



Streamlining and Modernising the National Construction Code

Discussion paper

December 2025

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Manager
Media and Speeches Unit
The Treasury
Langton Crescent
Parkes ACT 2600
Email: media@treasury.gov.au

In the spirit of reconciliation, the Treasury acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples.

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Ministerial Foreword

The National Construction Code (NCC) plays a critical role in defining minimum nationally consistent standards to ensure buildings, such as homes, schools, hospitals and commercial premises, support safety and health, amenity and accessibility. However, the Productivity Commission has found that the growing volume of regulation imposed by all levels of government, including through the NCC, has contributed to poor construction productivity. Some aspects of the NCC and the way it is implemented can impose unnecessarily high costs on building construction and stifle construction innovation.

Australia has a housing shortage, driving the urgent need for reform. We do not have enough homes, where people need them, at prices they can afford. Fewer than half as many homes are built per hour worked compared to 30 years ago. For too many Australian builders, it takes longer to get approval for a home than it does to build one. This is holding back housing supply and making it harder for ordinary Australians to get into a home of their own.

Building on our ambitious \$43 billion housing agenda, the Australian Government is acting to streamline our regulatory environment. This does not mean compromising on critical safety and quality standards, which must be prioritised. Our vision for the NCC is a regulatory system that is simplified, easy to navigate, and cost effective – while upholding high standards for building quality and safety. This will be backed by governance arrangements and processes that are transparent, accountable, and support productivity and innovation in our building and construction sector.

This is a unique opportunity to reset the regulatory environment, but the Australian Government cannot do this alone. States, territories, local government, and industry are all critical partners in supporting effective building and construction regulation. We need close collaboration and input from all jurisdictions, industry and other stakeholders to ensure we get the system right.

We are seeking your best and boldest ideas to improve the NCC. I welcome your views on how we can modernise the NCC and its governing structures to better develop regulations, reduce construction costs, improve construction sector productivity, and ultimately increase supply.

The Hon Clare O’Neil MP

Minister for Housing

Minister for Homelessness

Minister for Cities

Chair of the Building Ministers’ Meeting

Streamlining and Modernising the National Construction Code

Introduction

Building and construction regulation serves an important purpose – it protects building occupants, ensures buildings respond to the needs and demands of society, promotes efficiencies through clarity of expectations and outcomes, and forms the foundation for confidence and trust in the sector. Countering these positive outcomes, there can be a range of negative implications if regulation is not introduced in a considered manner, communicated and consulted on effectively, or holistically reviewed to ensure it remains fit for purpose and delivering on the intended outcomes.

State and territory governments will be important partners as the legislators of building and construction regulation, ensuring we take a practical approach to implementation.

The Australian Government's vision is for the National Construction Code (NCC) to underpin a streamlined, easy to use, and cost-effective regulatory system – while upholding high standards for building quality and safety. This will be backed by governance arrangements that are transparent, accountable and support productivity and innovation in our building and construction sector.

The aim is not to unwind or dilute building regulation, but to provide confidence and certainty around how buildings should be constructed through an easy-to-use NCC. The Australian Government remains committed to essential safety and quality changes, along with important policy settings, like the strong residential standards adopted in NCC 2022, including 7-star energy efficiency.

This Discussion Paper marks the next step in the Australian Government's efforts to improve and modernise the NCC. It builds on the decision to pause the NCC until mid-2029, following the finalisation of necessary adjustments in NCC 2025.

By sharing your views, you will inform the Australian Government's future reforms to the NCC.

To support the modernisation project, and deliver on the Australian Government's vision for the NCC, there are four key themes that will be explored in this discussion paper:

- **Governance and process**
- **Complexity and regulatory burden**
- **Usability and accessibility**
- **Innovation and housing diversity**

The intent of these themes is to draw out key focus areas based on initial engagement and feedback across industry and stakeholder groups.

