



MASTER BUILDERS
A U S T R A L I A

MODERNISING THE NATIONAL CONSTRUCTION CODE (NCC)

Simpler Rules, Better Buildings



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INTRODUCTION

In December 2025 Treasury released the Discussion Paper Streamlining and Modernising the National Construction Code (Discussion Paper).

The Discussion Paper looks to progress the Federal Government's efforts to improve and modernise the National Construction Code (NCC or 'Code'). It builds on the decision to pause the NCC until mid-2029.

Master Builders Australia (Master Builders) has applauded the Government's decision to carry out this work and takes this opportunity to respond to the Discussion Paper.

The building and construction industry is facing a number of complex challenges including burdensome red tape and compliance requirements, significant and exacerbating workforce shortages, flailing productivity and a housing supply crisis.

Despite this, construction was the strongest contributor to GDP growth in the latest quarter, with value added rising 1.8 per cent, demonstrating the critical role the industry plays in Australia's economic growth and prosperity.

With interest rates on their way up again as the RBA grapples with renewed inflationary pressures and tight labour market conditions the ability of the building and construction industry to meet the Federal Government Housing Accord target and significant infrastructure program sits in a precarious position.

Even though the new home building pipeline is moving firmly in the right direction, we are still far behind our National Housing Accord targets. The first 15 months of the Accord saw less than 230,000 new homes started across Australia. If we were on track to deliver the Accord, 300,000 new homes would have been delivered by now. This represents a shortfall of over 71,000 homes and means that about 65,000 new homes need to be built per quarter on average over the remainder of the Accord. This compares with the 45,600 new homes that were started since the Accord kicked off in July 2024. Over the remainder of the Accord's term, new home building starts need to be 42 per cent higher than they have been so far.

Underlying this is Australia's poor productivity performance. Few industries are as exposed to the productivity crisis as construction. New figures show that construction productivity dropped by 2.8 per cent during 2024-25, its seventh consecutive year of decline. Productivity in our industry is now 21.5 per cent lower than 2013-14, a larger reduction than every other industry.

Over the past decade, no industry has performed worse than construction when it comes to productivity. The effects of this have been grim: ever deteriorating housing affordability, insufficient volumes of new home building and delays in the delivery of new homes. The poor performance of construction productivity also means that it costs more to create the vital infrastructure that we need. As a result, government capital and infrastructure budgets don't stretch as far. One of the most problematic aspects of weak construction productivity is the way it infects other parts of the economy and erodes the buying power of families' pay packets.

Deteriorating construction productivity doesn't just make it harder to deliver more new homes and new infrastructure. The speed of delivery has slowed considerably over recent years – one of the most tangible effects of our industry's productivity crisis.

Conditions are being made even more difficult by the escalation of building material costs – which are now 38.2 per cent more expensive than in 2019. The combination of productivity



losses, labour shortages and building material cost escalations means that building and construction output is 37.8 per cent more costly than in 2019. New houses are 47 percent more expensive than before the pandemic.

Regulations act as one of the biggest drains on productivity in the construction industry.

This is why the modernisation and streamlining of the NCC is so important.

With the Code not having been comprehensively reconsidered in over 30 years. Master Builders sees this as a once in a lifetime opportunity to ensure the NCC is fit for purpose and supports the delivery of building and construction work.

The expansion of the NCC

The Discussion Paper accurately outlines the importance of building industry regulation, especially those included in the NCC. The Code is a pivotal element of a complex web of regulatory arrangements that traverse the country aimed at ensuring safe, secure and quality building and construction work.

However, the document, once affectionately known as a 'glovebox compendium', has moved well beyond its original purpose not only in terms of size but scope.

Between the late 1980s and the early 2000s, Australia's construction regulatory framework underwent significant transformation.

The first major milestone occurred in 1988 with the inaugural Building Code of Australia (BCA), now incorporated into the NCC. This was followed in 1996 by the release of the first Performance-Based Building Code, marking a substantial shift from prescriptive regulation to performance-oriented compliance pathways.

From 1993 onward, State and Territory governments commenced the privatisation of building control, introducing systems for licensing Building Surveyors as accredited certifiers responsible for assessing and certifying compliance.

A further key development occurred in 2003 with the introduction of Energy Efficiency provisions into the NCC, embedding sustainability considerations into mainstream construction regulation for the first time.

Over this time, and in parallel, State and Territory governments have implemented an increasing number of variations to the Code, driven by local concerns and perceptions of gaps or weaknesses in the national document.

This set of nationally consistent minimum regulated building standards has transformed into a diverse regulatory patchwork encompassing areas not originally intended to be captured by the Code. Problematically attempts to implement 'best practice' and satisfy wider societal expectations or to address every perceived 'regulatory gap' via the Code, have simply muddied its purpose.

This evolution means that the NCC is no longer fit for purpose. It's sheer size, poor drafting, complexity and expanded remit beyond its core purpose has made it unwieldy and largely incapable of being used in practice; the result of which is poorer building outcomes, less productivity and higher costs.

The Code must maintain a clear and tightly focused purpose, centred on ensuring compliant design and construction in the confines of building control, as was originally intended.



Key Recommendations

Theme one: Governance and process

Governance and Independence of Australian Building Codes Board (ABCB)

- ▶ **Independence is essential:** The ABCB must adopt an independent governance model, operating at arm's length from Ministers and State/Territory administrators. The ABCB must be able to provide independent, evidence based advice to governments regarding policy proposals and directions that would impact the content of NCC and the operation of the broader building and construction industry.
- ▶ **Clear objective:** The ABCB's objective when administering and reviewing the Code are clear and adhered to.
- ▶ **Transparency and accountability:** Reporting mechanisms must be implemented, adhered to and publicly available.
- ▶ **Harmonisation is key:** Reducing the risk of disparate implementation of NCC changes across States and Territories through formalised Ministerial oversight and reporting is key to supporting consistency and clarity.

Policy Development must be:

- ▶ **Transparent**
 - A separate process must be undertaken prior to the drafting of technical regulation, with meaningful and open industry engagement.
 - Regular review is required to remove outdated or redundant requirements and acknowledge success, learn from the past and support continuous improvement.
- ▶ **Evidence-based**
 - Regulate only where a clear public interest exists (health, safety, amenity, sustainability).
 - Regulatory intervention must be proportionate and risk based.
 - Regulatory Impact Assessment must be carried out on proposed changes prior to inclusion with recommendations followed.
- ▶ **Outcomes Focused**
- ▶ **Consultative** throughout the entire process of considering changes to the Code, from policy inception and development to the development of technical regulations.

Theme two: Complexity and regulatory burden

Key to reducing complexity and regulatory burden is to clarify the role and scope of the NCC which must:

- ▶ Only **define minimum standards** for government intervention for design acceptance and construction.
- ▶ **Be clear:** The NCC needs an overarching objective.
- ▶ Focus on areas of **systemic failure**.



Regulatory stability also reduces complexity and regulatory burden:

- ▶ The fixed amendment cycle approach must be abandoned. Rigid cycles encourage an approach that 'looks for a problem'.
- ▶ Adopt a needs-based change model triggered by evidence and genuine impact.
- ▶ Transition periods are essential - WA's 12-month voluntary uptake model seen as gold standard. Education providers and project home builders need at least 12 months for major changes.
- ▶ Urgent and minor amendments, with no compliance impacts, can be actioned quickly while a fixed quality/fit for purpose review should be conducted every 5 years coupled with a holistic 10-year review.

Theme three: Usability and accessibility

Usability and accessibility of the NCC must be improved by:

- ▶ Adopting **plain language drafting principles** including:
 - Organising the document by construction sequence, including visual aids (drawings), explanatory notes, and clear hierarchy charts.
 - Ensuring a consistent approach is adopted to structure and hierarchy of requirements within the Code.
 - Defining key terms.
 - Simplifying the NCC's layout, numbering system and language.
- ▶ Providing **free access** to referenced Australian Standards.
- ▶ Developing a series of **guidance notes** to explain and provide practical information and advice on Code requirements.
- ▶ Addressing conflicting requirements. Where they remain clarify which takes precedence.
- ▶ Simplifying performance requirements; they must be clear and targeted.
- ▶ **Developing a volume of the Code dedicated to Class 2 buildings.**
- ▶ **For Class 1 buildings** adopt the 2015 approach to NCC Compliance. In practice this would mean moving away from the performance solution pathway as the first step, back to the first step offering a Deem-to-Satisfy provision with the option for an Alternative Solution. This offers clarity and certainty in relation to compliance as well as the optional flexibility.
- ▶ **For Class 2, 3-9 buildings** maintain the current performance solution pathway. This enables sophisticated players opportunities to adopt flexible and innovative solutions, along with more straightforward compliance pathways.

Theme four: Innovation and housing diversity

- ▶ Revising performance solutions to allow innovation and efficiency and not as 'workarounds' for failures in the Code.
- ▶ Develop a more robust building product assurance framework is required along with streamlined and consistent inspection and certification requirements will support innovation with clarity and certainty.



THEME ONE: GOVERNANCE AND PROCESS

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

Master Builders has no confidence in the current governance model of the ABCB and supports reforms to the governance of the ABCB that strengthens independence, transparency, technical integrity, and ensures the long-term stability of the NCC.

The building industry needs the governance model to recognise the importance of the NCC as the keystone for technical regulation in the Australian building control ecosystem.

We support a governance structure that takes its policy lead from the Building Ministers and State and Territory administrators but has greater independence in the technical delivery, ensuring clearer accountability, stronger industry confidence, and better long-term decision-making.

Critically, the mission and purpose of the ABCB must return to the approach outlined by the Productivity Commission in 2004, which articulated that the ABCB's role is to provide for efficiency and cost effectiveness in meeting community expectations for health, safety and amenity in design, construction and use of buildings through the creation of nationally consistent building codes, standards, regulatory building requirements and regulatory systems.

