

# National Construction Code 2025 – Consultation Paper Response

## Executive Summary

Master Builders ACT acknowledges the ACT Government's consultation on the implementation of the National Construction Code 2025 (NCC 2025) and welcomes the opportunity to provide detailed feedback.

There are two key areas requiring feedback:

**Part 1:** The ACT Government paper on the National Construction Code 2025 – Consultation Paper which seeks feedback on implementation timelines and three additional variations.

**Part 2:** The National Construction Code 2025 Preview, which details a range of changes for both commercial and residential builders.

It provides the following **Recommendations**:

1. NCC 2022 undergoes a detailed review prior to NCC 2025 being adopted.
2. A technical training package tailored to all parties responsible for upholding NCC is funded.
3. ACT should align the NCC 2025 implementation process with other jurisdictions such as Tasmania.
4. A WA style phase in model is adopted with a minimum voluntary transition of 12 months, with an extended period for substantially advanced projects.
5. A formal industry readiness assessment prior to enforcement of NCC 2025.
6. Avoid ACT-specific variations not nationally adopted (Variations One and Two).
7. Proceed with Variation Three provided an exemption for existing buildings.
8. Only essential provisions in the NCC 2025 be supported as detailed in Appendix A table.
9. A full cost benefit analysis be undertaken for ACT housing and public projects be undertaken prior to implementation.

The proposed implementation of NCC 2025 and the additional requirements proposed by the ACT Government have direct and material implications for project feasibility, housing supply, business viability and consumer affordability.

Master Builders ACT opposes the adoption of the NCC 2025 and seeks for the ACT Government to align with other comparable jurisdictions such as Tasmania.<sup>1</sup>

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<sup>1</sup> <https://www.canberratimes.com.au/story/9104140/acts-housing-goal-30000-homes-by-2030-at-risk/>

## **About Master Builders ACT**

Master Builders ACT is the voice of the building and construction sector in the Australian Capital Territory (ACT), representing more than 800 businesses across residential, commercial and civil construction.

Established in 1925 alongside the founding of Canberra, MBA ACT membership covers residential and commercial builders, civil contractors, subcontractors, suppliers and professional service providers who collectively deliver the homes, apartments, commercial buildings and infrastructure that underpin the ACT economy.

The ACT building and construction industry completed around \$4.5 billion (September 2025) which is 1.4 per cent of the total share of work Australia wide.

The building and construction industry is also one of the ACT's largest private sector employers, supporting approximately 18,000 workers.

The sector is currently operating in a challenging environment characterised by declining approvals, rising input costs, workforce shortages and historically low productivity performance.

These pressures directly affect housing supply, project feasibility and business sustainability.

MBA ACT's 2030 Vision is to build a quality industry for our members and our region.

Regulatory reform especially changes to the National Construction Code must strike the right balance between price, volume and quality.

## **By the Numbers**

ACT building and construction business are experiencing significant pressures.

In 2024-25 the ACT recorded a –3.3 per cent fall in multifactor productivity and a –4.4 per cent collapse in labour productivity — the worst performance of any state or territory in the country (ABS – Industry Multifactor Productivity).

In 2024-25 work began on just 2,082 new homes, a 53.8 per cent reduction on 2023-24 – the worst result in about 20 years.

In 2024-25, detached house starts slumped by 16.8 per cent while higher density commencements plummeted by 62.0 per cent.

Master Builders Australia new research<sup>2</sup> has further revealed the cost per dwelling of red tape which is \$320,000 per new house and \$175,000 to build a new unit.

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<sup>2</sup> 2025-26 Pre-Budget Submission: Laying the foundations for growth – Master Builders Australia



### Parallel and intersecting reforms

Adoption of NCC 2025 must be weighed against the concurrent policy reforms underway in the ACT. This includes but is not limited to:

- Commitment to the delivery of 30,000 new homes by 2023
- Wholesale reform of planning approvals and building approvals
- Property Developer Licensing – full commencement 1 October 2026
- Missing Middle rollout – due to be legislated in 2026
- Trade contractor licensing – due to be legislated in 2026
- Machinery of Government restructure – due for completion in 2026
- Review of the Urban Forest Act – due to be legislated in 2026

The Property Developer Licensing framework (due to commence 1 October 2026), which introduces an \$8,000 per developer, an additional \$500 per dwelling activity-based fee at Building Approval stage and a requirement to undergo a iCIRT rating which could cost up to \$45,000 per entity.

