

27 February 2026

The Hon Clare O'Neil MP
Minister for Housing
Minister for Homelessness
Minister for Cities

Lodged online

Dear Minister

Streamlining and Modernising the National Construction Code

Thank you for the opportunity to comment on the future of the National Construction Code (NCC).

Urban Taskforce Australia is a not-for-profit peak industry organisation representing Australia's most prominent property developers and equity financiers. Our membership is made up of many of the largest property investors and developers across the nation, with a focus on the industry in NSW.

This is an important time to be considering the future, form and function of the NCC. Context is critical, and at this point, the context is dire. Australia is in the middle of a housing supply and housing affordability crisis and the NCC has played a part in driving up the cost of housing supply, way beyond its mandate to set minimum standards for the construction of safe homes.

Price rises in our sector have consistently outstripped CPI, and in recent years, the differential has been considerable, and it is timely to ask the question: why?

The Productivity Commission has reflected the views of many Urban Taskforce members. They highlighted that recent changes to the NCC have been implemented without sufficient consideration of the net cost to the society as a whole. The cost to individual purchasers, the cost to the property development sector, the cost to governments and the cost to society were barely considered by decision makers and this was roundly criticised by the Federal Productivity Commission in its "Housing construction productivity: Can we fix it?" Research paper (2025 pp 50-51)¹

Similarly, the 2025 *Demographia International Affordability Report* found that the median price-to-income ratio across Australia for those looking to purchase a property was 9.7. This means that the price of the median dwelling is almost 10 times that of the median household income. The situation is far worse in Sydney, where the nation's least affordable market has an "impossibly unaffordable" median household income multiple of 13.8, making it the second least affordable market internationally after Hong Kong.² Further, Hong Kong has much lower incomes, thus explaining the very high multiple when looking at median dwelling prices.

¹ Australian Government, Productivity Commission, pp 50-51, "Housing construction productivity: Can we fix it?" Research paper, 2025,

² Demographia (2025) p.8

A key factor in this unaffordability is the myriad codes and standards governing construction, which are creating complexity and driving up construction costs. Every change comes with a transaction cost. Supply chains need to be established.

It is for this reason that Urban Taskforce Australia strongly supported the Federal Government's proposal to pause the NCC for the duration of the National Housing Accord period and we welcome the current review. The unanimous support from the States speaks volumes.

While our members support the NCC as a national benchmark for building quality and safety, its application has been inconsistent, the variations numerous, and its drafting processes have been arcane.

The commitment of the Building Ministers' Meeting to safety seems often to be overtaken by pet projects, sometimes driven by politicians, sometimes by staff, with each change weaving more and more "social changes" and broader environmental objectives into the Code, in an effort to promote broader policy objectives. This is the problem with the NCC.

These changes have been a significant contributor to the increase in building costs noted above, without necessarily delivering better buildings, leaving the end user with an ever-increasing bill.

It is significantly cheaper to purchase an apartment that is 5 years old, than it is to purchase the same apartment new, with the same building envelope and net lettable area. This is notwithstanding the fact that the differences are very unclear from a purchaser's perspective, but they tick the boxes of the Building Code.

Purpose

If housing is to be affordable, the cost of construction needs to come down. For this to occur, the NCC needs to return to its original goal, as stated in 1988:

Its basic objective is to ensure that acceptable standards of structural sufficiency, fire safety, health and amenity, are maintained for the benefit of the community now and in the future.

The requirements included in this Code are intended to extend no further than is necessary in the public interest, to be cost effective, not needlessly onerous in their application, and easily understood.³

The purpose of the Code was to create a minimum standard document for structural sufficiency, fire safety, health, and amenity. It was a performance based-document, with deemed-to-satisfy provisions given as an option to demonstrate an acceptable level of compliance.

Since its first development, the Code has become more cumbersome and prescriptive, requiring much more evidence to prove performance and including a multitude of state and territory variations. These all add to construction costs and limit the effective use of alternative solutions.

While the NCC is supposed to be performance-based, recent years have seen an explosion of verification methods and documentary requirements that make performance solutions costly and convoluted. It is becoming easier in many cases simply to build to the deemed-to-satisfy standard, which means that innovation is not being encouraged, and the industry is the worse for it.

³ Australian Uniform Building Regulations Co-Ordinating Council (December 1988): "Building Code of Australia 1988", page 2

Variations at a state and territory level are a particular concern – currently constituting a third of the pages in Volume Two of the NCC, for example – making a mockery of the Code being a national document.

