



Modernising the National Construction Code

Project Scope

Context

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, have contributed to poor construction productivity. Some aspects of the NCC and the way it is implemented can impose unnecessarily high costs on building construction.

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. In this context, all levels of governments have committed to an aspirational target of delivering 1.2 million new, well-located homes by June 2029 under the National Housing Accord.

However, housing construction productivity is declining. Fewer than half as many homes are built per hour worked than 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.

What the Commonwealth Government has committed to

Following the Economic Reform Roundtable held in August 2025, the Commonwealth Government committed to take decisive action to cut through the red tape and delays in approvals that are holding up the construction of more homes. 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.

Building Ministers collectively agreed to progress these commitments at the Building Ministers Meeting on 22 October 2025. The first commitment was 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 and state and territory governments committed to working together and with industry stakeholders to streamline the NCC.

Objectives

The Australian Government's vision for the NCC is a regulatory system that is **streamlined, easy to navigate, and cost effective** – 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.

This project will set the foundations for a NCC that is fit for purpose, by determining a principles-based approach for future changes to the NCC. It will also assess the cadence of changes and implementation processes, to ensure the NCC is effectively adopted.

This project presents a forward-looking opportunity to improve how the NCC is developed and applied. It is not an opportunity to scale back important performance standards. The Commonwealth will work with states and territories to ensure building regulation facilitates greater productivity, while maintaining existing construction quality and safety standards – including the 7-star energy efficiency and liveable housing reforms delivered in NCC 2022.

Scope

This project will examine:

1. Governance and process, including:

- a. the ABCB intergovernmental agreement, governance of the ABCB Office, the role of the ABCB Board in advising Building Ministers, and the role of Building Ministers in directing the work of the ABCB;
- b. the cadence of future updates to the NCC and how this process (including how changes are proposed, considered, and consulted on) can better meet the needs of consumers and industry; and
- c. how a more consistent approach to adoption and implementation can be achieved across states and territories.

2. Complexity and regulatory burden, including:

- a. the role and purpose of the NCC, including how affordability and productivity is considered when making changes to the NCC;
- b. how the NCC interacts with other regulations, including related standards, and is considered as part of the broader delivery process within the construction sector;
- c. opportunities to clarify requirements and remove duplication, ambiguity and inconsistencies; and
- d. how existing requirements can be achieved more easily and with less cost – without compromising building quality and safety.

3. Useability and accessibility, including opportunities to:

- a. integrate AI tools and improve digital delivery of the NCC to enable more tailored and accessible advice;
- b. make the NCC easier to understand, navigate, and apply for tradespeople, small businesses and households; and
- c. promote ease of use by practitioners, regulators and the community, including consideration of the NCC's interaction with referenced standards and the consideration of adopting international standards and best practice.

4. Innovation and housing diversity, including:

- a. how the NCC can best support construction innovation and modern methods of construction, for example, by increasing the use of deemed-to-satisfy solutions; and
- b. barriers to diverse housing models, including commercial retrofits, medium density housing, granny flats, etc.

Consideration of changes to planning schemes or other regulations and legislation such as the Environment Protection and Biodiversity Conservation Act are out of scope for this project. However, consideration may be given to how the NCC interacts with these other requirements.

Deliverables

The project will work closely with state and territory governments, and consult with industry stakeholders—including, but not limited to, builders, tradies, construction service providers, certifiers, the ABCB and other relevant government agencies at all levels.

When developing recommendations related to the scope outlined above, the project will seek to quantify expected benefits and savings in regulatory costs. Where practicable, the likely impact of recommendations on the time and cost of building homes will be quantified.

The project will provide a final report to Building Ministers by mid-2026.

Governance

The project will be managed by the Commonwealth Government through the Treasury and outcomes will be reported to the Chair of the BMM. The project will be supported by a lead advisor and expert advisory panel appointed by the Chair of the BMM. Consultative arrangements will be established across stakeholders including industry bodies, unions, and consumers.

The Treasury will support the delivery of the project through the provision of secretariat capability and project support to the expert advisory panel in close collaboration with Senior Officials and the ABCB. States and territories will nominate a lead Senior Official to represent their jurisdiction and facilitate access to relevant data and inputs as required to deliver the project. Progress updates will be provided to the BMM by the Chair as required.