



Streamlining and Modernising the National Construction Code (NCC)

Our organisations welcome the opportunity to provide input to Treasury's consultation on [Streamlining and modernising the National Construction Code \(NCC\)](#).

This submission does not seek to address all elements laid out in the consultation; matters not addressed here do not imply a position of our organisations.

Our organisations do support efforts to modernise the NCC to enhance productivity, improve regulatory clarity, and reduce unnecessary complexity, however, **it must also continue to strengthen long-term social and environmental outcomes.**

The NCC ensures an appropriate safety net for quality, safety, accessibility and operational cost, to benefit people of Australia, who own, rent, work and live in the buildings we construct.

It covers matters such as fire safety, structural integrity, health, amenity, accessibility, sustainability, and emissions considerations, as well as emerging issues like embodied carbon, resilience to our rapidly changing climate, and increased frequency and intensity of natural disasters.

Failure to regularly update the NCC to meet the above and strengthen outcomes for people and planet will have significant adverse consequences to people's safety and wellbeing, as well as productivity and economic outcomes.

Cost of living

Buildings are responsible for around half of Australia's electricity consumption. Renewable energy is the cheapest form of power, however, expensive and ageing coal and gas, increasing transmission and network costs are driving up energy prices. Ongoing energy price increases are putting enormous pressure on households and increasing energy hardship, with little relief in sight. More efficient buildings powered by renewables will enhance energy productivity, reduce energy bills, helping keep cost of living manageable for households and businesses.

For example, according to calculations done by the Green Building Council of Australia¹ a Green Star Home (highly efficient, fossil fuel free home²) will typically reduce household energy consumption by 56-60%, equating to energy bill savings of \$90-\$140 per month. The Green Building Council argues that monthly bill savings offset any potential increase in additional loan repayments that might incur from potential additional costs to meet the Green Star Rating, like the purchase of solar panels.

Regular and ambitious updates are important to avoid locking in high costs to people and business in the future as buildings and homes will require retrofitting to meet people's needs, critical climate adaptations and emissions reduction goals.

Emissions reduction

Buildings are responsible for a quarter of our total greenhouse gas emissions. High energy performing and renewable homes reduce greenhouse gas emissions. Continuing to improve the energy performance of all new homes will help make the transition to renewable energy faster and cheaper. A report by the International Energy Agency noted that greater energy efficiency efforts in transport and residential buildings can help bring forward Australia's peak in emissions.³ The ongoing regulation for improved thermal performance of housing will play a key role in the federal and state/territory collective emissions reduction commitments, both short and longer term.

Climate resilience

The National Climate Risk assessment painted an alarming picture of the threats and costs facing communities across Australia because of worsening extreme weather including fires, floods and heatwaves. The report also emphasised that climate change risks are not evenly shared, with First Nations peoples, people and communities experiencing disadvantage, and people with health conditions, being most at risk.

Improving housing to be more climate resilient is essential to improving people's resilience and adaptation to climate change, which would result in improved health and wellbeing, reduction in costs (insurance, cost recovery, energy bills etc) as well as provide broader systemic cost savings.

Addressing inequality

Failure to make ongoing improvements in energy performance, climate resilience and accessibility of homes will disproportionately disadvantage occupants on low incomes, renters, people with disabilities, First Nations people, and people experiencing other forms of disadvantage who already have limited options for housing. People experiencing disadvantage are already more likely to face high energy bills, experience energy hardship, struggle to keep their homes cool in summer and warm in winter and experience illness related to heat and cold. Failure to make ongoing improvements in energy performance, climate resilience and accessibility of homes will result in increased illness, energy hardship, financial hardship and inequality.

¹ [Financial benefits | Green Building Council of Australia](#)

² [Green Star Homes Certification | Green Building Council of Australia](#)

³ <https://www.iea.org/reports/australia-2023>

Keeping pace with building innovation and new technology

Failure to adapt our standards and approaches in line with cost-saving technology and productivity advancements further risks worsening affordability. The Government's commitment to deliver 1.2 million homes over the next decade demands a focus on innovative ways to deliver homes for our growing population.

Key Points

Constructing buildings and homes that will still be here in 40 and 50 years to address the above issues, requires taking a long-term view on what appropriate minimum standards are needed now.

Our organisations, support the following as key priorities:

- Review of governance reform, however, it is essential that any governance review process occurs **in parallel with the continued operation and progression of the Code**.
- Regular three yearly reviews are maintained, with the ability to address urgent issues outside scheduled review. NCC 2022 must not be rolled back, NCC 2025 must go ahead and NCC 2029 must not be further delayed. In line with existing commitments, NCC 2029 must include climate resilience measures and achieve zero carbon-ready homes (best practice thermal efficiency, all-electric, powered by renewables). Regular updates and implementation across jurisdictions are necessary to ensure certainty, minimise fragmentation in building codes and allow industry to deliver homes at least cost.
- Both **energy efficiency and climate resilience must be considered “core minimum standards” within the NCC** and not be characterised as a discretionary “best practice” consideration. This reflects their direct relationship to occupant health and safety, climate risk realities, long-term economic performance and government goals. These considerations are fundamental elements of building performance that influence community and infrastructure resilience, and household wellbeing.
- Provide **dedicated and adequate investment in the ABCB**, to ensure the ABCB is able to deliver on its expanded mandate and prepare for the NCC 2029 update. Adequate resources are needed to strengthen the Regulatory Impact Statement Process (RIS), integrate climate resilience considerations, and strengthen energy performance in line with emissions reduction requirements.
- **Modernise regulatory impact analysis to reflect whole-of-life affordability** in order to strengthen policy decision-making and better account for long-term household, community and economic outcomes.
- **Improve national consistency** to reduce unnecessary regulatory burden, minimising compliance complexity, enhance market efficiency, and ensure people are receiving the benefits of safe, healthy, efficient, affordable, and accessible homes not matter where they live.
- **Support for the building sector, trades and supply chains to meet new requirements** at scale and least cost, including appropriate measures to facilitate modern methods of construction and ensure the NCC is accessible and easy to use.

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