



Streamlining and Modernising the NCC

Housing Industry Association

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Recommendations

HIA has called for a suite of NCC reforms to modernise and streamline the National Construction Code:

Simplification & certainty

- Move the code from 3-year to a 5-year amendment cycle to provide certainty, stability and consistency for industry.
- Introducing a predictable annual process for safety-critical updates, corrections and measures that simplify compliance and reduce red tape.
- Prioritising code improvements that expand compliance alternatives, improve administrative systems, strengthen the gateway model and reduce unnecessary state and territory variations.

Usability

- Develop a whole of government endorsed roadmap for an improved ways of providing access and communicating rules, including digital integration of standards.
- Develop better models for interrogating and simplifying code content, along with enhanced tools and national guidance to address known gaps and improve usability.
- Prioritise simple administrative changes that expand alternatives, improve efficiency, improved pathways for innovative systems and Performance Solutions.
- Deliver a fully integrated digital NCC with referenced standards.

Innovation

- Regulatory change processes for MMC, innovative systems and performance solutions be streamlined nationally, including consistent certification pathways and acceptance of trusted international standards.
- A national taskforce examine certification, verification and supply-chain responsibilities to support clearer, more efficient approval of innovative construction methods.
- The NCC expand practical alternatives—as DTS equivalent to simplify low-risk Class 1a building solutions to enable diverse, affordable and efficient housing models.

Governance

- The ABCB become an independent national statutory authority with clear objectives, defined roles, strengthened gatekeeping functions and advice capacity.
- Adequate and stable funding for both the NCC's development and the ABCB Office, including for research, new tools, national determinations and advice and administration of systems such as NatHERS and standards.
- Board representatives with housing industry expertise.

Overview

It is widely accepted that we are in a housing crisis and simply not building enough homes to keep up with demand.

The Productivity Commission identified in their February 2025 Research Paper *Housing Productivity: Can we fix it?* that the layers and level of regulation including the National Construction Code (NCC), referenced Australian Standards and broader building and planning laws are a key reason why industry productivity is at 30 years lows.

As Housing Minister Clare O'Neil has stated –

“...it is too hard to build a home in this country.”

We want builders on site, not filling in forms to get their approval.

The NCC has been singled out from the Productivity Roundtable as one area requiring reform and overhaul.

HIA has been calling for bold leadership for comprehensive and sustained reform in this area for several years.

The NCC cannot be everything to everyone and needs to return to its clear purpose as a minimum necessary technical building and plumbing code.

After years of making minor alterations and additions to the NCC – **it is time for a knock-down & rebuild** – to establish a state-of-the-art code for the future.

“After years of minor alterations and additions, its time for a knock-down and rebuild of the NCC”

A code built for the past

The National Construction Code has become significantly more complex:



8.5x longer

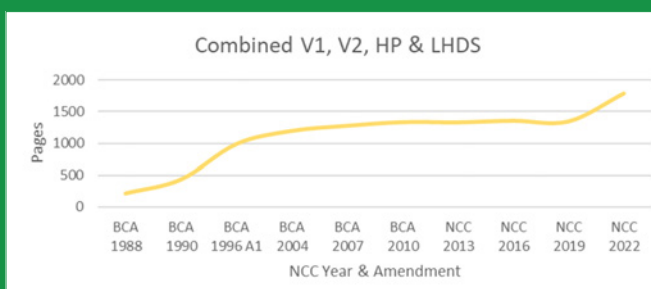


Referenced documents have doubled from 81 to 169



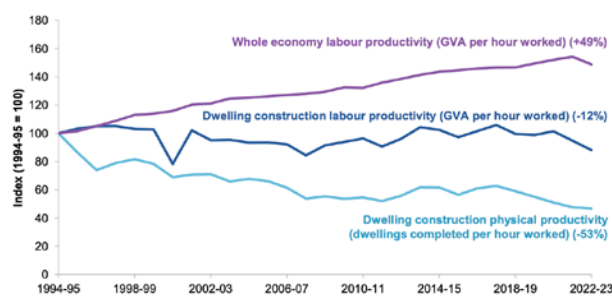
Defined terms have grown from 64 to 363

- the scope of objectives has grown beyond structural and fire safety focus to encompass amenity, livability, accessibility, sustainability.



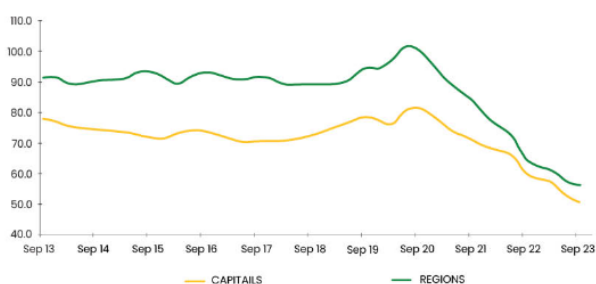
- the growth in regulation has coincided with an increase in approval timeframes and reduction in homes built per hours worked, which is around 12% lower today.

