effectively.

The next step is creating a clear offer. Customers should be able to understand quickly what you are selling and why it matters. Simple and direct communication is more effective than complex explanations.

Generating interest is another important step. This involves attracting potential customers and encouraging them to learn more. Once interest is established, communication becomes key. Responding quickly and providing useful information helps build trust and move the conversation forward.

Closing the sale requires clarity and confidence. Customers should know exactly how to proceed, whether it is making a payment or placing an order. Removing obstacles and making the process easy increases the likelihood of success.

Following up is an often overlooked but critical step. Many customers need time to decide, and a simple follow-up message can make a significant difference. It shows that you care and keeps the opportunity active.

Pricing also plays a major role in sales. New entrepreneurs often undervalue their offerings in an attempt to attract customers. While this may lead to initial sales, it can create long-term problems. Low pricing can reduce profitability and create the perception of low quality. Pricing should reflect the value provided and support the sustainability of the business.

Customer feedback is another valuable outcome of focusing on sales. By listening to customers and understanding their experiences, a business can improve its offerings and increase satisfaction. This leads to repeat sales and stronger relationships.

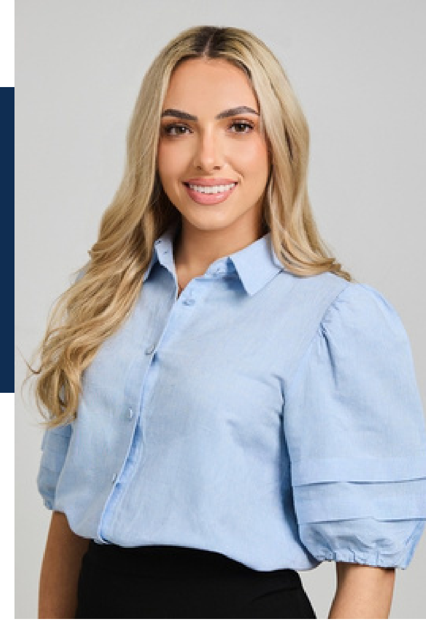
As the business grows and sales become more consistent, there are opportunities to scale. This may involve improving processes, expanding into new markets, or increasing production. Sales provide the foundation for this growth. Without consistent revenue, scaling is not possible.

Building a strong brand is another benefit of focusing on sales. Over time, consistent positive experiences create recognition and trust. A strong brand makes selling easier because customers are already familiar with the business.

Ultimately, success in a home business requires the right mindset. Being action-oriented is essential. Waiting for perfection delays progress, while taking action leads to results and learning. Embracing rejection helps build resilience, and staying focused on helping customers ensures that sales efforts remain genuine.

Sales are not just one part of a business; they are the central element that connects everything. They transform ideas into income, effort into results, and potential into reality. For a new home business, focusing on sales is the most effective way to build a strong foundation and create long-term success.

In the end, a business does not succeed because it looks good or feels complete. It succeeds because it provides value that people are willing to pay for. By prioritising sales, new entrepreneurs can ensure that their business is not only creative and meaningful, but also sustainable and successful.



Hidden Assets in Family Law Proceedings: Disclosure Obligations in Australia

By Alyssa Staropoli

Introduction

Family law Property settlements depend on both parties honestly disclosing their financial circumstances. The Federal Circuit and Family Court of Australia (the FCFCOA) cannot make fair decisions about dividing property unless it has an accurate understanding of the parties' assets, liabilities, income, and financial resources.

In proceedings before the FCFCOA, parties have a legal obligation to provide "full and frank disclosure" of their finances. Despite this obligation, disputes often arise where one party attempts to conceal or minimise assets to obtain a more favourable outcome.

As hidden assets can significantly affect property settlements, the FCFCOA can impose substantial consequences on parties who fail to comply with their disclosure obligations.

The Duty of Full and Frank Disclosure

Parties involved in family law proceedings must disclose all information relevant to their financial circumstances. This obligation applies before and during court proceedings and continues until the matter is finalised.

Disclosure commonly includes:

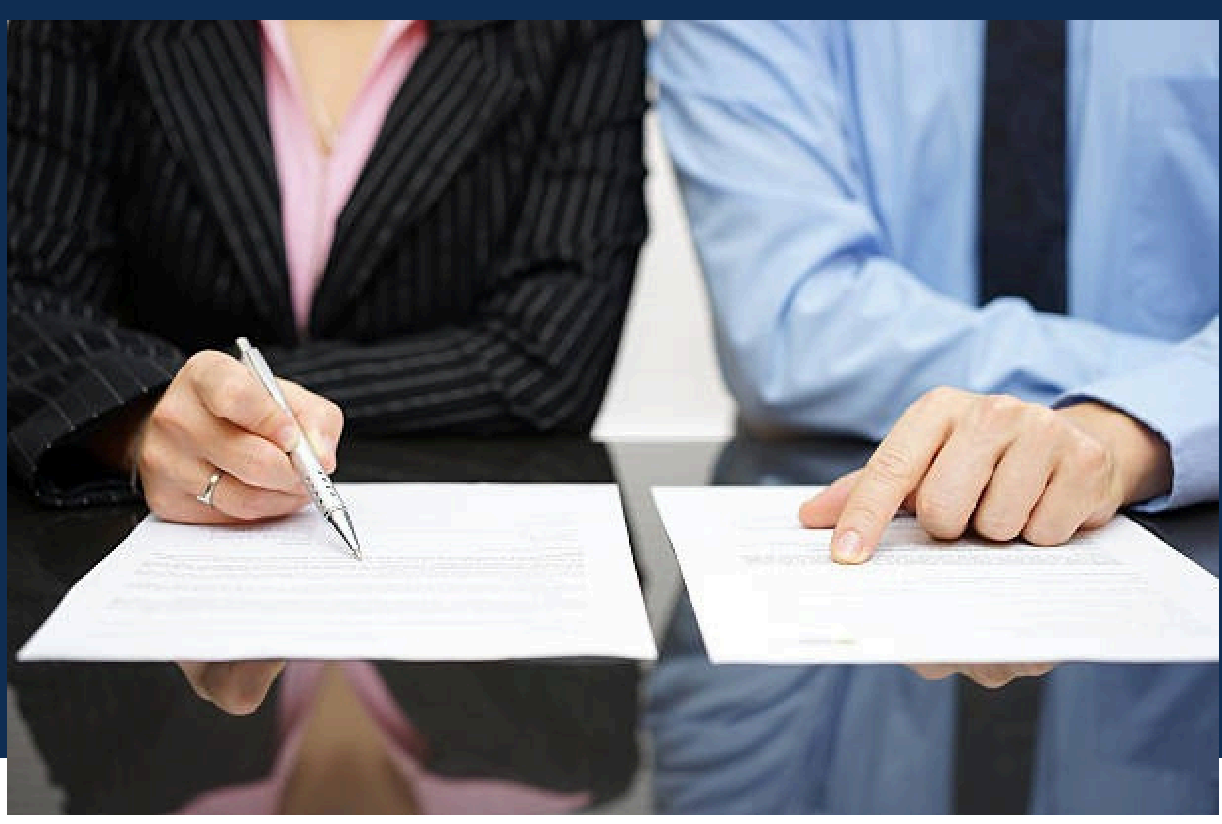
- bank account statements;
- tax returns;
- superannuation records;
- property ownership documents;
- business records;
- loan documents; and
- investment information.

The purpose of disclosure is to ensure the court can accurately identify the asset pool and make a fair property settlement.

Assets Relevant to a Property Settlement

Parties often focus on obvious assets such as houses, savings, and vehicles. However, many people do not realise that other financial interests may also be relevant in family law proceedings, such as:

- superannuation;
- cryptocurrency;
- company interests;
- inheritances;
- shares and investments; and
- loans from family members.



Why Parties Attempt to Hide Assets

Parties may attempt to conceal assets to:

- reduce the value of the property pool to retain a greater amount individually;
- minimise spousal maintenance or child support obligations; or
- protect business or family assets.

In some cases, parties misunderstand what must be disclosed. In others, concealment is deliberate.

Warning Signs of Hidden Assets

Potential indicators of non-disclosure include:

- sudden reductions in income;
- missing financial documents;
- unusual cash withdrawals;
- unexplained transfers;
- inconsistent tax returns;
- secrecy regarding finances; or
- lifestyles inconsistent with claimed income.

These issues may suggest incomplete disclosure or concealed financial resources.

What Can Be Done About Hidden Assets?

Where hidden assets are suspected, parties may use legal processes to investigate financial circumstances, which may include:

- **Subpoenas for bank or financial records** – A party may issue subpoenas requiring banks, financial institutions, employers, accountants, cryptocurrency exchanges, or other third parties to produce documents. These records can reveal undisclosed bank accounts, transfers, loans, investments, superannuation interests, or patterns of spending inconsistent with the disclosed financial position.
- **Forensic accountants** – A forensic accountant may be engaged to analyse financial records and trace the movement of money or assets. They can identify irregular transactions, hidden income streams, unexplained withdrawals, undervalued businesses, diverted funds, or attempts to conceal assets through companies, trusts, family members, or overseas accounts.
- **Company and property searches** – Searches may be conducted through corporate and land title registries to identify assets held in a party's name or connected entities. These searches can reveal directorships, shareholdings, business interests, real estate ownership, mortgages, or transfers of property to related parties.
- **Tax record analysis** – Tax returns, BAS statements, ATO records, payroll information, and financial statements may be examined to compare declared income with actual spending or asset accumulation. Discrepancies may indicate undeclared income, cash earnings, business revenue, or concealed investments.
- **Review of electronic communications or digital transactions** – Electronic evidence such as emails, text messages, online banking records, payment platform histories, cryptocurrency wallets, and social media activity may assist in identifying undisclosed assets or financial dealings. In some cases, digital records may reveal the existence of accounts, purchases, transfers, or business activities not otherwise disclosed.

Consequences of Non-Disclosure

The FCFCOA treats non-disclosure seriously. Failure to disclose so may result in significant legal and financial consequences, including:

- adverse findings against the non-disclosing party;
- adjustment of the property settlement in favour of the other party;
- costs orders requiring the non-disclosing party to pay some or all of the other party's legal costs; and
- the setting aside of previous settlement orders obtain without proper disclosure.

Where hidden assets, undisclosed income, or incomplete financial information are later discovered, proceedings may be reopened even after final orders have been made. This can result in further litigation, substantial additional legal costs, delays, and the reconsideration of the original property settlement by the Court.

Conclusion

Full and frank disclosure is a fundamental obligation in Australian family law proceedings. Courts rely on accurate financial information to ensure property settlements are fair and equitable.

In Victoria and throughout Australia, parties who attempt to hide assets risk significant legal and financial consequences. Whether involving superannuation, family loans, cryptocurrency, or business interests, transparency remains essential to achieving just outcomes in family law disputes.