

28 July 2022

The Building Reform Team
Environment, Planning & Sustainable Development Directorate

Via Email: EPSDDBuildingReform@act.gov.au

Dear Building Reform Team,

Submission to Implementation of National Construction Code 2022

Thank you for the opportunity to make a submission on the transitional arrangements for the 2022 edition of the National Construction Code (NCC 2022).

The NCC 2022 is proposed for introduction at an extremely difficult time for the building and construction industry. Industry is currently experiencing unprecedented skills shortages, supply chain disruptions, building material price escalation, persistent absenteeism from COVID-19 and other illnesses, and a highly uncertain economic environment.

These trading conditions are being experienced by the building and construction industry across all States and Territories. As such, we firstly request that ACT Government to work with all other State and Territory building regulators to implement a consistent approach to NCC 2022 and the implementation and transition arrangements. Consistency between the ACT and NSW is especially important considering that the majority of ACT based builders, subcontractors, suppliers, designers and architects work across the ACT/NSW boundary.

We request that the ACT Government consider four important factors when designing the transitional arrangements, explained below:

- Firstly, the current pressures on the building and construction industry. As stated, the industry is experiencing severe skills shortages which mean that builders, designers, and their staff have less capacity to adapt to NCC 2022 changes. The residential energy efficiency and condensation mitigation and accessible housing provisions are substantial changes which will require builders to modify (or design new) house plans, source new building materials, re-price their suite of house plans, and train staff. The industry currently has very little capacity to accommodate all of these changes without a generous transition timeframe. We have suggested to all Building Ministers that there should be a three year NCC 2022 transition. This would allow the residential energy efficiency and condensation mitigation and accessible housing provisions to be voluntarily adopted for the initial three year period, becoming mandatory from 2025.

- Secondly, sufficient time needs to be allowed to develop and deliver education for the sector and regulators before changes take effect. In the MBA's submission to the 2022/23 budget we have requested the ACT Government assist industry by allocating funding to develop and deliver NCC 2022 training programs.
- Thirdly, existing development approvals should be recognised. The residential energy efficiency and condensation mitigation and accessible housing provisions (in particular) will drive larger communal areas by requiring wider corridors, larger bathrooms, etc. If the transition arrangements do not recognise existing development approvals, development yields will be impacted causing some projects to become unviable. Additionally, DA amendments will be required to achieve compliance with NCC 2022. To address this issue we suggest that the NCC 2019 apply to any building approval which is consistent with a development approval issued prior to the commencement of NCC 2022.
- Finally, many projects will have the building approval documentation substantially progressed by the commencement of NCC 2022, but not yet approved. If these projects require building plans to be redesigned to meet NCC 2022 there will be significant time delays and expense incurred. For large scale projects the detailed design of building plans can take many months and will have commenced prior to the NCC 2022 amendments being finalised and released to industry. To address this issue, we suggest that projects which have substantially progressed prior to the commencement of NCC 2022, or for projects being built in stages where stage 1 is approved prior to the NCC 2022 commencement, NCC 2019 be applicable.

Proposed Transition Arrangements

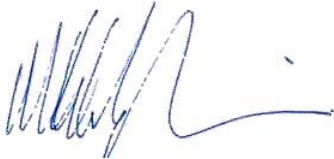
We propose the following transition arrangements for the residential energy efficiency and condensation mitigation and accessible housing provisions:

Project Stage	Applicable NCC
New projects, not commenced, no development approval in place	NCC 2019 for 3 years from the commencement of NCC 2022 NCC 2022 voluntary from 2022
Substantial progress made on the design of the building before commencement of NCC 2022.	NCC 2019
Development approval granted prior to commencement of NCC 2022	NCC 2019
All stages of a project constructed in multiple stages, where stage 1 has a building approval prior to commencement of NCC 2022	NCC 2019

Conclusion

If you would like to contact us to discuss the issues we have raised in our letter please contact our office on (02) 6175 5900.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Michael Hopkins', with a long horizontal flourish extending to the right.

Michael Hopkins
Chief Executive Officer