Two decades after the Productivity Commission first warned of systemic weaknesses in building regulation, the same governance, accountability and consistency failures remain largely unresolved.

The consequence is that Australia has lost 20 years without meaningful structural improvement, and unless these issues are decisively addressed now, they will continue to constrain productivity, undermine confidence in the regulatory system, and limit our ability to meet national economic, housing and societal aspirations for decades to come.

Governance and Accountability

Unclear governance and accountability remain a core weakness.

In 2004, the Productivity Commission warned that poorly defined roles between the national code body, governments and ministers would lead to opaque, contested decision-making.

Twenty years on, the Discussion Paper identifies the same confusion between the ABCB, the ABCB Office and Building Ministers, with stakeholders still unclear who is accountable for final decisions. Industry remains unable to determine whether outcomes are driven by evidence, Ministerial direction or administrative process, which is precisely the structural ambiguity identified in 2004.



National Consistency

The erosion of national consistency through jurisdictional variation persists. The Productivity Commission cautioned that State and Territory variations would undermine productivity and national markets without firm governance. The Discussion Paper now notes that a significant proportion of the NCC comprises jurisdictional variations and local overlays, increasing uncertainty and compliance costs.

Builders operating nationally continue to face materially different requirements for the same building type, directly reflecting the risk identified in 2004.

To that end intelligence from States and Territories on the operation of the NCC should be shared with the ABCB for considered improvement on existing provisions. Equally, State and Territory audit and compliance data should form the basis for all policy discussions/development.

Independence

The independence and credibility of technical advice remains unresolved. The Discussion Paper records stakeholder concern about conflicts of interest, insufficient technical rigour and declining confidence in advice. Ongoing debate over whether recent NCC changes were supported by robust cost-benefit analysis or broader policy priorities mirrors the credibility risks identified by the Productivity Commission.

Funding and Capability

Funding and capability constraints continue to undermine governance.

The Productivity Commission identified stable, adequate funding as essential to maintaining national coordination and technical capacity, warning that under-resourcing would weaken the system.

The Discussion Paper acknowledges that ABCB funding has declined in real terms, constraining capability, consultation quality and technical rigour. Increasingly complex regulation is still being developed without matching investment in independent technical capacity, as forewarned in 2004.

Regulatory Change Processes

Regulatory change processes continue to impose instability and productivity costs.

The Productivity Commission warned against overly frequent or poorly sequenced change that industry could not absorb. The Discussion Paper notes ongoing disagreement about amendment cadence and widespread concern that changes are rushed, poorly implemented and inconsistently adopted. Repeated delays and uneven uptake of NCC editions replicate the transitional failures identified in the original analysis.

Productivity

The cumulative outcome is long-run productivity failure.

The Productivity Commission explicitly linked weak building regulation governance to national productivity and warned that unresolved issues would entrench inefficiency for decades.

The Discussion Paper acknowledges that construction productivity has stagnated or declined for over 30 years, with regulatory complexity and governance weaknesses contributing. The outcome the Productivity Commission warned of in 2004 is now evident.



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

The current model does not adequately support meaningful stakeholder engagement at the policy-development stage.

The existing framework only provides the opportunity for stakeholder engagement at the end of the technical regulation development (public comment phase); however, this occurs only after government has invested significant time into the process.

This approach creates a significant organisational risk, as it can introduce bias (perceived or otherwise) into the consideration of stakeholder feedback: the ABCB has already undertaken a substantial project, including technical drafting, which may implicitly favour continuation rather than reconsideration.

Public consultation on policy should be clearly distinguished from consultation on technical drafting. Strengthening the process by engaging stakeholders earlier in policy design and decision-making would significantly enhance the quality and legitimacy of outcomes.

Early engagement on policy development would allow industry input into shaping potential solutions. It would also allow a clearer focus on the 'buildability' of the proposals at the technical stage. Together this will help government to develop meaningful change mechanisms and avoid inefficient or poorly conceived technical regulation.

We would however recommend caution when considering the consumer voice into a conversation regarding the development of technical regulation. If our recommendations are followed the policy development process is the place to capture consumer views and public interest both directly and through governments and their representatives.

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?

Master Builders recommends a governance model that will:

- ▶ Ensure nationally consistent technical regulatory standards are maintained and developed through a robust, evidence-based process.
- ▶ Ensure the independence of the ABCB from ad hoc political or policy direction while maintaining accountability to Ministers. The ABCB must be able to provide independent, evidence-based advice to governments regarding policy proposals and directions that would impact the content of NCC and the operation of the broader building and construction industry.



- ▶ Embed structured and timely stakeholder engagement and transparency.
- ▶ Prioritise regulatory stability for the industry irrespective of any 'amendment cycles or changes of government.
- ▶ Reduce the risk of disparate implementation of NCC changes across states and territories through formalised ministerial oversight and reporting.

[Attachment A](#) sets out further details regarding governance and structure.

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

Remove the concept of an 'amendment cycle'

The ABCB must move away from the concept of a fixed amendment cycle.

History has shown that this approach not only undermines industry confidence in the regulatory framework but also undermines the ability of industry to plan, price, and deliver work with confidence.

There is also confusion regarding which version of an Australian Standards applies during mid-cycle updates, highlighting the need for clearer version-control and communication processes.

Master Builders suggest the following approach:

1. A needs-based model for changes to the NCC, triggered by evidence and demonstrable impacts. This would better support industry uptake and outcomes.
2. Minor "live" updates would be permitted for clarifications or to respond to high-risk or urgent matters. This approach would reduce unnecessary disruption while maintaining the capacity to address urgent issues.
3. A standard 5-year formal review component could be adopted, similar to the way legislative reviews are carried out. The purpose of these reviews would be to ensure that the NCC remains fit for purpose and provide an opportunity to further streamline and modernise the Code.
4. A 10-year stakeholder confidence review to assess system effectiveness.

A key part of any review arrangements also requires the systematic transfer of data and insights from State and Territory regulators to the ABCB. Equally, routine inclusion of enforcement and audit data from regulators should be a core input to NCC review and development. This should capture the 'real world' experience of working to implement the Code and identify any weaknesses and gaps that need to be addressed.

Ultimately, industry proficiency and innovation arise from familiarity, stability, and clarity. A more predictable, evidence-based, and well-sequenced amendment process would better support these outcomes.



Transition is critical

A critical component of any changes to the Code is the provision of an adequate and realistic implementation timeframe. An adequate timeframe to understand, process and incorporate amendments is more important than amendment frequency.

Businesses, particularly small businesses require sufficient time to understand regulatory changes, incorporate them into established processes, and adjust their commercial models accordingly.

An analysis was undertaken by Master Builders Queensland, when the livable housing changes were to be included in NCC 2022, found that for a complex change such as this the cost to redesign standard plans was in the order of \$100,000 to \$700,000 per builder, on top of changes needed to display homes and redirecting supply chains. The longer the transition period, the easier it was to manage this cost within normal product adjustments¹.

The approach of volume project home builders should be a key consideration when looking at cadence of the NCC. These builders provide a significant share of the housing supply, and their model is particularly attractive to first home buyers.

Project home building relies on developing a standardised design and construction, then repeating delivery in a number of locations. This model is highly price-sensitive and performs best when there is stability and sufficient time to amend design details, secure supply chains, and ensure repeatable outcomes.

To maintain this model and to continue servicing their target market, adequate and appropriate transition arrangements result in improved affordability and quality for consumers, while enabling project builders to deliver more homes efficiently.

Master Builders recommends a minimum, 12-month transition period for successful adaptation to significant changes. This is the approach taken in Western Australia and has received positive support from our members.

Education providers also require a minimum of 12 months to prepare for significant updates, such as changes related to livable housing provisions. Predictability is essential for education planning, training delivery, and accurate pricing.

¹ [Transition for the accessible housing amendments in the NCC](#)



THEME TWO: COMPLEXITY AND REGULATORY BURDEN

The primary purpose of the NCC is to set and communicate the minimum standards expected by the community for our buildings. The first step is to draft the requirements for the audience of users and then target the lowest level of understanding.

This reflects the original purpose of Volume 2 of the NCC, yet things have moved on since its original inception. For example, in the lead up to NCC 2022 it was determined that someone with an education of up to 13-years should be able to read and understand the Code. At the time the NCC was evaluated it was determined that someone requiring 33-years of education could comprehend the document.

This is a wholly unacceptable situation.

Master Builders see there are four relatively simple steps that could be taken to reduce complexity and regulatory burden immediately.

- ▶ Firstly, the setting an overarching objective for the NCC would assist. This lack of clear objective becomes problematic when determining what should and should not be included in the Code.
- ▶ Secondly, simplifying the NCC's layout and language, while maintaining its objectives, could significantly improve compliance and reduce errors.
- ▶ Thirdly, the needs of small business must be considered. With 98 per cent of the construction industry made up of small and micro businesses ensuring that the Code can be used by SMEs is essential.

One framework that may provide some assistance is the European Union's Small Business Act that includes ten principles to support and enhance European SMEs². At [Attachment B](#), Master Builders sets out an example of how these principles could be applied within the context of the NCC.

- ▶ Finally, but most critically, the compliance approach under the Code is also worthy of re consideration, for example in 2015, compliance with the NCC had two steps. Since 2022 compliance involves three steps and fundamentally shifted the approach from one based around regulation of building work to one focused on the regulation of building approvals.

[Attachment C](#) compares the two approaches.

While Master Builders supports the concept of a performance-based code implemented in 1996 as it can offer more flexibility in compliance and can better facilitate innovation, this has not been the case in practice, particularly under Volume 2 in relation to your average house builder.