This means for a mid-scale 50-dwelling project, this represents at a minimum \$25,000 in additional upfront regulatory cost, prior to construction commencement.

Layering NCC 2025 compliance costs on top of these new per-business and per-dwelling charges compounds affordability and feasibility pressures on top of existing red tape and regulatory costs.

### National Harmonisation

The Master Builders ACT applauded Treasurer Chris Steel's direction to the Legislative Assembly (18 March 2025) about the need to work in harmony across the Federation when it comes to the National Construction Code:

*"The last thing that we want is for the ACT government to have a different set of construction standards for buildings that are built in the ACT compared with other jurisdictions."*

Both the Federal Government and the Productivity Commission have confirmed that the NCC 2022 was too onerous; and the Australian Building Codes Board reports that the

majority of jurisdictions<sup>3</sup> except for Victoria have not adopted the provisions of NCC 2022 in full in the same way ACT has.

Master Builders ACT and Master Builders Australia has welcomed the Australian Governments<sup>4</sup> and Building Ministers Council to pause further residential changes to the National Construction Code.<sup>5</sup>

Comparable jurisdictions like Tasmania and South Australia have committed to pause NCC 2025 in light of the considerable housing delivery task the building and construction industry's face.

Currently, ACT and New South Wales do not align on NCC adoption despite obvious geographical proximity.

### **Feedback on NCC 2022**

As an early adopter of NCC 2022 there have been a range of indirect consequences impacting consumer experience in the ACT with no review period. This includes:

- Moisture and condensation issues linked to the 7-star requirement
- Window placement due to the 7-star requirement
- Liveability implementation challenges given Canberra's sloped terrain
- Manufacturing products not in line with regulatory requirements
- Limited understanding and application of NCC 2022 compliance by both architects and certifiers given the regulatory complexity
- Adapting existing structures to conform to Liveable Housing and 7-stars has noticeably reduced renovations and extensions from proceeding and significantly increased costs in the industry.

Builders have provided wide ranging feedback about the technical building difficulties experienced and reported limited rollout and support provided by the ACT Government for NCC 2022.

Master Builders ACT runs periodic NCC 2022 Compliance Workshops with leading building experts from other jurisdictions.

**Recommendation 1:** NCC 2022 undergoes a detailed review prior to NCC 2025 being adopted.

## **Part 1: Response to the National Construction Code 2025 – Consultation Paper Education and Training**

Considerable training and development is required in order to deliver the changes proposed in the NCC 2025.

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<sup>3</sup> Source: ACBC NCC 2022 state and territory adoption dates | ABCB

<sup>4</sup> Joint media release: Action on red tape and approvals to build more homes, more quickly | Ministers

<sup>5</sup> Meeting communiqué: Building Ministers' Meeting, October 2025 | Treasury.gov.au

It is recommended dedicated funding is allocated to support the delivery of technical material and workshops for all parties responsible for NCC compliance including:

- Builders
- Certifiers
- Architects and designers
- Subcontractors and suppliers affected (for example, concreters)

**Recommendation 2:** A technical training package tailored to all parties responsible for upholding NCC is funded.

### **Commencement of NCC 2025 in the ACT**

The proposed timelines advised to the industry on 23 December 2025 to have an 'opt in' timeline from 1 May 2026 and mandatory use from 1 November 2026 is opposed and not supported by Master Builders ACT.

Divergent timing creates documentation inconsistencies, certification confusion, training inefficiencies, and increased risk of inadvertent non-compliance.

**Recommendation 3:** ACT should align the NCC 2025 implementation process with other jurisdictions such as Tasmania.

ACT should align the NCC 2025 implementation process with other jurisdictions such as Tasmania. The proposed six-month transition provides insufficient time, capability and capacity to:

- Plan, review, redesign and re-documentation
- Software and specification updates
- Product supply chain adjustments (e.g. ensure trade suppliers are able to supply compliant product)
- Designer, certifier and trade retraining
- Pricing recalibration and contract updates
- Undertake negotiations on the building changes and impact on contractual arrangements

A minimum 12-month transition period from publication to mandatory application is essential. It is recommended the voluntary phase in model utilised by Western Australia provides the ideal phase in period.

