Australian Treasury
Submitted via online form

18 February 2026

Re: Streamlining and modernising the National Construction Code

The Affiliated Insulation Industry Coalition (AIIC) is a collective of insulation trade associations including Insulation Australasia (IA) and the Insulation Council of Australia & New Zealand (ICANZ). Collectively, the AIIC represents Australian insulation manufacturers, insulation installer organisations and polymers-based insulation supply chain manufacturers.

The AIIC supports efforts to streamline and modernise the National Construction Code (NCC), particularly reforms that improve usability, regulatory clarity, and the effective use of digital tools. A simpler, more navigable NCC can reduce compliance burden, support productivity in the construction sector, and improve consistency of outcomes across jurisdictions.

However, streamlining must not result in a rollback of existing safety, quality, or performance provisions. In particular, changes to the NCC should maintain - and continue to strengthen over time - minimum requirements for thermal performance, electrification and energy efficiency in homes.

Efficient electrification is not only a climate measure; it is a productivity strategy. Australia's energy and housing future depends on delivering buildings that support energy affordability, emissions reduction, resilience, and workforce participation. International and domestic research consistently shows that energy efficiency delivers emissions reductions at scale and at lower cost than supply-side alternatives,[1] while also reducing pressure on households and energy infrastructure.

Australia already lags many international peers on minimum building performance standards. Research indicates that homes built to current requirements are not well suited to the climate conditions they will face over their lifetimes.[2] Poorly performing homes lock in waste for decades, including higher energy bills, avoidable retrofit costs, and inefficient use of a workforce already facing acute skills shortages. Strong minimum standards in new build, delivered through the NCC, are significantly more cost-effective than attempting to remediate these issues after construction.

Well-designed thermal performance requirements reduce long-term costs and support productivity by:

- lowering household energy bills and exposure to energy price volatility;
- enabling right-sizing of appliances such as air conditioning, solar, and batteries;
- reducing peak demand and deferring costly network upgrades; and

[1] International Renewable Energy Agency (IRENA), World Energy Transition Outlook 2022 and Northmore Gordon, Energy efficiency scenario modelling, 2023.
[2] Renew and Sweltering Cities, Future Climate Impacts on Home Efficiency Standards, 2024.

- improving health outcomes, reducing avoidable strain on the healthcare system and absenteeism from work and school.[3]

Importantly, the thermal performance industry recognises cost pressures in the construction sector and is ready to work constructively with builders and regulators to identify innovative pathways to achieve strong performance outcomes. When considered early in design, improved thermal performance can often be delivered without material cost increases, while delivering substantial lifetime benefits.

For streamlining and modernisation to be successful, the Australian Building Codes Board (ABCB) must be adequately resourced. Delivering a clearer, more digital, and more user-friendly NCC, while maintaining technical integrity and national consistency - requires sustained capability and investment.

Building products are distributed from a range of sources throughout Australia, providing regulatory challenges in acting against distributors and installers of non-conforming building products. We are of the view that there should be one national regulator to refer non-conforming building products to who can take the necessary enforcement to abate non-conforming building products entering the building and construction industry.

Finally, maintaining a strong, consistent national framework is critical. Fragmentation or weakening of NCC energy performance provisions across jurisdictions increases complexity, undermines productivity, and risks further eroding Australia's competitiveness relative to global peers.

AIIC therefore supports streamlining reforms that improve how the NCC is used and implemented, while strongly cautioning against any changes that dilute minimum performance standards. A modernised NCC should simplify compliance while continuing to drive better-quality, future-ready housing that supports productivity, affordability, and resilience over the long term.

The AIIC welcomes the opportunity to engage on this matter further. Should you have any questions about this submission or wish to discuss further, please contact our Senior Advisor, Rachael Wilkinson at Rachael.Wilkinson@eec.org.au.

Sincerely,

Jim Hall
Chair, Affiliated Insulation Industry Coalition

[3] Sustainability Victoria, The Victorian Healthy Homes Program Research findings, 2022. Grimes et al., Cost Benefit Analysis of the Warm Up New Zealand: Heat Smart Programme Ministry of Economic Development, 2012 and Pierse et al., Healthy Homes Initiative: five year outcomes evaluation, 2024. Gilbertson et al. 2006, 'Home is where the hearth is: Grant recipients' views of England's Home Energy Efficiency Scheme (Warm Front)', Social Science & Medicine vol. 4 issue 4, pp. 946-956. Umishio et al., Effect of living in well-insulated warm houses on hypertension and cardiovascular diseases based on a nationwide epidemiological survey in Japan: a modelling and cost-effectiveness analysis, BMJ Public Health 2024;2:e001143.