2 [Small business act: The 10 EU principles to support and enhance European small and medium-sized enterprises](#)



By and large member feedback from residential builders is that a deemed to satisfy solution that offers clarity and certainty in compliance should be the first compliance option. Requiring a performance evaluation for this sector of the industry has simply resulted in confusion, complexity and added cost. Certainty providing a pathway for alternative solutions is essential, but this should be the 'alternative' (as the name historically suggested) for those capable of engaging with the system in that way.

On that basis Master Builders recommends a return to the 2015 compliance approach for Volume 2 of the NCC with the remainder of the Code maintaining the current approach. This would enable innovation while also offering clarity, certainty and a cost-effective pathway to compliance.

5 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?

Master Builders strongly supports the view expressed by a Victorian residential builder:

"The NCC should remain a minimum standard, not a 'best practice' document. DTS should provide a clear baseline, with flexibility where prescriptive rules don't suit real-world housing design."

The role of the NCC must be strictly limited to setting minimum necessary standards for the design and construction of buildings to deliver safe, habitable and secure homes. This is a fundamental human right. The NCC must only prescribe these minimum standards to ensure homes remain affordable and available to all consumers.

Accordingly, Master Builders recommends a division of roles across Australia's building regulatory system. The NCC must remain a narrow, stable, and predictable instrument focused exclusively on setting minimum necessary standards for the safety, health, amenity, and habitability of buildings during design and construction. This ensures consistent enforcement, reduces compliance complexity, and supports housing affordability and supply.

The NCC does not, and should not, regulate every aspect of building performance or ongoing operation. Governments and the industry have other effective tools outside the Code. These include:

- ▶ State and territory legislation (e.g., Section 42 of the ACT Building Act 2004 and the Building (General) Regulations 2008 require work to be carried out in a "proper and skilful" way, referencing product information and industry standards not called up in the NCC).
- ▶ Australian Standards (e.g., lightning protection and tiling) that are widely adopted through market practice and civil remedies without being mandated by the NCC.
- ▶ Industry self-regulation and client/consumer-driven upgrades.



Because these mechanisms exist and function well, the NCC should not be burdened with regulating everything. Suggestions that it “could do more” misunderstand the broader building and construction regulatory framework.

Governments will, and should, continue to pursue higher performance outcomes in response to climate, equity, and community expectations. However, embedding these ambitions directly into the NCC as mandatory requirements has repeatedly led to regulatory creep, poor integration, unintended consequences (e.g., moisture issues from energy upgrades), elevated costs, and fractured adoption, as seen with NCC 2022. A more effective approach separates the NCC’s core regulatory role from aspirational policy goals.

Building standards above the minimum must remain the choice of clients and consumers, not a regulatory obligation. Elevating the NCC into a best-practice or tool to implement social policy increases costs, reduces housing supply, and ultimately risks removing safe, habitable housing from the very people it is intended to protect.

The problem with conflating minimum standards and best practice

The progressive introduction of requirements that exceed minimum standards has complicated NCC implementation and contributed directly to the fractured uptake of NCC 2022:

- ▶ Energy efficiency – introduced at 4 stars in 2003, lifted to 7 stars in 2022, with NatHERS creating a variable national scale.
- ▶ Condensation management – added in NCC 2019/2022 as a necessary but unplanned “second layer” after moisture issues emerged from earlier energy changes.
- ▶ Livable Housing Design provisions – another overlay that pushed the Code well beyond core habitability requirements, introducing conflicting requirements and adding significant cost.

Each example demonstrates the risks of using the NCC to advance broader social or environmental policy objectives. Implementation costs were higher than anticipated, integration was poor, and the result was regulatory complexity rather than better outcomes.

Example of current regulatory overreach

The proposed hob requirements for balconies in NCC 2025 provide a clear case in point. Had the development process focused solely on a true minimum standard for waterproofing and safety, the extraneous prescriptive elements would not have been included. This is exactly the type of mission creep the modernisation process must eliminate.

By maintaining a clear division between policy direction and intent and the development of technical provisions, the NCC can become more stable and useable, while governments pursue higher ambitions through smarter, more adaptive tools outside the Code.



6

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

Master Builders supports investigation into parts of the NCC that could be improved to remove complexity, ambiguity or duplication.

We would support undertaking this process firstly within the pause and then at regular intervals with the proposed structure of review Master Builders has outlined.

In the interim, Master Builders has provided some examples below of immediate changes that could be made to remove complexity, ambiguity or duplication.

These examples are far from exhaustive and are pain points that are currently front of mind.

Livable Housing Design provisions

The Livable Housing Provisions should be removed from the NCC.

The benefit to cost ratio in the Final Decision Regulation Impact Statement was significantly less than 1 in all circumstances (range of 0.14 to 0.39). This indicates that the NCC was a poor tool to implement this policy. A more recent assessment undertaken by quantity surveyors, Mitchell Brandtman found that the requirements are adding up to \$44,000 to the cost of new homes³.

Master Builders also notes the complexity around implementation of these provisions and the difficulties faced by industry in the renovation space. Conflicts remain with other requirements in the Code, for example termite management requirements, in regard to the location of termite barriers and waterproofing of bathrooms for existing housing that do not have existing structural stepdown to facilitate the bathroom requirements.

If Livable Housing remains there are essential technical fixes that are needed at a minimum.

Master Builders has identified eight essential changes which would address the most significant of these challenges including:

- ▶ Exempt dwellings from all the Livable Housing requirements where they are exempt from providing the step-free access path.
- ▶ Provide an exemption to the accessible entry requirement where it cannot be achieved through the attached parking area for slab on ground construction.
- ▶ Increase the maximum entry threshold to 8 mm on the shower designated to be hobless and step-free where it is also an enclosed shower.
- ▶ Where owners undertake to supply and install floor coverings after completion, compliance to the step-free threshold requirements becomes the owner's responsibility.
- ▶ Reduce the requirement for the reinforcing behind the toilet to 900 mm wide.
- ▶ Provide an additional option for studs at 300 mm maximum centres around the toilet and shower areas.

3 [QSNCC2022costings.pdf](#)



- ▶ Remove the requirement that the toilet be exactly in the centre of the circulation space.
- ▶ Allow the swing of the door to overlap with the circulation space as is permitted under AS1428.

Further detail on each these has been prepared by Master Builders Queensland⁴.

Objectives and Functional Statements

While Master Builders sees that there is value in maintaining these statements there should be a reconsideration to ensure:

- ▶ Their purpose is clear – Master Builders understands that these do not have a regulatory purpose, however, they do offer some guidance and insight into the purpose and operation of the provisions of the NCC and on that basis this should be set out clearly in the Code.
- ▶ Their drafting and layout should be consistent throughout the document.
- ▶ Objectives and functional statements could still exist as policy direction for drafting instructions for technical regulation. They would need to be tested via Regulation Impact Assessment and public comment.
- ▶ A clear process should be established for their review and amendment.

Facilities in Class 3 to 9 buildings

F4D4 needs to be rewritten. The term “unisex” or “all gender” needs to be used consistently, having both creates confusion.

Facilities in Class 3 to 9 buildings - dispensing and disposal of sanitary products

F4D4(6)(a) and (b) means for dispensing and disposal of sanitary products must be provided in sanitary facilities for use by females.

The NCC's scope and purpose is limited to regulate building work, as undertaken by licensed practitioners, through technical requirements that can be designed, constructed, inspected, and certified. Additions to the NCC that deviate from this operation are inconsistent and cause confusion.

For example, subclause F4D4(6) states that “Adequate means of disposal of sanitary products must be provided in sanitary facilities for use by females”.

This provision highlights a longstanding structural issue within the NCC regarding scope and purpose. F4D4(6) does not regulate construction work, but rather the operational fit-out and ongoing functionality of a completed building.

This creates several problems:

- ▶ The requirement does not constitute building work.
- ▶ The provision does not relate to structural elements, installed building systems, or construction methods. It instead relates to consumables and facilities management decisions made after occupation.

⁴ [NCC2022 - summary of essential changes](#)

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- ▶ It imposes obligations beyond construction and certification that Builders and licensees are required to comply with the NCC in carrying out building work.

Including operational requirements within the Code creates uncertainty as to whether builders are expected to ensure ongoing compliance with matters outside their control.

It introduces ambiguity in liability and compliance where requirements relate to post-construction use, there is a risk of perceived or actual liability for builders for matters that arise after handover, including during occupation or maintenance phases.

In this example, Master Builders supports the intent of ensuring appropriate sanitary facilities in completed buildings and acknowledges that such requirements are necessary for buildings to function as intended. However, embedding operational or use-based requirements within the NCC undermines the Code's clarity and coherence.

Provisions such as F4D4(6) are important; however, they would be more effective and aligned with their own policy intent if located in a more appropriate regulatory framework outside the NCC, such as occupational health, public health, or facilities management regulations.

Master Builders would like to see this clause and clauses like them removed from the NCC.

Volume 2, Deemed-to-Satisfy Provisions for Wet Areas

Consider future removal of:

- ▶ The Deemed-to-Satisfy Provisions for Wet Areas (H4D1) reference to Part 10.2 Wet area waterproofing (H4D1 will need to be redrafted).
- ▶ Deemed-to-Satisfy Provision H4D2
- ▶ Deemed-to-Satisfy Provision H4D3
- ▶ Encourage the reintroduction of the scoping table back into AS 3740.
- ▶ Consider future removal of Part 10.2 Wet area waterproofing from the Housing Provisions.
- ▶ The Code's interaction with the standard over the last 15 years has eroded the potency of the Standard (AS 3740) and created confusion throughout the industry (Builders and Water proofers).
- ▶ The caveat for actioning the above is that AS 3740 must be revised and include a scope for waterproofing.

Residential energy efficiency

Residential energy efficiency needs to be simplified and integrated into the structure of Volume 2 of the NCC. Currently residential energy efficiency sits as an overlay within Volume 2; this is not in line with the intention Volume 2 and does not fit the style of drafting.



