



Business Council of Australia

26 February 2026

National Construction Code Modernisation Review  
Treasury  
Via Webform

Dear Review Team,

The Business Council of Australia welcomes the Government's commitment to the reform and modernisation of the National Construction Code and its governance. Our members represent the largest businesses across the economy, including builders, property developers, and building products manufacturers and suppliers. As the CEO of the Business Council of Australia, I was a participant in the Treasurer's Economic Reform Roundtable last year and supported the need to review the Code.

Australia faces a housing supply crisis. The nation needs more homes, and red tape is a major impediment to delivering that supply and providing people with places to live. Over the last several years the cost of delivering a home has risen significantly, well above the level of inflation.

In this context, **the National Construction Code must be focused on a minimum set of requirements necessary for the delivery of safe, reliable, and efficient buildings with appropriate amenity and functionality.** It should not be the tool that layers on extensive additional elements, with no regard to the cost and implications of doing so. And yet there is real concern that it has become the latter.

The requirement for every building to deliver on 'best practice' across every domain creates rigidities that result in an inability to tailor requirements to differing price levels. Obviously, there will be developers that strive to achieve that and deliver for a market that has capacity to pay at the higher end, but there must be scope to deliver quality affordable housing that is accessible to a broad range of consumers. The risk of overspecification is that fewer dwellings are being delivered and are more expensive. That means higher prices and more difficulty for everyday Australians simply seeking a place to live. The consequence of that, along with other regulatory imposts like restrictive zoning and inefficient permitting, has contributed directly to the inability for Australians to find affordable housing. At the same time, high profile building quality failures have eroded the public's confidence in new buildings.

The Code must go back to setting the minimum requirement for safety, reliability, efficiency, and amenity/functionality which are absolutes. Improvements beyond that can then be provided through decisions made by the developer, depending on the project's circumstance, rather than mandated by government. The entirety of the Code should be reviewed to pull back unnecessary requirements. Where relevant, the focus should be on outcomes to be achieved, as opposed to dictating the more technical construction methods employed to achieve them to allow for innovation.

These changes need to be undertaken in parallel to reforms by state governments in respect to the operation of their planning systems and building systems, to address other systemic issues that limit new housing supply and drive up the cost of housing. This includes tackling quality issues in some parts of the sector where aspects of the Code are not being adhered to, rather than layering on additional state-based requirements and associated costs.

In addition to this broad review of the Code itself, we have identified the following areas that we propose as part of the modernisation effort:

### **Governance**

- The Australian Building Codes Board is heavily weighted towards representation from state and territory bureaucracies. It lacks sufficient and broad industry representation at a Board level. At both Board and Committee level there is limited technical expertise. This must be rectified.
- Ideally, building ministers should be focused on deciding policy direction, and whether or not proposed amendments deliver the desired policy outcomes, not technical requirements on how such policy should be delivered.
- The Board must be properly resourced and funded. This funding should be sufficient for it to engage appropriate technical expertise, and to undertake proper consultation.

### **Management of the National Construction Code**

- The frequency of updates to the Code should be lengthened to five-year periods, rather than the current three-year cycle, to provide more stability and certainty of the minimum requirements; with one year transition periods. Developments which are lodged with state/territory or local planning authorities should be able to be grandfathered to the version of the Code as applicable at the time of lodgement, and there should not be retrospective application for buildings already in development or delivery, which occurs in some jurisdictions.
- The Code must be nationally consistent. States and territories should be compelled to strip back their own changes, and should not be able to use planning systems to add additional requirements. This practice undermines the national nature of the Code.
- Requirements should be rewritten for clarity, and to reduce the need for interpretation. There should be a forum to seek legally robust guidance on implementation and interpretation where it is required, rather than relying on court precedent.
- The nature of how the Code is accessed needs to be completely reconsidered. Its useability, readability, and accessibility are poor. The use of heavily cross-referenced Standards that sit behind a paywall is not appropriate for what are minimum requirements under law; the entirety of the Code must be free and openly accessible. There is an opportunity to fully digitise the Code, and to uplift content with improved visualisation.
- Additional technical expertise in review could eliminate contradictory and overlapping clauses that complicate the Code, create confusion, risk accurate interpretation, and result in unnecessary construction costs.

## Change processes

- All changes to the Code must be informed by proper technical input, with minimum rounds and timing for consultation with industry. This includes industry consultation prior to release of a full updated draft, and best practice consultation such as demonstration of how feedback and trade-offs have been considered.
- All major changes should be required to undergo a Regulatory Impact Statement, with changes that cannot demonstrate a positive cost-benefit impact being rejected. Given the cost imposed on builders results in flow on impacts to housing and other building cost, this is essential.
- Proposals for Change should be public documents. The Board and the process of considering changes must be much more transparent and accountable to the public and stakeholders, including basics such as giving reasons for decisions, and publishing agendas and minutes.
- There should be a clearly articulated problem statement and objectives/purposes for every change or addition to the Code. This would mean when new requirements are put in place, it is clear why they are being proposed, the problem being addressed, and the purpose intended to be achieved. The lack of rigorous problem definitions opens the door to ‘solutions looking for problems’, which only serve to complicate the Code.

## Support for Modern Methods of Construction

- Gaps that impact the uptake of Modern Methods of Construction, particularly modular construction, should be addressed, so that productivity and quality gains from these delivery approaches can be realised more quickly. For example, ‘Deemed to Satisfy’ provisions that allow the use of fire-protected steel in Type A construction are only now just being included in NCC 2025 after having to overcome numerous roadblocks and delays dating back to 2019. Delaying such changes that offer improved choice increases cost, complexity, and approval uncertainty by forcing the use of performance solutions compliance by default. This undermines the repeatability, scalability, and productivity benefits that Modern Methods of Construction is intended to deliver.
- Compliance measures for Modern Methods of Construction need to consider not only certification for high volume products, but also smaller scale and more bespoke elements that are built offsite.

The Business Council of Australia will continue to take a close interest in the reform of the National Construction Code. We hope that this process will lead to wholesale reform of both the Code itself and its governance. The ever-expanding, increasingly complex nature of the Code is not sustainable, and if the Australian Government, along with state and territory governments, are serious about tackling housing affordability through supply improvements, then this reform opportunity must be seized.

Yours sincerely



### **Bran Black**

Chief Executive

Business Council of Australia