Across our diverse country, the construction and building industry touches on many aspects of our lives. Hearing a broad range of views and perspectives about the NCC, from all types of users, is crucial to us finding the right balance and identifying risks and solutions that are practical and deliverable for our community. We encourage thoughts and feedback from everyone, including, but not limited to, builders, tradies, construction service providers, and certifiers. Throughout this process, there will be engagement across Commonwealth, state and territory governments.

Responses and feedback beyond these themes are also encouraged, particularly if it supports the ambitions for safe, quality buildings that can be delivered cost effectively in a timely manner.

To stay informed about our work and contribute to other stages of our consultation, please subscribe to our mailing list by emailing nccmodernisation@treasury.gov.au

The state of the NCC – why pause and modernise now?

Overview of the NCC

What is the NCC?

The NCC plays a critical role in defining minimum nationally consistent standards to ensure buildings, such as homes, schools, hospitals and commercial premises, support the safety and health, amenity and accessibility of the Australians who live, learn and work in them. It is Australia's primary technical design and construction provisions and is prepared and maintained by the Australian Building Codes Board (ABCB) on behalf of the Commonwealth and state and territory governments. States and territories are responsible for NCC implementation and compliance.

What we've heard from stakeholders

The Productivity Commission's February 2025 research report, *'Housing construction productivity: Can we fix it?'*, found that dwelling construction productivity had been stagnant or declining for at least 30 years, with substantial increases in completion timeframes ultimately contributing to supply constraints and affordability challenges. This report identified a range of opportunities to support improved productivity across the sector, including a recommendation to undertake a review that considers elements such as NCC objectives, regularity of code updates, consistency of implementation, and impediments to innovation.

At the Economic Reform Roundtable in August this year there was broad consensus that commonsense changes could reduce the regulatory burden for builders and boost housing supply. Building on the Commonwealth's ambitious \$43 billion housing agenda, the Commonwealth Government committed to act on several reform areas to build more homes, more quickly.

The first of these commitments was to work with states and territories to pause further residential changes to the NCC until the end of the National Housing Accord period (mid 2029), following finalisation of NCC 2025. This pause excludes safety and quality standards, which will continue to be considered by the ABCB and Building Ministers. While this pause is underway, the Commonwealth also committed to work with states, territories and industry stakeholders to streamline the NCC. Building Ministers collectively agreed to progress these commitments at the Building Ministers Meeting (BMM) on 22 October 2025.

Based on conversations to date with stakeholders, four themes have emerged, and we are seeking responses as we consider the future of the NCC.

Theme one: Governance and process

This theme examines the governance structure of the ABCB and how the ABCB Office works to support the ABCB in developing updates to the NCC. Considerations include the process around proposing and making changes, such as cadence of updates to the NCC, how advice is provided to Building Ministers, the role of industry in the update process, and stakeholder engagement to inform decision making.

Theme two: Complexity and regulatory burden

This theme examines the role and purpose of the NCC, including opportunities to reduce state and territory variations and consider the adoption of international standards and best practice. It will also

investigate areas of duplication within the NCC and other building regulations, and how existing requirements and desired building outcomes can be achieved more easily and with less cost.

Theme three: Usability of the NCC

This theme examines how to make the NCC easier to understand, navigate and apply, without compromising building quality and safety. It will investigate opportunities that support productivity, innovation and compliance. This theme includes consideration of digital enablement, including AI use cases to improve usability and accessibility for tradies, businesses and households.

Theme four: Innovation and housing diversity

This theme examines removing barriers to the uptake of new materials or products, diverse housing models and the adoption of modern methods of construction (MMC), such as prefab and modular housing, which can be more cost effective and energy efficient.

Vision: The NCC has governance arrangements that support effective and transparent decision-making by Ministers and appropriate engagement with industry.

Theme one: Governance and process

Current governance model

The ABCB is the standards writing body responsible for drafting and maintaining the NCC. Established by an Intergovernmental Agreement (IGA), the ABCB can consist of up to 18 members, including an independent Chair (appointed by BMM), a representative from the Commonwealth, state and territory agencies responsible for building matters, up to 7 industry representatives (appointed by the BMM and only three of which are currently filled) and a representative of the Australian Local Government Association.