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

Master Builders sees that affordability and productivity implications must be a priority consideration when considering the content of the NCC.

A more rigorous and transparent consideration of affordability and productivity within the NCC could be achieved through the establishment of a structured and comprehensive cost assessment process that spans the full pathway from policy development to technical provision delivery.

The first estimate of cost would be undertaken at the policy inception stage and would require the early definition and costing of current (status quo) construction practices, alongside an evaluation of the cost implications of proposed regulatory changes using a representative project comparison framework.

This costing methodology would then be consistently applied throughout the technical regulation development phase to ensure continuity, transparency, and traceability of assumptions.

Complementing these efforts, a thorough regulatory impact analysis (examining the societal level costs of maintaining existing requirements relative to adopting new ones) would offer a more complete understanding of the economic consequences of reform.

By explicitly quantifying these differences, the process would strengthen the evidence base for decision making and help ensure that any new regulatory obligations do not impose disproportionate burdens on industry or the broader community.

Early-stage analysis should include:

- ▶ Bills of quantities.
- ▶ Estimated labour cost
- ▶ Application of the proposal on agreed template(s).

To that end, where impact analysis concludes that the costs will outweigh the benefits this conclusion must followed. We have seen examples where despite this outcome, the changes have progressed. This is an unsatisfactory approach which adds unnecessary cost to new construction and must be avoided.

Aggregation of cost of all changes made to a version of the NCC should be undertaken and communicated. This should also form part of quality review process of the Code.



8 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?

The building industry consistently reports that achieving compliance with the Code is both challenging and costly.

Australia's building and construction sector comprises approximately 465,000 businesses, the overwhelming majority of which are small enterprises. Around 98 per cent employ fewer than 20 people, and more than half operate with no employees at all.

Given this structure, the sector has limited capacity to engage with the scale and complexity of NCC obligations. Many businesses simply do not have the resources, dedicated staff, or specialised technical functions required to interpret and implement the full suite of regulatory requirements.

Like any business, construction companies rely on repeatable processes to operate efficiently. However, construction projects are inherently complex. Even a small residential build can involve hundreds of individual products, multiple contractors and stakeholders, stringent safety and environmental requirements, and continuous financial management. Layered on top of this are extensive technical regulatory obligations, each of which introduces risk in and of itself.

Volume 2 of the NCC was originally established to simplify and reduce the cost of compliance for the housing industry. However, since its introduction in 1993, it has expanded from a 93-page document to an 889-page volume in 2022—an increase of more than 800 per cent over 32 years (This doesn't consider the 120+ reference Australian Standards and thousands of secondary referenced Standards). This growth has significantly increased the regulatory burden on small construction businesses.

Streamlining and reducing the volume of technical regulation would help ensure compliance is more achievable and cost-effective, without compromising building quality or safety.

Currently the NCC Volume 1 has 74 Performance Requirements and Volume 2 has 26 performance Requirements.

As the Performance Requirements are the compliance level of the NCC, they need to be aimed at a practical level, able to be understood and implemented by practitioners and regulators.

Clear and concise regulatory requirements—particularly within the Performance Requirements—would further support industry capability and lead to more consistent, safer outcomes across the built environment.



As an example, the compliance requirements for Wet Areas for housing currently say:

To protect the structure of the building and to maintain the amenity of the occupants, water must be prevented from penetrating—

(a) behind fittings and linings; or

(b) into concealed spaces,

of sanitary facilities, bathrooms, laundries and the like.

It could be amended to say:

a) Water must be restricted to wet areas.

b) Water source(s) must be coupled with drainage equal to or greater than the flow rate of the fixture(s).

This simple amendment captures all the existing requirements with minimal “noise” to distract the reader.

Performance Solutions

Performance solutions create regulatory risk and uncertainty in construction. As mentioned earlier in this submission, the deemed-to-satisfy pathway is preferred for home builders.

There is a lot of inefficiency in needing to repeat the same performance solution in each project, particularly for housing.

There must be a move towards the ‘sharing’ of performance-based solutions; the principle that once approved for a certain use, that solution can be used again without the need for approval. The notion of ‘accepted or approved performance solutions’ is worthing of investigation. CodeMark – certification of performance solutions is not serving this purpose.

In these scenarios there also needs to be a red flag that the Performance Requirements and/or Deemed-to-Satisfy must be revisited.

Examples

1. Walls built to boundary can never provide the clearances needed and always require a Performance Solution.
2. Falls to wet areas: the addition of the 1:50 maximum gradient in NCC2022 is impossible to comply with in wet areas that are not perfectly square. If the intent is to address slips and falls, it would be better to specify a minimum slip resistant tile (P2/P3).
3. Livable Housing Design Standard: the lack of tolerances often leads to an expensive and time-consuming exercise of employing an access consultant at the end of the build to produce the paperwork to sign off deviations of a few millimetres.



9

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

Master Builders supports a nationally consistent approach to the NCC noting that divergence adds cost and complexity and additional red tape. It also introduces uncertainty along the supply chain where various building products and materials may be involved in ensuring compliance with the Code.

In our view State and Territory variations signal items that should not be in the Code. Areas where national consensus cannot be reached should not be adopted into a national document.

Further, with a country as large as Australia local circumstances may need a tailored local response, driven by those familiar with that environment.

The Livable Housing changes are the most recent example where the level of State and Territory variation should have sent a strong message regarding a lack of appetite for adoption. It illustrates a failure to reach agreement and respond to local conditions.



THEME THREE: USABILITY AND ACCESSIBILITY

Master Builders agrees with the vision and commentary outlined in the Discussion Paper in relation to this theme.

Along with the complexity of the NCC itself, by far the most significant hurdle to compliance is an inability to navigate the document with certainty.

As noted at the outset Master Builders is of the view that returning Volume 2 of the NCC back to its original purpose as a 'glovebox compendium' along with developing a dedicated Volume for Class 2 buildings would improve the usability and accessibility of the Code.

As noted in the Discussion Paper harnessing digital tools such as AI offering significant opportunities to make improvements with respect to this theme, however, at this stage, the priority should be ensuring the text of the document is usable and accessible.

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

Master Builders is hearing of three distinct problems with the NCC 2022.

1. NCC amendments are being missed because they are not embedded into the main document (Volume 1).
2. Livable Housing Design Standard (LHDS) and Energy Efficiency need to be integrated into the construction sequence (Volume 2).
3. Changes to 'simplify' NCC 2022, took the information from one document and split the information into three separate documents (Performance Requirements, Housing Provisions and Livable Housing Design Standard) This has added complexity and in turn created problems for users.

Key terms must be defined

The NCC uses a range of terms to explain its compliance requirements.

In some cases, these are defined, in some, one can apply their plain meaning however in other cases no definition or explanation has been provided creating confusion. For example, there is no definition of "Performance" as in performance code. From a compliance perspective understanding what is meant by 'performing' is critical.

Further the foundational elements of the Code to set the minimum required level for the 'safety, health, amenity, accessibly and sustainability' are not defined, again creating complexity and confusion with respect to what should and should not be in the Code or how the average user should take those matters into account.



Guidance material must be developed

Members often report a lack of support in interpreting the Code.

While industry associations have attempted to fill the void, this does not overcome differing views in interpretation particularly across professions and across building surveyors (certifiers).

Master Builders sees a role for a series of guidance notes to explain and provide practical information and advice on Code requirements. Similar to the approach taken to Work, Health and Safety regulation (also a performance-based approach to regulations), Codes of Practice have become a key element to support compliance and enforcement.

This guidance material could

- ▶ Publish a clear hierarchy chart showing precedence of documents.
- ▶ Include explanatory commentary to clarify the intent behind each clause.
- ▶ Include a dedicated Builder Companion Guide with:
 - Plain-English companion guide aligned with trades and site inspections.
 - Visual aids and drawing supported by practical information focused on defect prevention.
 - Do/don't scenarios.
- ▶ Process diagrams – Scoping compliance requirement for Design, Undertaking design acceptance. E.g. building classification, C2D2 Type of construction required, how to link keystone compliance requirements.

Class 2 Buildings — The Need for Clarity and Focus on the Future of the NCC

Class 2 buildings must be a central focus in the ongoing development and refinement of the NCC.

Master Builders notes that current industry trend is a “monopoly-style” trajectory (similar to the dynamics of the Monopoly board game) where builders start with houses and work their way to apartments.

Given this trajectory, and the increasing need to deliver Australia’s “missing middle,” the NCC must prioritise simplicity, accessibility, and clear communication of regulatory requirements for Class 2 construction.

The transition from Class 1 (housing) to Class 2 (multi-unit) construction represents a substantial regulatory and technical leap. The shift involves significantly more complex design, compliance, and documentation frameworks (across a number of regulated area including Safety and Environmental). These technical complexities must be articulated with absolute clarity to ensure that builders entering the Class 2 space can confidently and consistently meet all regulatory obligations.

Improving clarity and reducing unnecessary complexity will help broaden industry participation, support high-quality construction outcomes, and ensure that Class 2 buildings meet the safety and performance expectations of the community.

This is why Master Builders is recommending a specific Volume of the Code be developed for Class 2 buildings.



Product regulation and evidence of suitability

Product regulation makes up a large proportion of the NCC.

This is a major challenge for industry, especially home builders as downstream regulatory enforcement is against licence holders and current case law holds building professionals responsible for products that go into buildings.

There are often thousands of products that go into our buildings which are provided through complex, global supply chains. When coupled with complex building regulation and limited information, builders often find it challenging to assess if a particular product is fit-for-purpose. All of which is a drain on productivity.