**Recommendation 4:** A WA style phase in model is adopted with a minimum transition of 12 months, with an extended period for substantially advanced projects.

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<sup>6</sup> <https://www.wa.gov.au/government/announcements/understanding-ncc-2022-and-implementation-clarification>

As noted, that the ACT continues to experience misinterpretation and compliance challenges arising from NCC 2022. Repeating this pattern would create unnecessary risk to the sector and consumers.

**Recommendation 5: A formal industry readiness assessment prior to enforcement of NCC 2025.**

An extended version of the ‘Approvals by November’ option, aligned to a 12-month implementation period would allow completed design documentation, executed construction contracts and material procurement commitments.

**Proposed ACT Variations**

Master Builders ACT provides the following feedback on the proposed additional three variations:

Variation One	Supported with conditions
Variation Two	Not supported
Variation Three	Supported in principle

**Recommendation 6: Avoid ACT-specific variations not nationally adopted (Variations One and Two).**

**Variation One** – Commercial Energy Efficiency for Class 2: Supported if rolled out with the NCC when NSW rolls out. Additionally, the document should reflect only the ACT-relevant climate zones to minimise any confusion.

**Variation Two** – EV Readiness for Class 1: Not supported due to cumulative cost pressures and infrastructure capacity concerns, the NCC is not the place for these types of infrastructure. Additionally, local grid capacity and infrastructure readiness at peak times must be considered before enforcement, as well as the implications for insurance premiums, and fire management by mandatorily introducing availability to charge vehicles indoors and the inability to control thermal runaway.

**Recommendation 7: Proceed with Variation Three provided an exemption for existing buildings.**

**Variation Three** – Water Management Exemption for Existing Buildings: Supported in principle due to impracticality of retrofitting structural grading and step-down requirements.

**Part 2: Response to the NCC 2025 Preview**

Master Builders ACT has undertaken a detailed analysis of the residential and commercial proposals contained within the preview version of NCC 2025.

Preliminary cost estimates suggest an increase to residential housing of \$14,000 - \$55,000; and a minimum range of 0.5% - 3% of a commercial project cost. This is detailed below by Volume 1 and Volume 2 (refer to appendix A).

**Recommendation 8:** Only essential provisions in the NCC 2025 be supported as detailed in Appendix A table.

**Recommendation 9:** A full cost benefit analysis be undertaken for ACT housing and public projects be undertaken prior to implementation.

## Appendix A: Analysis of NCC 2025 and variations

Ref volume / page	Component	Proposed change	Est. cost (per house / project)	Stakeholders	Recommendation	Summary
Vol 2 Health & Amenity	Condensation / control layer definitions	Expanded recognition of control layers and condensation management within the building envelope	Increased installation time, higher trade discipline, additional design coordination, and potential premium for compliant installation methods. If the home has less than 5 air changes per hour, it may need mechanical ventilation with an approximate cost of \$30,000.00	Designer, Builder, Insulation installer, Cladder, Electrician, Plumber	<b>Request delay/staged implementation</b>	<p>Poor sequencing of membranes, wraps, and service penetrations transitions from a workmanship issue to a compliance risk under increased envelope performance requirements. Current trade practices, available products, and standard detailing are not consistently aligned with the level of airtightness and moisture control being introduced.</p> <p>Without national consistency, manufacturers are unlikely to redesign systems to suit ACT-specific requirements, creating a disconnect between compliance expectations and practical application.</p> <p>Increased sealing to improve energy efficiency also elevates the risk of condensation and mould where ventilation, drainage, and vapour management are not appropriately designed, installed, and regulated.</p>