The ABCB reports to the BMM which consists of the Australian Government minister and state and territory ministers responsible for building and plumbing regulatory matters.

There are two technical advisory committees for the ABCB, the Building Codes Committee (BCC) and the Plumbing Code Committee (PCC). Both are national forums, with the former considering technical building regulation reform matters and the latter advising ABCB on technical plumbing and drainage regulation reform. They both play an active role in achieving sound technical decision making. The remit of the committees is purely technical.

The work of the ABCB is delivered by the ABCB Office. The CEO of the ABCB Office is accountable to the Board on delivery and decisions relating to the substantive workplan of the ABCB Office. For this reason, the CEO does not represent the Australian Government on the ABCB and does not speak on behalf of the Australian Government during ABCB meetings. Instead, the Australian Government is represented by a separate Senior Executive Officer.

From a day-to-day management and operations perspective, the CEO is an SES officer in the Commonwealth Treasury, reporting to the Director General Housing.

The ABCB is funded by the Australian, state and territory governments. Under the IGA 2020 (pending implementation of IGA 2025), the Commonwealth Government provided half of all government contributions (\$5 million for 2019-20 and 2020-21 respectively, and \$4 million for 2017-18, 2018-19, 2021-22 and 2022-23 respectively). This is matched by jurisdictions whose contributions are based on their relative share of total Australian building approvals. The funding arrangements are not indexed based on inflation, which has meant that funding has effectively reduced.

Current process to change the NCC

Since 2016, the NCC has notionally been updated on a three-year cycle, with adoption notionally on 1 May of the relevant cycle year, however both the 2022 and 2025 cycles were adopted “late”.

The ABCB Office develop new and revised content of the NCC, with the support of technical advisory and review committees and targeted working groups.

Regulatory impact analysis is undertaken with full consultation and decision regulatory impact statements developed where substantial cost implications are anticipated. Following the development process, the ABCB provides recommendations to building ministers on what should be included in the NCC for decision at the BMM.

The NCC is given legal effect when taken up by state and territory regulations and primarily applies to the design and construction of new buildings, structures and plumbing systems. However, it may also apply to all or part of an existing building, such as when it is undergoing renovation, alteration or addition. In addition, states and territories may vary aspects of the NCC by excluding, substituting or otherwise altering provisions to suit local circumstances.

What we've heard from stakeholders

The main concerns raised by stakeholders include:

- **Disagreement on cadence of changes:** There are mixed views on the NCC's 3-year amendment cycle with some arguing it is too regular, increasing the regulatory burden on industry to adjust to changes; while others believe regular updates ensure the industry is up to date with development of technologies and quality expectation.
- **Quality and rigour of stakeholder engagement and development of technical advice:** The development and implementation of NCC provisions has been rushed, resulting in ineffective stakeholder engagement and inadequate technical advice on the impact of implementing changes.
- **Poor governance:** Less than optimal set-up of the ABCB and ABCB Office including real or perceived conflicts of interest, a lack of transparency around the role of the ABCB in providing advice to the BMM, lack of role clarity for state and territory officials serving on the ABCB, insufficient funding for the ABCB Office, challenges of competing policy priorities across and within jurisdictions, a lack of broad community wide representation, and confusion around the role of the ABCB Office.
- **Inconsistent approach to adoption and implementation:** Growing number of variations and inconsistent adoption of new editions of NCC making it more difficult for businesses to scale and operate nationally as they need to learn specifics of each jurisdictional application of the code and insufficient guidance and education around changes.

Drawing inspiration from other governance models

There are lessons to be learnt and elements that could be leveraged from looking at other organisations that provide independent advice for ministerial decision making. For example:

- The National Research Council (NRC) of Canada is an independent research body which has extensive in-house research capabilities that allow NRC to contribute credible, evidence-based advice to the National Model Codes Development system. A strong emphasis on technical capability requires sufficient funding and training and helps build high public confidence in decision making.
- Food Standards Australia New Zealand (FSANZ) and the National Transport Commission (NTC) incorporate independent statutory commissions which have a strong commitment to national

consistency and an emphasis on meeting community needs. Building on a shared vision for national consistency including community wide perspectives ensures buy in and cohesion in implementation.