In 2017 the Building Ministers' Forum commissioned an assessment of systemic issues in the Australian construction industry. From the [Building Confidence](#) report's 24 recommendations (one of which covered building product safety), model guidance was developed for the implementation of the recommendations. Further analysis undertaken by CIE⁵, concluded that consistent adoption of the model guidance had the potential to reduce building defects saving consumers approximately \$1.4 billion annually and offer industry time savings worth approximately \$375 million annually.

Nearly ten years on, much of the guidance is still to be adopted. One recommendation, that is still outstanding, building product safety, provides significant opportunity for productivity gains.

The model guidance provided for this recommendation is the [National Building Product Assurance Framework](#) (Framework). Implementation of the Framework will build trust in the building products used in Australian buildings, reducing risk, liability exposure, increase productivity and market competitiveness.

Element 1 of the Framework proposes that the NCC Evidence of Suitability provisions be reviewed to:

- ▶ set a minimum and standardised format for compliance information regardless of the compliance pathway chosen, and
- ▶ increase the rigour of the evidence required to demonstrate compliance and instruct which pathway is appropriate in which circumstance.

Industry continues to do what it can to implement the Framework through the ongoing work of the National Building Products Coalition. Working collaboratively, we have prepared a proposal to modify NCC – A5G1, A5G2 and A5G3 Documentation of Design and Construction provisions to align with the recommendations in Element 1 of the Framework.

Master Builders recommends that there is government leadership on building product information requirements, starting with the necessary amendments to Evidence of Suitability provisions in the Code.

5 [Building Confidence Report - A Case for intervention](#)



Simplify performance requirements

Given the performance-based nature of the Code, how the performance requirements are applied and interpreted is critical to successful compliance however members often complain that these requirements are difficult to understand not only for builders but for regulators and even lawyers trying to provide advice on liability once things have gone wrong.

As a starting point these should be reviewed to ensure they are drafted in plain language and set clear minimal regulated content.

Example: Clause H2P1 Rainwater Management

This performance requirement addresses Surface water and drainage compacity.

The clause provides that:

- (1) Surface water, resulting from a storm having an annual exceedance probability of 5% and which is collected or concentrated by a building or sitework, must be disposed of in a way that avoids the likelihood of damage or nuisance to any other property.
- (2) Surface water, resulting from a storm having an annual exceedance probability of 1% must not enter the building.
- (3) A drainage system for the disposal of surface water resulting from a storm having an annual exceedance probability of—
 - (a) 5% must—
 - (i) convey surface water to an appropriate outfall; and
 - (ii) avoid surface water damaging the building; and
 - (b) 1% must avoid the entry of surface water into a building.

Master Builders interpretation in plain language:

1. Surface water at one property shouldn't do damage to another property.
2. Surface water shouldn't enter the building
3. A property should have a drainage system capable of removing surface water
4. A property should convey water to points of drainage (this one doesn't fit with the others because it a method to meet the other requirements).

The Problem:

1. Innate bias when creating Performance Requirements, resulting in poorly drafted requirements - most (probably all Performance Requirements) were retrospectively developed from existing requirements.
2. Unclear regulatory threshold – “disposed of in a way that avoids the likelihood of damage or nuisance” to other property.
3. Terms like “likelihood” and “nuisance” are innately vague and are poor words to use in technical regulation.
4. performance requirement should not be focused on a rain event, rather it should be focused on the drainage system and a volume of water. i.e. A buildings drainage system must be designed to remove water equal to “a rain event”.



Volume 2 – Class 1 buildings

Along with the general observations regarding improvements to the Code, Master Builders sees a range of specific opportunities to improve the usability and accessibility of Volume 2 of the NCC.

A key recommendation is that the NCC Volume 2 should be primarily prescriptive requirements with the secondary option of performance-based requirements (alternative solutions) if the prescriptive requirements cannot be met. This hierarchy should be imbedded within the Part A requirements.

Other general opportunities include:

- ▶ **Follow the construction process:** Structure the document in order of construction; as per the original intent.
- ▶ **Remove Livable Housing**, however if they are to remain integrate necessary provisions into the housing provisions.
- ▶ **Revise the Energy efficiency requirements:**
 - These requirements should be clear so that trade people can understand and socialize minimum requirements in their local area.
 - Incorporate them into the original structure – i.e. address requirements in the order of construction
- ▶ **Remove references to Australian Standards** where they are not a regulatory problem.
- ▶ **Base core NCC requirements on inspection frameworks**
 - If requirements must be regulated as part of building control, make sure they can be addressed with the existing Design and Construction Acceptance processes (e.g. Building Approvals and regulated inspections). For example, installation of insulation – the expectation that this element can be inspected at structural inspection stages is only realistic if you don't want to inspect the structure. The hierarchy of needs will put structural stability above insulation).
- ▶ **Improve the drafting of Deem-to-Satisfy provisions** ensuring they are simple yet comprehensive, returning to the original focus intended for Volume 2.
- ▶ Adopt an approach that prioritises requirements based on importance.
- ▶ Separate between requirements for products and design/construction.

Specific changes that Master Builders propose include:

- ▶ Specifications 1 to 3 should be relocated from Part A.
- ▶ B1P4 and B1D6 should be Ancillary.
- ▶ Access and Egress - Egress for people with a physical disability that impedes safe dignified egress in an emergency.
- ▶ D1 introduction reads like it is only for people with a disability.
- ▶ D1P2 should be first in accordance with the principle that regulations should move from the general to the specific.

- 
- ▶ Part D – should focus on safe access and egress – getting in and out of the buildings. It should not house requirements for anything other than the “getting in and out of the buildings”. E.g. access to facilities needs a different home in the NCC.
 - ▶ Streamline Part D for consistency and clarity.
 - ▶ Once you call it out for a cycle “Disabled Access” – next cycle it can be “access”.
 - ▶ Review Part F1 Water Management minimum requirements. The new Deemed-to-Satisfy provisions in NCC 2025 are gold standard and should be significantly distilled to the most potent requirements and the rest should be moved to an Australian Standard for construction of pavers on pedestals.

11 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)?

To enhance the NCC's interaction with external regulators, such as international standards and the numerous Australian standards it references, the ABCB should prioritise greater harmonisation, free access (including for the public), dynamic updating, precise and targeted referencing, proactive alignment of related standards, and stronger institutional oversight. The latter, in particular, is critical to enabling jurisdictional adoption and realistic pathways for industry socialisation and adoption.

Master Builders views the interaction between the NCC and Australian Standards (and other external instruments) as a structural problem rather than a technical one. Standards remain appropriate tools for regulating building outcomes, but the current regulatory architecture obscures what is mandatory, limits access to essential compliance information and weakens the link between regulatory intent and on-site practice.

Free access to Standards

While the NCC is freely available, most referenced Australian Standards remain paywalled, despite being critical to practical compliance. This excludes small businesses (which dominate the sector) and consumers, who are primary stakeholders in the safety and quality of their homes, from understanding the rules governing construction. Hidden information diminishes societal benefits, fosters divergence between theoretical standards and as-built outcomes, and pushes resolution to late-stage, costly mechanisms like enforcement or litigation rather than proactive, understanding-driven compliance.

Clear regulation that is freely available improves compliance and helps ensure the quality and efficiency in the buildings being delivered. A lack of access can result in confusion and misunderstandings. It can result in defective work with the added costs and time need to rectify.



Over 100 Australian Standards are referenced in the NCC and it is not possible to comply with the NCC without access to relevant Australian Standards. Yet it is not possible to read Australian Standards without paying a subscription. The lowest cost option for referenced Standards is currently through a 'NCC Primary References Set' available at a cost of \$1,202 p.a. and available only to small businesses⁶.

The ABCB is responsible for the development of the NCC and is formed by Intergovernmental Agreement. Under the current agreement the States, territories and Commonwealth collectively invest \$8 million p.a. in Australia's construction code⁷. Increased funding would better place the ABCB to undertake its important role and create an opportunity to provide free access to Australian Standards referenced in the NCC.

Standards Australia reported in its latest Annual Review (2024) that it had operational costs of \$82 million per annum. In 2022 it reported that the building and construction sector made up 17 per cent of the work of Standards Australia⁸. Therefore, the proportion of the operational costs for Standards Australia that can be subscribed to building and construction can be rounded to \$14 million p.a. An additional cost is the extensive, dedicated resources and expertise provided by industry to the development of Standards, at industry's own cost.

For Australia's 108,793 building construction businesses, the cost of accessing Standards would exceed \$131 million per annum (based on the 'NCC Primary References Set' at \$1,202 a year, excluding consideration of additional costs for those who do not meet the small business qualifier). This is more than the current total operational costs of Standards Australia.

A far more efficient option would be to provide the \$14 million Standards Australia needs for the building and construction industry, shared amongst all governments. For example, for Queensland this would increase Queensland's \$725,480 contribution the ABCB to \$1,995,070 p.a.

Referencing Australian Standards

The effectiveness of standards-based regulation is further undermined by poor integration.

A key concern is imprecise referencing: entire Australian Standards are often incorporated by reference, even when only specific clauses are intended to carry regulatory force. This creates uncertainty for builders, designers, certifiers, and enforcers about which parts are enforceable requirements versus advisory guidance, expanding compliance risk beyond policy intent and complicating enforcement.

Inconsistent adoption across State and Territory legislation adds further fragmentation, altering how standards apply in practice and creating complexity for national operators.

For international standards, while alignment offers long-term benefits like innovation and market access, the main barrier is industry capability in a fragmented sector with small businesses and variable training access. Introducing them without structured support risks adding complexity rather than reducing it.

6 [NCC Primary References Set | Standards Australia Store](#)

7 [2020 ABCB IGA | ABCB](#)

8 [Standards Australia | Annual Review 2022](#)



The proposed recommendations (below) would create a more integrated, transparent, and responsive NCC framework. Greater precision in referencing, free access to compliance information, stronger oversight of alignment, jurisdictional consistency, and practical transition mechanisms would enhance regulatory clarity, restore confidence in standards' purpose, reduce unnecessary burdens, and better enable quality, productivity, safety, and housing delivery outcomes.