Activists have sought to change the focus of the Code from acceptable minimum standards to “best practice”, which it was never intended to be, as they drive the Australian Building Codes Board to introduce more provisions for policy interests such as sustainability, energy efficiency, and (now) facilities for electric vehicles, rather than its original focus of safety, health, and amenity.

The 1988 Code was 209 pages long. The building volumes of the current NCC (not including the Plumbing Code) number 1,196 pages.

While there have undoubtedly been developments in the industry over the last 30 years, the increase represents 27 new pages added to the Code every year since 1988.

Although we recognise that the Code has been revamped several times since the late 80s, the increase is indicative of the highly regulatory nature of the ABCB and the apparent attitude that the Code is the only pathway available for change.

Industry recognises that there are safety drivers to the NCC, particularly given some notable failures, but regulation should be proportionate, and risk based.

Stripping out unnecessary requirements from the NCC could materially reduce or stabilise construction costs, without having to make any other changes in the construction sector, which would help to bring down the price of housing without any increase to the risks faced by the community.

Simplification of the NCC would enable housing supply, and allow industry to innovate, while not reducing material standards overall.

Performance pathways within NCC should be more usable, preserving essential safety outcomes and improving housing supply, without excessive red tape.

By focusing regulation on the outcomes sought for safety and amenity, rather than treating the NCC as a catch-all, there are fewer grounds for breaches of the Code, and the construction sector can attend to the task of delivering the housing Australia needs.

Transparency and accountability

Urban Taskforce Australia agrees with the Government's call for greater transparency and accountability, and its desire to reduce the sheer size and complexity of the Code.

It starts with the initial assessment of proposed changes. As the paper notes, regulatory impact analysis is undertaken with full consultation “where substantial cost implications are anticipated”. This means that a lot of proposed changes can go through relatively unchallenged and with limited review of potential impacts.

Urban Taskforce Australia contends that the RIS process is potentially inadequate or flawed, that it is not delivering a true picture of the potential impacts by balancing the costs borne by one party with the benefits received by another.

Current cost-benefit analysis practices often equate intangible benefits for the community with direct impacts for the developer, with no consideration of the additional cost burden consequently being passed down to the consumer. It appears to assume that a developer will be able to absorb any additional expense if it delivers a perceived community benefit.

Changes to standards, without subjecting them to rigorous review, risk increasing costs via the back door, with nobody held to account if cost rises exceed expectations. This ignores the fact that the escalating cost of construction is adding to the delays in housing supply because financiers will not invest in housing development projects that are not financially feasible.

The discussion paper has outlined many views of industry that have already been collected and collated.

Urban Taskforce Australia supports most of those comments and urges the Federal Government to address them through the current review.

Conclusion

Urban Taskforce Australia welcomes the pause in new versions of the NCC for the duration of the National Housing Accord period and appreciates the Federal Government's intentions with the current review.

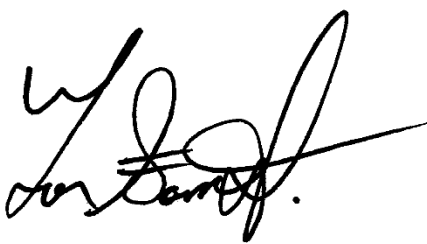
The construction and development sector is in desperate need of red tape reduction, sensible regulations that preserve safety, health, and amenity, and a simpler, more user-friendly National Construction Code.

Our answers to the questions posed in the discussion paper can be found in the following pages.

We look forward to seeing the findings of this inquiry and to contributing more to the improvement of construction regulation.

Should you wish to discuss any aspect of this submission further, please contact our Policy, Planning, and Research Analyst, Paul Waterhouse, on 0411-875-366 or via email paul@urbantaskforce.com.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tom Forrest', with a stylized flourish extending from the end.

Tom Forrest
Chief Executive Officer

Response to Questions

Theme one: Governance and process

1. Does the current ABCB governance model work? Why or why not? What should change, if anything?

No. The model does not work. It is difficult to make changes to the Code – even minor ones – without either being within the inner circle (part of the BCC or PCC), providing a significant level of research, or having a groundswell of people calling for the same change. Changes become an exercise in politics.