- The Anti-Dumping Commission (ADC) is headed by an independent Commissioner who is a statutory appointment and empowered to make recommendations to the Minister. Similar to the ABCB Office, staff of the ADC are legally employed by an Australian government department. Users of the anti-dumping system have the opportunity to advise government on its operation through the International Trade Remedies Forum.

We welcome your views on:

1. Does the current ABCB governance model work? Why or why not? What should change, if anything?
2. How effective is the current model at facilitating adequate stakeholder engagement? How could it be improved?
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?
4. What is the optimum cadence for making changes to the NCC and what is the best way of introducing changes to the NCC?

Theme two: Complexity and regulatory burden

Vision: The NCC is streamlined (with fewer duplications and inconsistencies), reducing the regulatory burden on our building and construction industry.

The role of the NCC

As a performance-based code, the intent of the NCC is to provide minimum level performance requirements, without mandating prescriptive methods for how these are to be achieved. This approach should also allow for over-performance or higher standards to be achieved by industry if they choose to do so. In some buildings, for example, owners and occupants may wish to achieve higher than minimum standards for energy efficiency, fire safety or other aspects of the building, which are not mandated by the NCC. These higher standards typically result in higher costs.

In practice, this has not played out as intended. Decisions can be subjective and open to interpretation by building certifiers. Often there are additional documentation requirements for performance solutions that can have a cost impact. This has resulted in industry preferences for Deemed to Satisfy (DTS) approaches, particularly in residential construction as these have mandatory acceptance.

The NCC allows for different requirements to accommodate different climates and other risk factors. Elements considered in the NCC include the adoption of wind regions, climate zones (for condensation and energy efficiency), and consideration of flood construction requirements. In addition, state-level variations allow for states and territories to amend the NCC to suit local circumstances, although with trade-offs against having a single national system.

What we've heard from stakeholders

The main concerns raised by stakeholders include:

- **NCC to support best practice versus a minimum national standard:** There are calls from some stakeholders to embed best practice in the NCC rather than set minimum standards. This would give clarity around what is best practice and how to achieve it, raising the standard of construction. Whereas other stakeholders believe that a minimum standard code provides flexibility without preventing best practice and argue that a more prescriptive best practice approach would result in greater regulation and greater building costs.
- **Long and complex:** The NCC has 2000 pages and over 100 referenced standards, which contain extensive requirements to consider a range of construction methods in building design. While there are benefits in this approach to providing flexibility, it may also introduce higher levels of regulatory uncertainty, complexity, and burden. This growing code complexity has resulted in a greater level of subjectivity in design compliance and approvals processes. Undue work to rectify and navigate convoluted processes diverts resources that could otherwise be invested elsewhere, such as training workers, or exploring and adopting new innovative approaches to building.

- **Inconsistent adoption and application of the NCC:** There are growing state and territory variations and additional jurisdictional requirements added as NCC provisions are adopted by jurisdictions. While there needs to be scope to differentiate and incorporate jurisdiction-specific requirements, 600 of the NCC's 2000 pages are dedicated to state and territory variations. Some local governments also impose different rules that impact how new homes will be built. This has resulted in additional uncertainty and compliance costs for industry, which are often passed on to consumers. Inconsistent implementation of the NCC also impacts organisational efficiency and work throughput, making it harder for business to scale and dampening productivity.

We welcome your views on:

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?
5. What parts of the NCC could be improved to remove complexity, ambiguity or duplication?
6. How can affordability and productivity implications be better considered in the NCC process (e.g., alternative approaches to presenting regulatory impact analysis)?
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?
8. How do state and territory variations impact cost and productivity? Which of these variations have the greatest impact?