<p>13.7.11 - Amended to be ACT specific for Class 1 buildings</p>	<p>EV charging readiness</p>	<p>ACT Specific for Class 1 - Explicit performance and DTS requirements for EV infrastructure capacity</p>	<p>\$1,000–\$6,000 per dwelling</p>	<p>Designer, Electrician, Builder, Developer</p>	<p><b>Reject</b></p>	<p>Switchboards, metering, distribution boards, and carpark layouts must be designed to accommodate EV charging capacity from the concept stage. However, local grid capacity and supporting infrastructure must also be considered prior to implementation.</p> <p>Premature enforcement risks increasing upfront design and construction costs without ensuring the infrastructure can be effectively utilised.</p> <p>Further, the introduction of EV charging within residential buildings may require additional consideration of fire safety design and risk management, which could influence insurance requirements and premiums if not appropriately addressed.</p> <p>The NCC is not the correct place for this amendment as the flow-on effects are too great, and not practical for the industry.</p> <p>An incentive or rebate to install would be a more responsible approach than a regulatory sledgehammer.</p>
<p>Vol 1 F1D4</p>	<p>Drainage and grading of external areas</p>	<p>External finished surface levels and grading tied more closely to waterproofing and</p>	<p>High design/admin cost as well as construction cost. Has the potential to change buildings floor height due to the</p>	<p>Designer, Builder, Concreter, Certifier</p>	<p><b>Support, but request long transition (education required)</b></p>	<p>Achieving the required falls may necessitate deeper slab set-downs or increased slab thickness. This has the potential to increase overall building height, conflict with planning controls, reduce achievable yield, and increase construction costs—directly</p>

		building substrate protection	increase in depth needed to implement.			impacting housing affordability and project feasibility.  We support provisions that allow flexibility in retrofit scenarios, recognising the constraints of existing structures where compliance with new requirements may not be practicable.
ACT Amendment for Volume 1	Insulation to common areas	Introduction of insulation to lift common areas energy efficiency like lifts, pools, common HVAC, hot water and lighting	Increased installation time, higher trade discipline, additional design coordination, potential premium for specific insulation	Designer, Builder, Insulation installer, Cladder, Electrician, Plumber	<b>Request delay / staged implementation</b>	In addition to increased insulation requirements, buildings may also be required to incorporate rooftop solar where common areas are air-conditioned under Section J provisions. This may present challenges where sufficient roof space is not available to accommodate photovoltaic (PV) systems, particularly in higher-density developments.
Vol 1 & 2 Fire / Governing	Evidence of suitability / Accredited testing	Greater reliance on Accredited Testing Laboratory evidence for combustibility, fire indices and product verification	\$0-\$3,000 depending on product selection / redesign	Designer, Builder, Supplier, Certifier	<b>Support with education period</b>	Direct response to cladding era. Substitutions on site become high risk. Procurement discipline critical.
Vol 2 Housing Provisions	External wall / cladding systems (AS 5346 reference)	Moves from component compliance to system compliance for insulated cladding/wall systems	\$2,000-\$8,000 depending on façade type	Designer, Builder, Cladder, Certifier	<b>Support with education period</b>	Entire wall build-ups must match tested systems. Major impact for lightweight cladding market.
Vol 2 Structural	Wind Region B2 reference (metal roofing)	Additional wind classification considerations for roofing systems	\$500-\$2,000	Designer, Roofer, Frame installer	<b>Support</b>	Roofing fixings and tie-downs more sensitive to documented wind class. Impacts ACT high wind areas.

Vol 2 Ventilation	Ventilation verification (AS 1668.4)	Natural ventilation now benchmarked to a formal verification method	\$500-\$1,500 (design changes)	Designer, Certifier	<b>Support</b>	Removes “window size should be fine” logic. More scientific assessment.
Vol 1 Governing Requirements	Performance Solutions governance	Structural & fire Performance Solutions must be equivalent to DTS and cannot rely on expert judgement alone	High design/admin cost	Architect, Engineer, Certifier, Builder	<b>Support, but request long transition (education required)</b>	Removes “grey area” performance reports. Raises documentation and design rigour. Major shift for certifiers.
Vol 2 Definitions	Definitions – embodied carbon, control layer	Introduction of carbon and envelope system terminology	Nil	Industry wide	<b>Monitor</b>	Signals future NCC direction toward carbon accounting and envelope science.
All volumes	Certifier assessment threshold	Reduced reliance on opinion, increased reliance on test evidence	Nil	Certifier, Designer, Builder	<b>Support</b>	More consistent approvals/refusals. Less negotiation on site.

## **Conclusion**

Master Builders ACT supports building a quality industry for our members and our region and a modern NCC is the foundation of this.

However, implementation must be coordinated, nationally aligned, properly resourced, and realistically timed to protect industry, consumers, and housing supply.