- ▶ **Adopt precise, targeted referencing in NCC drafting.** Incorporate only the specific provisions of referenced standards that form mandatory regulatory requirements, clearly identifying them within the NCC text. Position non-regulatory elements as voluntary industry guidance. This reduces uncertainty, limits compliance risk to policy intent, and improves readability and enforcement.
- ▶ **Free, universal access to referenced standards.** Make Australian and international standards referenced in the NCC freely accessible to industry, builders, designers, and the public. Government funding should extend the NCC's successful free model to eliminate paywalls enabling broader socialisation, reducing competitive disadvantages for small businesses, and supporting consumer engagement.
- ▶ **Proactively align and integrate related standards.** Assign the ABCB clear responsibility for overseeing integration of referenced Australian Standards, with a focus on identifying and resolving conflicts or inconsistencies between related documents (e.g., aligning flashing in AS 3700 Masonry structures with AS 4654 Waterproofing membranes for above-ground use). This prevents onsite system conflicts and supports seamless compliance.
- ▶ **Introduce nationally recognised model provisions for referencing.** Develop and promote nationally consistent model provisions for how the NCC and its referenced standards are called up in State and territory legislation and regulations. This fosters uniform drafting, consistent enforcement, reduced jurisdictional variations, and greater discipline in NCC development.
- ▶ **Support socialisation and adoption, especially for international standards.** Provide structured industry support through training, guidance, and resources. For international standards, conduct domestic vetting for suitability to Australian conditions (e.g., unique hazards like bushfires or cyclones) and introduce via performance-based pathways. This would allow evidence-based declarations of non-compliance with prescriptive elements where equivalent safe outcomes are demonstrated, paired with streamlined approvals to encourage innovation without compromising safety.



12 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 building industry primarily accesses the NCC online, through the ABCB website.

Some industry members also use third party digital tools like Tools⁹ that offer interactive graphics summarising NCC content, improving accessibility in digital form.

Master Builders also sells printed copies for our members to use.

However, using the NCC can be challenging, particularly because:

- ▶ It is a technical, performance-based code requiring extensive cross-referencing, and a large knowledge base to understand the interaction of parts.
- ▶ Users often need to navigate variations, amendments and referenced Australian Standards that sit outside of the main Volumes of the Code.
- ▶ Multi volume documentation and long clauses make it labour-intensive to interpret.

These difficulties contribute to the industry's continued reliance on supplementary interpretive tools, which aim to simplify graphics and compliance pathways.

The industry would find the NCC easier to use if it included more visual content, improved navigation, stronger search functions, and better offline options.

9 [Home - Tools™](#)



THEME FOUR: INNOVATION AND HOUSING DIVERSITY

13 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 NCC is not intended to function as a tool for promoting innovation; rather, its primary purpose is to provide a minimum safety standard for the community in relation to building work.

The NCC should therefore not actively incentivise or promote innovative practices but rather seek to 'not get of the way' by allowing appropriate flexibility within its framework.

Performance Solutions continue to offer an important and valuable pathway for achieving compliance; however, they are often costly to develop and can be interpreted inconsistently across different practitioners and regulatory authorities. This cost and complexity is a deterrent to use of the performance compliance pathway.

A more efficient and easier to use performance solution process will better facilitate new ways of building. This should include the opportunity of 'sharing' of performance-based solutions.

Performance requirements must be clear and targeted.

Example

NCC 2025 F1P1 Managing rainwater impact on the building and adjoining properties

This is a new clause that is constructed of 7 previous clauses from NCC 2022 (with some edits).

The problem with this is; discharging regulatory responsibility now requires dealing with all the requirements (because they are all combined up in one clause).

When in the past, practitioners only had to focus on specific targeted requirements.

The cruel irony of this rewrite is, it contains words like "nuisance" which if there is a problem will always require court time as there is no administrative test for nuisance.

In Master Builders opinion the industry would be better off with 7 targeted requirements than 1 omnipresent requirement when it comes to understanding and discharging regulatory liability.



Regulating for Emerging issues

Constant change in our industry requires ongoing research into the appropriate regulatory oversight for the evolving uses in buildings and emerging construction methodologies. Regulation governing our industry needs to be underpinned by this research. The Australian Productivity Commission found that:

"Governments should also consider the adequacy of public research and development funding for housing construction to improve productivity performance."¹⁰

One such example where this is failing to occur is the potential impact that modern vehicles and electric vehicle (EV) fire events could have on the structural integrity of buildings. The current fire performance information is based on testing done for fires with a very different profile from the fires caused by modern vehicles (jet flames, highly combustible gas, surges of fire, reignition etc.).

Industry and stakeholders feel that there is insufficient information or legislative direction to inform safety in design requirements and to ensure buildings are constructed so that they are structurally adequate for the potential future level of risk.

While builders are able to meet the existing requirements in the NCC, there is less certainty as to whether buildings will continue to be 'fit for purpose' as the number of EV's in buildings grows. There is also a lack of certainty as to whether a building will remain 'fit for purpose' following a significant modern vehicle or EV fire event.

There needs to be a nationally consistent, standardised view as to what constitutes good practice in design and construction to address this risk. Research and fire testing is needed to update the fire risk data.

The report commissioned by the ABCB¹¹ on the issue identified that further review in several areas relating to structural fire resistance, suppression, detection, egress and smoke management is recommended. Fire and Rescue NSW has subsequently released their position paper where they propose a comprehensive program of real fire tests to address the knowledge gaps¹².

Master proposes that there is sufficient funding to support research into appropriate regulation for emerging technologies and construction typologies.

10 [Australian Productivity Commission, Housing construction productivity: Can we fix it?](#) February 2025, page 6

11 [ARUP, Fire safety in carparks Literature review, February 2024](#)

12 Fire and Rescue NSW, Electric vehicles (EV) and EV charging equipment in the built environment: Fire Safety Position Paper, March 2025



14

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

Retrofits and renovations have become increasingly complex.

The difficulty does not lie in the application of the NCC itself; rather, it arises from the design, use, and interaction of performance solutions.

Key challenges include:

- ▶ Cost implications associated with developing performance-based solutions.
- ▶ Complexity in designing solutions that may be perceived as providing a lower level of performance than the Deemed-to-Satisfy (DTS) provisions, as outlined in A2G2(1)(b).

Retrofit projects often highlight these issues, and renovations can be particularly demanding. For example, if the existing structure of a dwelling was not originally designed to accommodate step-free thresholds in bathrooms, meeting the NCC requirement for a step-free threshold can render a bathroom renovation impractical or prohibitively expensive.

15

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?

There is a clear need to establish a more comprehensive and transparent certification and responsibility framework for building products. A more robust product assurance framework is required. This should start with the adoption of the recommendations in the National Building Products Assurance Framework.

This will become more important to facilitate the uptake of modular systems, and other forms of off-site manufacturing, noting that prefabricated and modular building products are currently being used successfully in the market.

While compliance is presently being achieved, there is an opportunity to strengthen regulatory clarity, with clear regulatory pathways for critical interconnections and interface components.

In addition, the development of specific Deemed-to-Satisfy (DTS) pathways may assist to address some of the unique characteristics of modern methods of construction (MMC).

There is also a need to align product warranties with statutory obligations, given these products may be complete buildings.

Streamlining and reducing duplication in inspection and certification processes in State and Territory requirements would further enhance efficiency and support greater confidence in the use of MMC components within the construction sector.



ATTACHMENT A

Summary of Governing Principles

Governing principles should be used to ensure that the objectives of the ABCB conform with broad expectations.

Principle	Description
Clear statutory purpose and mandate	<p>The ABCB must operate under a clear and narrowly defined statutory mandate, focused on the development, maintenance and stewardship of nationally consistent technical regulatory standards through the NCC.</p> <p>Its purpose is to support safe, efficient and productive building outcomes by setting minimum technical requirements intended for enforcement through state and territory legislation.</p> <p>The ABCB must not function as a broad policy agency and should only engage in social or economic policy considerations where Ministers have explicitly agreed policy intent in advance.</p>
Independence of technical regulation from political cycles	<p>The governance framework must ensure that the ABCB Board and Office operate independently of short-term political priorities and ad hoc ministerial direction. Independence is essential to maintaining technical integrity, confidence in the NCC, and long-term stability across electoral cycles.</p> <p>Ministerial oversight should occur through transparent collective decision-making rather than informal or unilateral direction.</p>
Ministerial accountability supported by expert scrutiny	<p>Ministers remain the final decision makers for the NCC, but must be supported by properly tested expert advice.</p> <p>Any policy matter relating to the ABCB or NCC must be scrutinised by the Board prior to ministerial consideration to ensure it is within mandate, evidence-based and informed by industry and technical expertise. This ensures that ministerial decisions are accountable, informed and defensible.</p>



