

Media Release

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Building governance failures put housing target at risk

Australia's push to build 1.2 million new homes is being undermined by a building governance system that has become dysfunctional, the Building Products Industry Council (BPIC) has warned.

BPIC says the Federal Treasury's NCC Modernisation Project is "tinkering at the edges" while ignoring the building regulatory framework failures that are slowing construction, driving up costs, and undermining national consistency.

"The real problem is not the building code alone, it's the governing system that sits above it," BPIC Executive Officer Rodger Hills said. "We have a building governance model that is fragmented, opaque and increasingly unable to support a sector that makes up 10 per cent of Australia's economy."

A system meant to provide national consistency is doing the opposite

At the top of the regulatory structure sit the state and territory building ministers, operating under an intergovernmental agreement (IGA) designed to deliver a unified national approach. BPIC says the reality is far from that vision.

Key failures include:

- **Irregular building ministers' meetings (BMM)** with no consistent agenda and no industry involvement.
- **Opaque IGA** that has become a maze of overlapping responsibilities.
- **States pursuing conflicting policies and agendas**, eroding national consistency.
- **No meaningful feedback loop** for industry or the public.

"These are not minor administrative issues," Hills said. "They are structural failures that directly affect housing supply, productivity and the cost of building in Australia."

Industry says the NCC Modernisation Project is looking in the wrong place

BPIC argues the NCC Modernisation Project being undertaken by Treasury is focused too narrowly on the code itself, rather than the governance system that determines how the code is developed, implemented and enforced.

"Modernising the code without modernising the governing system above it is like renovating a house on weak foundations," Hills said. "We're calling for the Modernisation Project to immediately review the intergovernmental agreement. This is a once-in-a-generation chance to fix a broken framework that is slowing housing delivery and driving up costs."

What industry wants fixed

BPIC is urging governments to adopt a set of practical reforms, including:

- Regular, transparent building ministers' meetings where industry and the public have direct input into building policy development.
- A clear and accountable IGA structure that sets medium and long-term priorities for Australia's built environment.
- An Australian Building Codes Board that is a statutory body.
- Early and meaningful industry engagement on proposed policy considerations likely to affect the code.
- A unified national vision for Australia's built environment.
- Consistent adoption and implementation across states and territories.
- Measurable performance indicators for regulatory success, a systematic way for industry and the public to provide input, and regular progress updates from the building ministers meetings.

Why it matters

"This is not just a building industry concern," Hills said. "It affects homebuyers, renters, and anyone waiting for a home to be built. If governments are serious about tackling the housing crisis, they must fix the governance system that controls the entire building sector."

The NCC Modernisation Project's final report is due in October/November 2026.

About the NCC

The National Construction Code (NCC) sets Australia's technical requirements for design, construction and plumbing to protect safety, health, amenity and accessibility. But without a transparent, accountable and effective governance system driving it, even a well-designed code cannot deliver the outcomes Australians expect.

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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 with members and associated companies directly employing over 243,000 Australians with more than 796,000 employed indirectly. Their collective industries are worth over \$67.3B in annual production to the Australian economy.

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

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