Theme three: Usability and accessibility

Vision: Increase productivity gains from a streamlined NCC that enables consumers, builders, businesses and tradespeople to easily access and understand the code (through an improved user experience that harnesses digital tools such as AI).

Leveraging technology to improve access and usability

To comply with regulation, end users must know about it and be able to understand it. The way the NCC was originally developed 30 years ago and the way we now access and use information has significantly changed. The NCC is a large text-based document primarily accessible via PDF, which makes it difficult to search and access on most devices. Work has been progressed to deliver NCC Online to enhance useability and engagement but there are opportunities to not only make the NCC easier to understand but also to harness new digital tools, including AI, to improve the user experience as well as unlock significant productivity gains by providing a seamless user experience.

By replacing manual processes with connected, data-driven systems, there is potential to achieve greater efficiency and collaboration. The basis for this, however, is well-designed and well-drafted regulation and processes which are machine-readable and executable.

A streamlined NCC text needs to be drafted and coded to enable digital delivery and reduce human error and risk of conflicting outcomes with manual interpretation. This can result in smooth processes for eligibility assessments and reporting.

With performance-based codes like the NCC, enabling digital delivery can enable the flexibility and innovation Australia needs in its building design and construction methods.

What we've heard from stakeholders

The main concerns raised by stakeholders include:

- **Difficult to access:** The NCC has become difficult to use with many users citing issues accessing the code on different devices.
- **Language is too technical:** Many NCC clauses use highly technical language that can be interpreted as confusing and hard to understand.
- **Difficulty accessing referenced standards:** Standards referenced in the NCC are often behind paywalls and or located on other sites, making access difficult.
- **Lack of adoption of international standards and best practice:** Greater use of best practice or mutual recognition of international standards (that meet Australian standards) would eliminate unnecessary regulation and unlock international markets.
- **Not intuitive to navigate:** Locating information within the NCC itself can be challenging with users often struggling to find the right Volume, Part, or Clause due to limited search functionality and confusing structure.

We welcome your views on:

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

Theme four: Innovation and housing diversity

Vision: An NCC that incentivises and supports the uptake of diverse housing models and modern construction methods.

Removing regulatory barriers to innovation and new ways of building

Australia needs a regulatory environment that supports innovation and a wide range of different types of housing. Innovative methods of construction, including prefabricated and modular construction, will play a key role in improving construction productivity. Productivity Commission analysis has shown that modern methods of construction could reduce the costs of homes by up to 20 per cent and construction times by up to 50 per cent. It is important that barriers to the uptake of new materials or products, housing types, and modern methods of construction are identified and removed.

What we've heard from stakeholders

The main concerns raised by stakeholders include:

- **Differing applications and interpretations of building classifications:** Inconsistent application of building classifications and requirements for latest NCC compliance across states, territories and local government results in stalled projects, industry frustration and ineffective use of building stock. While NCC building classifications are intended to ensure buildings are appropriately designed for occupants, there are an increasing number of circumstances where classification challenges are introducing significant implications to project viability across both new construction and retrofit.
- **Challenges promoting innovation through performance solutions:** The performance-based nature of the NCC means that innovation should be enabled and adopted. Despite this, there is currently inherent uncertainty in the adoption of performance solutions, and overarching cost and time barriers in developing them as the solutions appear to have become complex and costly. There is also an underlying risk that the solution is not accepted. The NCC does not provide a pathway for commonly used or proven performance solutions to be converted to the deemed to satisfy pathway, resulting in lower uptake of these innovations.

We welcome your views on:

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

How to get involved

With your help, we want to ensure the NCC is easy to understand and comply with – providing industry and consumers with confidence that buildings will be built to high standards without incurring delays or increased costs due to excessive or complex regulation.

We welcome your contribution as we streamline and modernise the NCC to create a regulatory system that supports increased productivity and incentivises innovation.

To stay informed about additional consultation opportunities on the Department's work going forward: <https://treasury.gov.au/consultation>.

Please provide submissions by 27 February 2026.