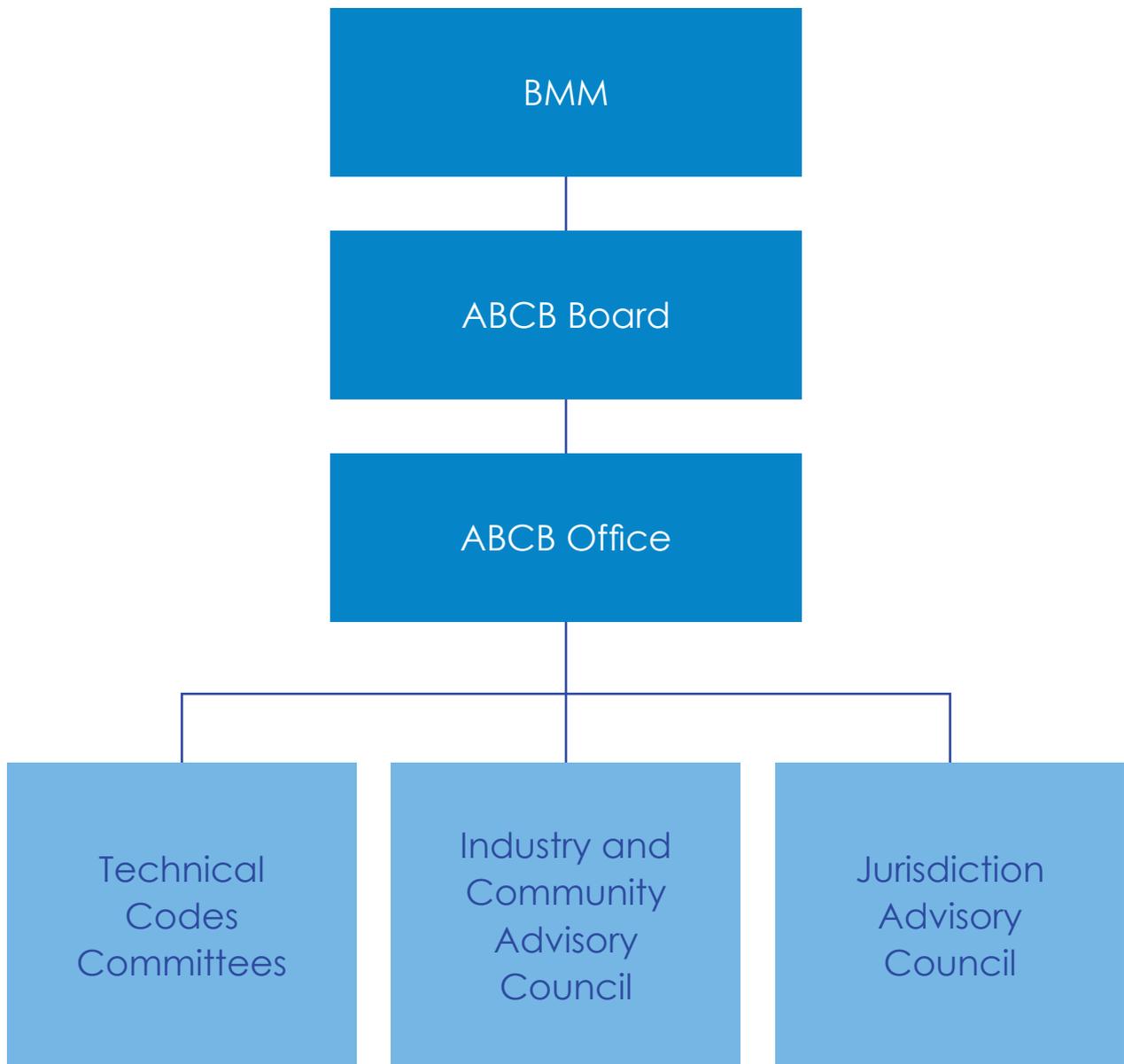
Principle	Description
Separation of policy development and technical drafting	<p>Policy intent must be developed transparently and agreed upon by Ministers before a technical regulation is drafted. The governance model must clearly separate the policy development stage from the technical development stage to avoid premature or implicit policy outcomes being embedded through technical provisions. This separation underpins regulatory clarity and improves consultation quality.</p>
Evidence-based decision-making and impact discipline	<p>All NCC changes must be underpinned by robust technical analysis, regulatory impact assessment and embedded post-implementation evaluation. The Board and Office must have the capability and obligation to test assumptions, assess costs and benefits and evaluate outcomes over time. Review is not discretionary but a core function of the institution.</p>
Structured and meaningful industry engagement	<p>Industry engagement must be systematic, early and influential, particularly at the policy development stage. The governance structure must ensure that industry perspectives are heard, tested, and reflected at the Board level rather than being confined to late-stage technical consultation. Engagement mechanisms must be transparent, continuous and representative of the breadth of the sector, including emerging professionals.</p>
Clarity, certainty and usability of technical regulation	<p>The NCC must be developed and maintained to provide clear, certain and usable technical requirements that can be readily understood and applied by a broad audience, including builders, designers, certifiers, regulators, and the general public.</p> <p>Technical work should be drafted with the end user in mind, using clear language, consistent structure, and practical guidance to reduce ambiguity, interpretation risk and compliance burden. Governance arrangements must prioritise consistency, clarity and certainty as core outcomes of the regulatory system.</p>
Skills-based governance with continuity and renewal	<p>The Board must be appointed based on skills, capability and experience rather than representation or jurisdictional status.</p> <p>Term lengths and staggering must preserve institutional memory and continuity across NCC cycles while allowing renewal of expertise and the progression of new leaders.</p> <p>Governance arrangements should actively support capability development within the sector over time.</p>



Principle	Description
Transparency as a default condition of legitimacy	<p>The legitimacy of the ABCB depends on transparency in decision-making advice, and outcomes.</p> <p>Agendas, minutes, advice to Ministers, and review findings should be publicly available as a matter of course, subject only to limited confidentiality exceptions. Transparency supports trust, accountability and consistent national application of the NCC.</p>
National consistency supported through formal oversight	<p>The governance model must reinforce national consistency by ensuring Ministers collectively oversee NCC outcomes adoption and implementation. Variations and divergence must be visible, explainable, and reported rather than emerging through fragmented processes. Consistency is a governance outcome, not merely a technical aspiration.</p>
Stable funding and institutional capability	<p>The ABCB must be supported by predictable multi-year funding arrangements that enable it to maintain in-house technical, economic and analytical capability.</p> <p>Stable funding is essential to independent quality advice continuity across NCC cycles and resistance to short-term pressures.</p>
Role clarity between governance stewardship and delivery	<p>The Board's role is stewardship, oversight and assurance, not technical drafting or operational management. The Office's role is to deliver analysis and execution within the approved mandate and work program. Clear separation of these roles is essential to accountability, effectiveness and institutional integrity.</p>
Durability and fitness for the future	<p>The governance framework must be designed to endure changing technologies, construction methods and regulatory expectations. It should provide sufficient flexibility to evolve while preserving core principles of independence, evidence-based regulation and national consistency so that the NCC remains fit for purpose over the long term.</p>



Proposed Governance Structure





Governance – In Detail

Statutory Establishment and Mandate

The ABCB would be established as an independent statutory authority under Commonwealth legislation supported by a refreshed intergovernmental agreement. The legislation would provide a clear and narrow mandate: the ABCB's primary function is the development, maintenance and stewardship of nationally consistent technical regulatory standards through the NCC, intended to be enforced through state and territory design acceptance and construction acceptance processes.

The statutory scope would explicitly exclude broader social or economic policymaking except where Ministers have formally agreed policy intent in advance.²

The ABCB would operate under a published Statement of Mandate approved by the Building Ministers' Meeting and reviewed every five years. This statement would define objectives, boundaries of responsibility, and expectations for independence, transparency and evidence-based advice. Any change to the mandate would require collective ministerial agreement and public notice.

Additional Governance Requirements:

- ▶ **Annual Performance Reporting:** The ABCB must provide an annual performance report to the Building Ministers' Meeting, including progress against the work program, consultation outcomes, and post-implementation review findings.
- ▶ **Ministerial Requests for Additional Analysis:** A limited statutory mechanism would allow Ministers to request targeted additional analysis outside the approved work program, to be formally considered and responded to by the Board.
- ▶ **Publication Deadlines:** All significant publications, reviews, and post-implementation reports must be provided to Building Ministers by a defined date (e.g., no later than 30 June each year) to facilitate timely consideration and consistent national application.

Board Governance

Governance would be vested in a skills-based Board appointed through a merit-based process endorsed by the Building Ministers' Meeting. The Board would comprise a Chair and up to eight members.³ A majority of members, including the Chair, would be independent of governments and current regulated entities. Jurisdictional officials would not be voting Board members but could be observers. Jurisdictions would be represented by the Jurisdictional Advisory Council, which would provide strategic and policy advice to the ABCB Office.

The Chair would be appointed for a single fixed term of five years, with eligibility for one further term only following an independent performance review conducted in the fourth year. This term length is intended to span multiple NCC cycles and provide stability across changes of government. Removal would be limited to clearly defined statutory grounds such as serious misconduct, incapacity or sustained failure to perform duties.

Board members would be appointed for staggered terms of four years, with eligibility for one reappointment. Staggering would ensure that no more than one-third of the Board turns over in any two-year period. This approach would preserve institutional memory while allowing renewal of skills and perspectives. At least one Board position would be designated as an emerging leader appointment, with eligibility criteria focused on demonstrated capability rather than tenure, to support younger professionals coming through the system.⁴



Appointments would be made from an open expression of interest process assessed by an independent selection panel. Selection criteria would include expertise in technical regulation, construction practice, economics, regulatory impact assessment, governance, consumer interests and public administration. Industry experience would be required, but industry representatives would be appointed as individuals, not as delegates.⁵

Board Functions

The Board's functions would be limited to governance and stewardship. These would include approval of the ABCB work program on a rolling three-year basis, endorsement of policy development pathways, oversight of consultation and impact assessment quality, approval of advice and recommendations to Ministers, and oversight of review and evaluation functions. The Board would meet at least four times per year, with additional meetings as required at defined decision gateways.

ABCB Office and Chief Executive Officer

The ABCB Office would operate as a dedicated executive agency led by a Chief Executive Officer appointed by the Board for a five-year term with eligibility for one renewal. The CEO would be accountable solely to the Board for delivery of the approved work program and for the integrity of analysis, consultation, drafting and review. Day-to-day operations of the Office would not be subject to Ministerial direction. Any formal Ministerial request outside the approved work program would be publicly recorded and considered by the Board.