Figure 1 – Dwelling construction productivity in decline



- the cost to construct housing has increased around 150% over the last 25 years
- affordability is now at its lowest levels on record.

HIA housing affordability index, Australia



Source: CoreLogic, ABS and HIA

Adapting to the future

Today

HIA support and encourage a national code and reform, led by ABCB to expand the work on MMC on certification to consider how it can support consistent approval and greater acceptance.

Technology is moving rapidly and we need to position the NCC for the future – the role of AI, innovation and Modern Methods of Construction (MMC).

There has been recognition that, the system is unsuitable and unadaptable for:

- inspection regimes, repeatability and compliance/verification of systems for which there is no existing standards;
- renovations and the extent the code should and can apply.

In the future

Approval processes for innovative systems, conventional and offsite construction need modernising to keep pace with change and address the productivity problem.

Clearer, more accessible and better developed codes and standards can play a greater role in unlocking better productivity, affordability and housing supply.

HIA recommendations for reform represent a suite of transformational opportunities for the future of the NCC, how it is developed, consulted on and administered both now and in the future.





NCC Governance

The National Construction Code (NCC) is an essential component in a regulatory system which overtime has grown beyond its core purpose and become costly to navigate.

ABCB's mandate as a strong gatekeeper of regulation needs to be retained and strengthened so the regulation burden on business and expansion of objectives of the NCC is clearly assessed against other options.

Left to continue, other issues like property protection which are fundamentally unsuitable for building codes will only add to the burden.

A HIA 2026 Small Business Conditions Survey shows when it comes to the NCC:

- **63%** of respondents report a moderate to major business impact from recent NCC changes;
- **42%** feel the need for clearer, more navigable provisions and accessible referenced standards

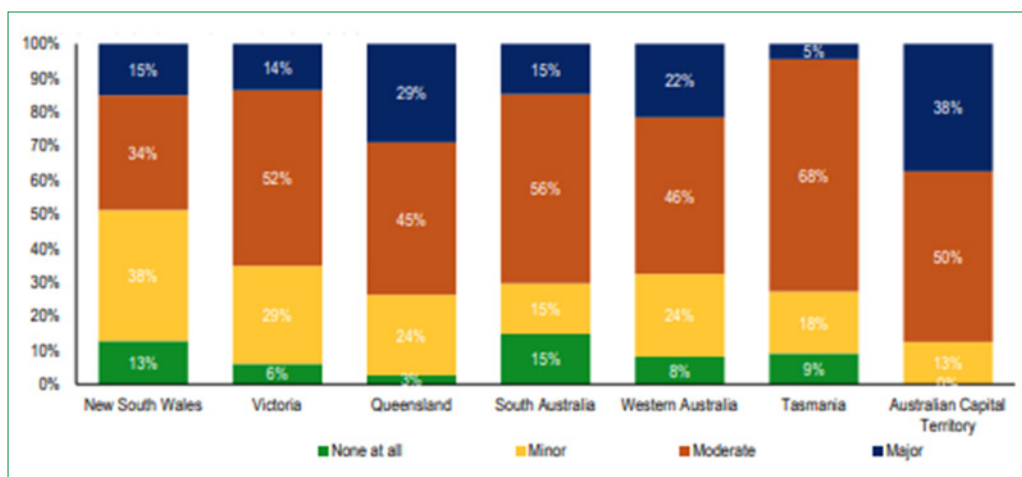


Figure 1: Impact of recent NCC changes (Source: HIA 2026 Small Business Conditions Survey).

Regulation is intended to be an option of last, not first resort. The principles of the NCC need to be maintained, to set minimum acceptable technical requirements only where there is a clearly demonstrated need and no alternative option would be more efficient or effective.

Recent changes have fallen short of this test. Regulation has too often been preferred over voluntary or alternative approaches that could achieve the same outcome with less disruption and fewer unintended consequences. The cumulative impacts on innovation, productivity, supply and affordability are also not being adequately measured.

Governance reform requires

- Establishing clear productivity and affordability priorities and improved early assessment of the regulation rationale.
- The ABCB become an independent national statutory authority with clear objectives, defined roles, strengthened gatekeeping functions and advice capacity.
- Adequate and stable funding for both the NCC's development and the ABCB Office, including for research, new tools, national determinations and advice and administration of systems such as NatHERS and standards.
- Board representatives with housing industry expertise.



Usability

As a “builder’s bible,” the NCC is now long and complex, with multiple volumes, barriers to accessing standards and state/territory variations.

