

Media Release

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Australia's building industry 'burdened' by state NCC variations

Escalating state and territory variations to the National Construction Code (NCC) are eroding national consistency, increasing costs, and placing unnecessary pressure on builders, manufacturers, and product suppliers, according to the Building Products Industry Council (BPIC).

"Although the NCC is intended to operate as a nationally harmonised regulatory framework, states and territories have continued to go their separate ways," BPIC executive officer Rodger Hills said.

Victoria and Tasmania (by default) are the only jurisdictions to meet the original projected NCC start date of 1 May, with three states adopting it on May 1, 2027 and the remainder adopting it on May 1, 2026 but providing a transition period of 12 months.

"They have also introduced large numbers of jurisdiction-specific amendments, even as they publicly express concern about the complexity of the NCC."

One of the most vocal critics of the NCC, Tasmania, has introduced 125 new variations to NCC 2025 Volume 1, on top of the 25 variations already present in NCC 2022. This amounts to more than 150 jurisdiction-specific changes to just one volume, adding over 53 pages of additional requirements that Tasmanian practitioners must interpret and apply.

This is despite Tasmanian representatives being active participants in the NCC development process over the past four years, contributing to the very regulations now being criticised.

The situation is even more pronounced in New South Wales, where state variations have increased from 16 in NCC 2022 to more than 210 in NCC 2025 Volume 1. This is an expansion of approximately 70 pages of additional Volume 1 regulation. Across all three volumes of NCC 2025, NSW has introduced 291 state variations equating to 108 pages of additional regulation.

Similar trends are evident in the other jurisdictions, all of which have quietly introduced substantial new variations while continuing to assert that the NCC is overly complex, and burdensome red tape.

Some government proponents argue that state variations do not add regulation but merely "change" it. In practice, however, practitioners must navigate the NCC back and forth to determine what applies, what has been replaced, and under what conditions. "Whether a variation substitutes a clause, a sentence, or just a single word, the effect is the same: greater time spent interpreting the NCC and a higher risk of misinterpretation, uncertainty, and non-compliance," Hills said.

From a national perspective, state and territory variations dilute the benefits of a harmonised NCC. They:

- Increase compliance costs for manufacturers, builders, and designers.
- Reduce productivity by requiring jurisdiction-specific design and construction solutions.
- Create barriers to national supply chains and economies of scale.
- Introduce uncertainty for industry participants operating across multiple jurisdictions.

Of particular concern is the lack of national oversight or transparency applied to state variations. Hills notes that, "Most variations are developed after the NCC public comment draft period, meaning industry has no opportunity to review or provide feedback before they are introduced. In effect, they circumvent the normal code development process."

Unlike national provisions, state and territory variations are not required to meet policy-neutrality tests, demonstrate no increase in regulatory stringency, or undergo any form of regulation impact statement process to assess economic or productivity implications. Additionally, since state variations are not subject to national rigour, they risk contradicting or weakening other parts of the NCC.

BPIC welcomes the Federal Treasury's *NCC Modernisation Project* as an important step toward improving regulatory clarity and efficiency. However, a critical question remains: how will the modernisation process address the escalating volume of state and territory variations that continue to undermine national consistency?

Australia's manufacturers, builders, and product suppliers rely on a stable, predictable, and harmonised regulatory environment. "Without effective reform to jurisdictional variation practices, the benefits of a modernised NCC risk being overshadowed by continued regulatory fragmentation," Hills said.

The National Construction Code (NCC) is Australia's primary set of technical, performance-based requirements for the design, construction, and plumbing of buildings. Produced by the Australian Building Codes Board (ABCB), it ensures minimum standards for safety, health, amenity, accessibility and sustainability

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About BPIC: The Building Products Industry Council (BPIC) is the national peak body representing Australia's leading building products industries and related services. Its members and associated companies directly employ more than 243,000 Australians, with more than 796,000 employed indirectly. Its collective industries are worth more than \$67.3B in annual production to the Australian economy.

For more information about BPIC visit: www.bpic.asn.au