The ABCB Office would be funded through a rolling five-year funding agreement between governments, indexed annually. Funding certainty over this period would support workforce capability retention, in-house technical expertise and long-term analytical work. The Office would maintain permanent capability in technical drafting, regulatory economics, data analysis and evaluation.

Policy and Technical Development

Policy development would be formally separated from technical development and structured into defined stages with timeframes. The policy development stage would occur first and typically run for 6 to 18 months, depending on the complexity. During this stage, the ABCB Office would develop problem definitions, objectives, options (outlining potential elements for regulation) and high-level impact analysis under Board oversight. Consultation at this stage would be broad and strategic.

Only once Ministers have considered and agreed on the policy intent through the Building Ministers' Meeting would technical development commence.

The technical development stage would typically run for eighteen to twenty-four months and would focus on drafting, validation, testing and implementation planning through specialist technical committees.

Industry engagement would be embedded through a permanent Industry and Community Advisory Council established under statute. This Council would meet at least quarterly and would be engaged primarily during the policy development stage. Its role would be to test policy intent, options and impacts before they are finalised. Proceedings summaries would be published, and formal advice provided to the Board.



Principles for development of future Technical Regulation Policy

1. Legitimacy and Necessity

- ▶ Regulations should only be introduced when there is a clear public interest, such as protecting health, safety, amenity, accessibility and sustainability.
- ▶ Avoid unnecessary technical regulations that create trade barriers or impose excessive compliance costs. (Kellermann, 2019)
- ▶ Clear net benefit must be established for intervention

2. Transparency

- ▶ Ensure open consultation with stakeholders during the development process. Including reasons and evidence for policy development.
- ▶ Publish proposed policy and allow time for public comment.

3. Performance-Based Approach

- ▶ Prefer performance-based policy (specifying outcomes rather than detailed design requirements) to allow the National Technical Regulation Code Writing Body to develop the technical provisions.

4. Proportionality and Risk-Based Design

- ▶ Policy development for future technical regulation should be proportionate to the level of risk.
- ▶ Risk assessment techniques should be used to determine the appropriate level of regulatory intervention.

5. Regulatory Impact Assessment (RIA)

- ▶ Conduct RIAs to evaluate economic, social, and environmental impacts before implementation.
- ▶ Consider alternatives to regulation, such as voluntary standards or market-based solutions.

6. Review and Continuous Improvement

- ▶ Regularly review existing regulations to ensure they remain relevant and effective.
- ▶ Remove outdated or redundant requirements.
- ▶ This is important to make sure the volume of building regulation does not become so large that it is impossible to use, comprehend and enforce.

Technical Codes Committees

Technical Codes Committees for building and plumbing would operate during the technical development stage. Members would be appointed for three-year terms with eligibility for one renewal. Membership would be competency-based and refreshed regularly to allow new expertise to enter while retaining continuity. Clear conflict of interest rules would apply.



Review and Evaluation

Review and evaluation would be a standing function of both the Board and the Office. All significant NCC changes would be subject to a mandatory post-implementation review, commencing two years after adoption and completed within twelve months. In addition, a whole-of-NCC system review would be undertaken every six years, aligned to two NCC cycles. Findings would be published and inform future work programs.

Transparency

Transparency would be embedded as a default. Agendas and minutes of ABCB Board meetings would be published within thirty days, subject to limited redactions for confidentiality. Advice provided by the Board to the Building Ministers' Meeting would be published at the time decisions are announced. BMM agendas, decisions and high-level reasons would also be publicly available to the maximum extent permitted.

Policy Interaction Between the Board and Ministers

Policy interaction between the Board and Ministers would be formalised and mandatory. Any policy matter proposed for consideration by the Building Ministers' Meeting (BMM) that concerns the ABCB, the NCC or the operation, scope or application of the NCC would be required to be referred to the ABCB Board prior to being placed on a BMM agenda.

The Board would be responsible for scrutinising the proposal to confirm that it falls within the ABCB mandate, that it is supported by an appropriate evidence base, and that preliminary industry and expert assessment has occurred. Where necessary, the Board would require the ABCB Office to undertake targeted consultation with industry, technical experts and community stakeholders before the matter proceeds to Ministers. A policy matter would not proceed to BMM consideration unless the Board has provided a formal statement confirming that the proposal has been appropriately assessed and consulted on. This statement would accompany the policy paper provided to Ministers and be published following consideration.

Independence and Ministerial Direction

To protect independence, the Board and the Office would not be subject to ad hoc policy direction or funding variation outside the agreed mandate and funding cycle. The ABCB would not be directed to develop or progress policy concepts that have not first passed through the Board scrutiny process. Any ministerial direction would need to be made collectively by the BMM recorded in writing and published with a clear lay-person rationale. Direction would be limited to matters within the statutory mandate and could not extend to technical drafting outcomes or analytical conclusions.

This structure would insulate the ABCB from short-term political priorities while maintaining appropriate democratic accountability and ensuring Ministers are supported by properly tested expert advice before decisions are taken.

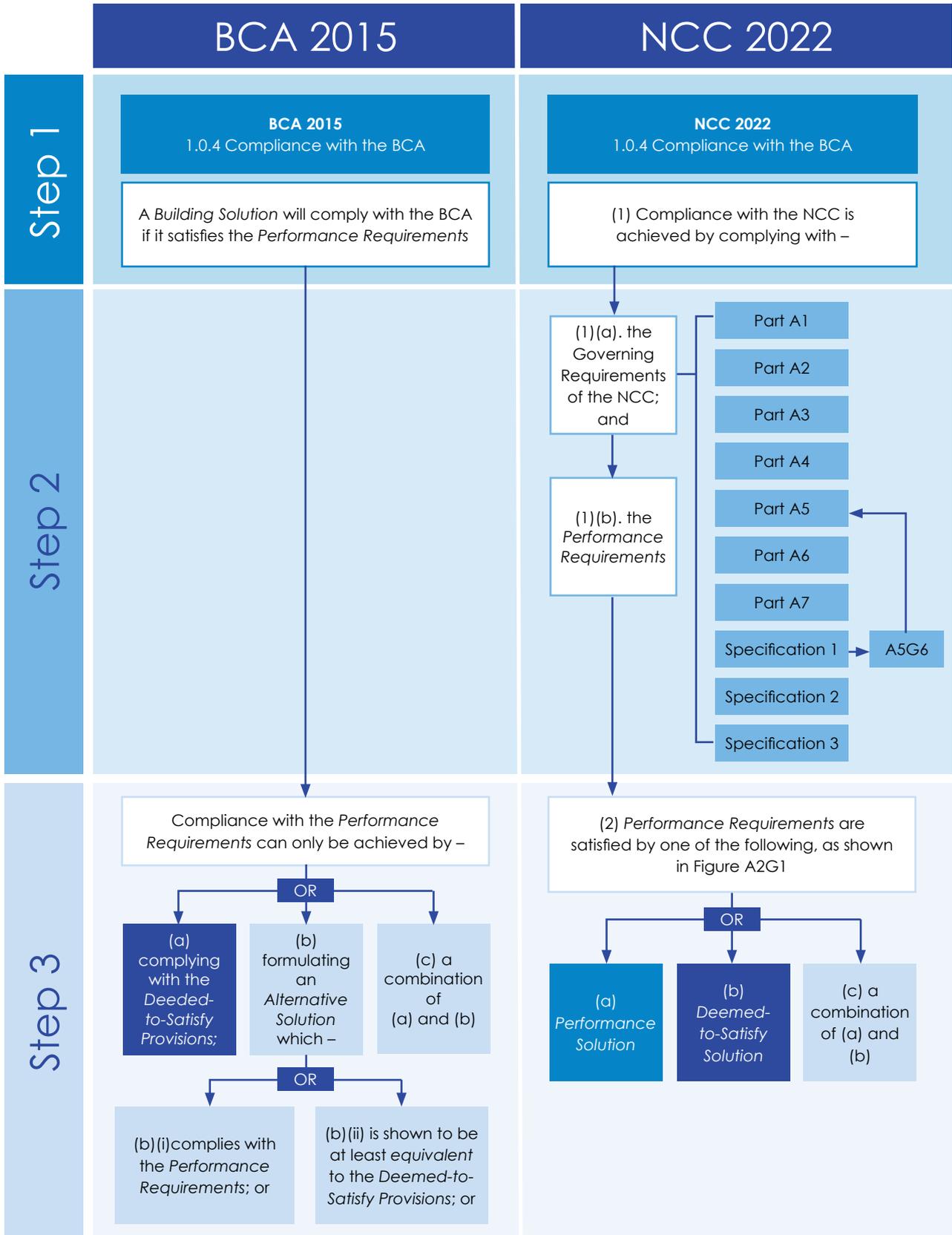


ATTACHMENT B

- ▶ Apply the “Small Builder First” principle in all regulatory design.
- ▶ Maintain and strengthen the core objectives of safety, health, amenity, and sustainability through risk-proportionate regulation.
- ▶ Simplify pathways to compliance through clear, consistent, and accessible documentation.
- ▶ Reduce cumulative regulatory burden through coordinated, harmonised and stable code development.
- ▶ Deliver a digital-first, user-centred code system.
- ▶ Ensure SME-appropriate cost–benefit analysis for all proposed regulatory changes.
- ▶ Ensure Regulatory Stability and Predictability
- ▶ Support capability-building through targeted technical guidance, training, and transition assistance.
- ▶ Strengthen market access and competition by avoiding regulatory barriers that favour large firms.
- ▶ Facilitate Innovation Within a Risk-Based Framework
- ▶ Enhance environmental and energy requirements in ways that support SME adoption and proportional implementation.

ATTACHMENT C

Comparison of NCC compliance 2015 vs 2022





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