Changes **must be** backed by an independently undertaken Cost Benefit analysis, commissioned by the Commonwealth Treasury which examines the impact on supply chains, the cost of compliance and the broader social impact arising from diminishing housing affordability.

Staff managing the Code are resistant to change unless it relates to one of the priority project areas, making it harder to secure simple amendments. Reducing regulation and applying simpler performance measures to deal with technical non-compliances rarely happens.

Both the ABCB and Standards Australia should have broader feedback loops, where queries from users or industry bodies are automatically placed in a pool for review with the next edition of the Code. Too often enquiries from industry are met with a defensive response and reference to faceless experts or the “original intent” of the standard – notwithstanding the negative impact its application has had.

A research program should be undertaken to determine where builders on the “coalface” are having the most difficulties, and an active program of deregulation should be adopted to remove unnecessary restrictions within the Code.

The Code currently operates as a “how-to” manual, through the DTS, when it should be a “what-to” document, focused on performance. Performance standards need simple and clear verification methods to facilitate the use of alternative solutions and reduce reliance on DTS.

2. How effective is the current model at facilitating adequate stakeholder engagement? How could it be improved?

Organisations involved in the development of the NCC are informed about consultation dates, but for others it is not clear when changes are being considered and how they can have their views considered.

The ABCB should have a regularly reviewed and updated database of stakeholders who can be emailed whenever a change is being considered and should make public announcements about consultations. As CEO, I have not received any advice or information from the NCC or Standards Australia.

Federal, state, and territory ministers should be encouraged to promote public consultation processes, so that those in the community who have an interest in responding to changes are informed about access and response times.

Changes to standards, and consultation on those, need to be made more public and more accessible, so that users of standards can provide their own feedback.

3. What is the best governance model to ensure independent and quality advice is provided to Ministers as the final decision makers of the NCC and related matters?

The ABCB should not adopt any specific approach but should review its channels to see what changes might be needed, informed by what other organisations do.

No external model will work perfectly in a new environment, and it is an unwise approach to public policy simply to supplant something that has had success elsewhere.

But the ABCB could learn from elements of each of those other governance models and create its own system that best enables it to fulfil its function.

4. What is the optimum cadence for making changes to the NCC and what is the best way of introducing changes to the NCC?

Work should continue to make changes to the NCC, but it should be stretched out over a longer period.

So, if a five-year timeframe were adopted, the ABCB should be consulting on changes throughout that phase, putting all amendments through at the same time.

Any mooted changes should be publicised by the ABCB so that builders can choose to apply them before the next update of the Code, but this should only be on a voluntary basis.

This would allow the NCC to remain a minimum mandatory standard, while allowing practitioners to adopt higher standards earlier than required if it suits them to do so.

Theme two: Complexity and regulatory burden

4. What should the role of the NCC be? Are there opportunities for the NCC to set minimum standards but provide pathways that effectively encourage the adoption of best practice?

The NCC should be focused solely on implementing minimum standards.

Efforts to encourage "best practice" in the past have ended up resulting in much higher than minimum standards being mandated, regardless of cost or relevance.

By pursuing "best practice" pathways, the ABCB is inappropriately manipulating the market, without any risk of cost or consequence falling on itself or its committee members.

There is a multitude of organisations providing "best practice" guidance – some of them differing significantly on their definitions of "best practice" – and practitioners are always able to turn to them for guidance on what they might do better.

"Best practice" pathways should not be used as an excuse to push desired policy outcomes through blunt regulation, rather than providing incentives and allowing practitioners to make their own minds up about what will work for their project.

The ABCB should focus on minimum standards and only change them when there is evidence of a significant problem arising.

5. What parts of the NCC could be improved to remove complexity, ambiguity or duplication?

The whole Code should be reviewed to remove complexity, ambiguity, and consistency, starting with the state and territory variations.

In a country of 27 million people, it is nonsensical for there effectively to be eight different Building Codes, with variations based largely on the opinions of individual officers representing their jurisdictions.

The NCC should be a truly national document, with all construction required to comply with the same provisions.

Other areas worth reviewing include duplication between standards and the NCC and conflicts arising through drafting that may not have been picked up before publication.

The NCC should be returned to the minimum standard, performance-based, document that it was originally intended to be.

6. How can affordability and productivity implications be better considered in the NCC process (e.g., alternative approaches to presenting regulatory impact analysis)?

The ABCB tends to try to factor all perceived benefits into its regulatory impact analysis, in an effort to assess community benefits.