The code’s length, wording, structure and access model reduce usability and contribute to inconsistent interpretations and approvals. AI and LLMs offer the opportunity for seamless integration of guidance decreasing compliance risks.

Industry friendly interfaces and tools are in widespread use for some areas like energy rating and structural design are becoming necessary in other areas, like condensation management and could provide industry with faster approval, compliance checking with adequate testing, frameworks, with investment, development and endorsement.

Usability requires

- Developing a whole of government-endorsed roadmap for an improved ways of providing access and communicating rules.
- Developing better models for interrogating and simplifying code content, along with enhanced tools and national guidance to address known gaps and improve usability.
- Prioritising simple administrative changes that expand compliance alternatives and improve efficiency,
- Delivery of a fully integrated truly digital NCC with referenced standards.



Innovation & Increasing Uptake of Modern Methods of Construction

Innovation plays a critical role in the productivity of the construction industry.

With appropriate investment and regulatory settings, the industry has the capacity to lead the economy towards better ways of addressing housing supply.

Greater productivity comes from creating an environment that fosters innovation enabling builders, manufacturers and suppliers to research and invest in more effective and efficient products leading to improved performance and greater choice.

Systematic changes will lead to more competition and flow onto more housing productivity.

There is a need to develop targeted strategies to support Australian manufacturing and suppliers to enable them to drive Australia's path forward and remove a reliance on regulation to define solutions, which are slow to adapt and can present roadblocks to the adoption of new and more innovative forms of construction. In addition to certainty and stability;

Innovation transformation requires

- Regulatory change processes for MMC, innovative systems and performance solutions be streamlined nationally, including consistent certification pathways and acceptance of trusted international standards.
- A national taskforce to examine certification, verification and supply-chain responsibilities to support clearer, more efficient approval of innovative construction methods.
- The NCC expand practical alternatives—as DTS equivalent to simplify low-risk Class 1a building solutions to enable diverse, affordable and efficient housing models.



Simplification and certainty

HIA strongly supports the ongoing role of the ABCB and the NCC to recalibrate how technical building regulation is developed, managed and administered.

More regulation contributes to a systemic strain, the HIA 2026 Small Business Conditions Survey shows:

- **68%** considered scaling back/closing because of red tape;
- **56%** added admin/regulatory hours;
- **88%** report increased stress.

The current situation requires a refocused commitment on the rationale for regulation including that they only be made in service of reducing unnecessary burdens without compromising the NCC code goals.

Simplification & certainty requires

- Moving the code from 3-year to a 5-year amendment cycle to provide certainty, stability and consistency for industry.
- Introducing a predictable annual process for safety-critical updates, corrections and measures that simplify compliance and reduce red tape.
- Prioritising code improvements that expand compliance alternatives, improve administrative systems, strengthen the gateway model and reduce unnecessary state and territory variations.

About the Housing Industry Association

The Housing Industry Association (HIA) is Australia's only national industry association representing the interests of the residential building industry, including new home builders, renovators, trade contractors, land developers, related building professionals, and suppliers and manufacturers of building products.

As the voice of the industry, HIA represents some 60,000 member businesses throughout Australia. The residential building industry includes land development, detached home construction, home renovations, low/medium-density housing, high-rise apartment buildings and building product manufacturing.

HIA members comprise a diversity of residential builders, including the Housing 100 volume builders, small to medium builders and renovators, residential developers, trade contractors, major building product manufacturers and suppliers and consultants to the industry. HIA members construct over 85 per cent of the nation's new building stock.

HIA exists to service the businesses it represents, lobby for the best possible business environment for the building industry and to encourage a responsible and quality driven, affordable residential building development industry.

HIA's mission is to:

"promote policies and provide services which enhance our members' business practices, products and profitability, consistent with the highest standards of professional and commercial conduct."

The residential building industry is one of Australia's most dynamic, innovative and efficient service industries and is a key driver of the Australian economy. The residential building industry has a wide reach into manufacturing, supply, and retail sectors.

The aggregate residential industry contribution to the Australian economy is over \$150 billion per annum, with over one million employees in building and construction, tens of thousands of small businesses, and over 200,000 sub-contractors reliant on the industry for their livelihood.

HIA develops and advocates policy on behalf of members to further advance new home building and renovating, enabling members to provide affordable and appropriate housing to the growing Australian population. New policy is generated through a grassroots process that starts with local and regional committees before progressing to the National Policy Congress by which time it has passed through almost 1,000 sets of hands.

Policy development is supported by an ongoing process of collecting and analysing data, forecasting, and providing industry data and insights for members, the general public and on a contract basis. The association operates offices in 22 centres around the nation providing a wide range of advocacy, business support including services and products to members, technical and compliance advice, training services, contracts and stationery, industry awards for excellence, and member only discounts on goods and services.