While some consideration of broader benefits may be warranted, the direct cost to those who have to deliver must be the priority. Private sector developers are not the government. We must deal with the market realities of the property sector.

Just because something may help others at some time in the future, it doesn't mean that it remains feasible for those constructing the building in the short term.

If the costs of construction get too high – and they have been escalating rapidly in the last five years – private sector buildings will no longer be feasible and will not be built.

The public sector can adopt optional, upgraded, or leading practice standards for public assets, but to impose those optional requirements on sectors of the economy raises additional barriers to feasibility.

7. Do you find it difficult or costly to comply with the NCC? If so, what would make it easier and more cost effective to comply without compromising building quality and safety?

It should be simpler for practitioners to use performance measures to propose alternative solutions.

The level of compliance, modelling, and proof required at the moment can serve as a disincentive to performance-based alternatives, driving up cost and complexity, and forcing practitioners to fall back onto the prescriptive deemed-to-satisfy measures.

More needs to be done to encourage innovation and experimentation, so that the construction sector learns new ways of doing things and doesn't just churn out the same buildings over and over again.

8. How do state and territory variations impact cost and productivity? Which of these variations have the greatest impact?

The impact of state and territory variations is significant, however, they do enable local factors to be considered. Making rules for Sydney is very different to Hobart or Darwin. What might seem sensible for apartments in smaller jurisdictions can have a massive negative impact on apartments in Sydney or Melbourne.

Having the capacity to plead our case to State Ministers responsible has been critical. This opportunity outweighs the lost productivity arising from variations.

If the BCC were completely would back, as proposed in this submission, to deal only with minimum safety and engineering standards, then having a single consistent code would be sensible.

Variations based on climate are also necessary reasonable, as there are different considerations for alpine regions compared to tropical areas.

Theme three: Useability and accessibility

9. How could the NCC be improved to make it easier to understand and use?

The NCC needs to be stripped back to a set of minimum standards. It, along with all documents associated with Australian standards (along with the Standards themselves), should be freely available.

10. How could the NCC better interact with regulations that sit outside the NCC (e.g. with international standards and Australian Standards referenced in the NCC)?

Standards that are being considered for inclusion in the NCC should be exhibited publicly, so that those using the Code are aware of what's being proposed and can provide commentary.

The system of a free NCC, but paid standards, does not work, as it either increases costs for practitioners or those who should be using them find work around solutions.

If standards are being used as quasi-regulation, they should be made freely available.

Upgrades to standards should be done infrequently and only due to safety or quality concerns.

The same rules should apply for international standards.

11. How do you access the NCC (e.g. on a device or via a printed copy)? Do you find it easy to locate and use? What would make it easier to use?

The online version of the NCC can often be complicated and difficult to navigate. The Australian Building Codes Board should look at the NSW legislation website – <https://legislation.nsw.gov.au/> – which has a simple interface that allows easy access to information.

It has good search functionality and provides links to related, subordinate, and parent legislation.

It also includes history notes so that you can see when various sections have been amended, and can find the amending instrument, and has point-in-time versions of legislation, so if you can identify what the law required at a particular date.

Theme four: innovation and housing diversity

12. How could the NCC better incentivise innovative ways of building? Does the performance solution pathway adequately promote innovation and new approaches or are there other approaches to more effectively encourage these outcomes?

The performance solution pathway has been made too complicated and costly, forcing more practitioners to rely upon the deemed-to-satisfy provisions of the NCC.

There should be simpler processes introduced for demonstrating compliance and more encouragement to adopt innovation and new technologies.

13. How could the NCC better support diverse types of housing (e.g., medium density, commercial retrofits)?

A simpler NCC that focuses on safety, amenity, and quality, rather than a range of other public policy goals, would benefit the construction sector and make the delivery of new housing easier.

14. Are there barriers to introducing new building products and methods? What are they and how could the NCC be improved to support their uptake by the construction industry?

With greater reliance on the deemed-to-satisfy provisions of the NCC, the ability to use new building products and methods tends to be curtailed.

The regulators should only be putting barriers to new materials or approaches where there are demonstrated safety concerns, not because those around the policy table are not experienced in, or knowledgeable about, their use.

Modern methods of construction are being supported through initiatives across the country – the fact that the NCC makes it harder to apply them appears to be counterproductive to the government programs currently supporting them.