



**Actuaries
Institute.**

27 February 2026

Submitted via [Treasury Consultation Portal](#)

Dear Sir/Madam

Response to Treasury's Consultation on Streamlining and modernising the National Construction Code

The Actuaries Institute ('the Institute') welcomes the opportunity to provide feedback on Treasury's consultation on Streamlining and modernising the National Construction Code (NCC).

The Institute is the peak professional body for actuaries in Australia. Our members work in a wide range of fields including insurance, superannuation, investments and retirement incomes, banking, enterprise risk management, data science and AI, climate change impacts and government services. The Institute has a longstanding commitment to contribute to public policy discussion where our members have relevant expertise. The comments made in this submission are guided by the Institute's ['Public Policy Principles'](#) that any policy measures or changes should promote public wellbeing, consider potential impacts on equity, be evidenced-based and support effectively regulated systems.

The Institute is supportive of the overall ambition for NCC reform: delivering safe, quality buildings that can be delivered cost effectively and in a timely manner.

Our submission reflects the need for efficient investment in building resilience and energy efficiency consistent with the stated goals of streamlining the NCC to promote an increased supply of affordable housing. Housing affordability should consider not only the initial cost of construction but also ongoing energy costs and repair after major disasters (usually reflected in consumer cost through insurance premiums). There are many relatively low cost modifications to current building practices which simultaneously reduce energy and repair (insurance) costs which have high benefit to cost returns for homeowners, within short payback periods, supporting the goals of the proposed pause of changes to the NCC. These actions also are consistent with the Government's goals of lowering the high cost of living and promoting a net zero future and therefore present an opportunity for integrated, systematic policy solutions that meet both shorter-term and longer-term goals.

At a high level, the Institute puts forward that:

- Safe and quality buildings should be able to withstand future impacts from climate change over the expected design life of a building (where there is sufficiently high confidence in these impacts). Accordingly, there is a strong case for ongoing changes that ensure buildings can better withstand more extreme weather to be considered by the ABCB and Building Ministers, not paused.
- Cost effectiveness should consider whole-of-building-life costs.

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In regard to the consultation theme “governance and process”, the Institute makes the following observations:

- The Institute is supportive of effectively regulated systems, including the streamlining of regulation where possible. The Australian Building Code Board (ABCB) and NCC were designed to streamline regulation, with the NCC initially introduced as a productivity measure through driving consistency of national standards.
- However, with respect to the pause of ‘non-essential’ changes to the NCC for residential buildings until mid-2029, we believe that changes to ensure residential buildings that can better withstand more extreme weather over their expected lifetimes should continue to be considered by the ABCB and Building Ministers, not paused. The Building Ministers have accepted the recommendation of the *2020 National Natural Disaster Arrangements Royal Commission* to add climate resilience as an objective of the ABCB.¹ With climate-driven extreme weather intensifying faster than previously projected², consideration of standards which ensure buildings can better withstand more extreme weather are critical to the safety and quality of Australia’s housing over its lifespan.
- The future of the NCC should consider cost effectiveness over the expected lifespan of the building, not just initial construction costs. This includes:
 - Energy costs: Buildings built with high energy efficiency requirements will result in lower energy costs for the occupants. The Institute notes that the ABCB’s existing process includes a detailed consideration of cost and benefits of every proposed change, and the changes paused in relation to energy efficiency have been through that process and found to have a much higher benefit than cost.
 - Repair and rebuild costs: If buildings are not built to withstand future levels of extreme weather events, they will be at a significantly higher risk of being damaged or destroyed in extreme weather, leading to costly repairs or a rebuilds that could have been avoided³.
 - Insurance costs: Less resilient buildings may attract higher insurance premiums. The Institute has commented extensively⁴ on home insurance affordability. The Institute’s research showed that as at March 2024, 15% of Australian households faced extreme home insurance affordability pressure, with climate change expected to materially worsen this. Improved building standards are a critical component of limiting the pressure on insurance affordability and supporting ongoing home insurance availability.

The Institute’s recently published report *Mobilising Investment for Climate Adaptation* proposes solutions to help overcome the challenges of meeting Australia’s need to invest more in climate adaptation, while boosting productivity and delivering a safer and more prosperous future for Australians. This includes a recommendation that there should be a review of the roles and responsibilities of different levels of government and non-government stakeholders in adaptation, to ensure that governance structures are fit for purpose to address changing climate risks and support adaptation. The report highlights that NCC

¹ <https://www.minister.industry.gov.au/ministers/husic/media-releases/building-ministers-back-greater-climate-resilience-australian-buildings>

² <https://www.ipcc.ch/2021/08/09/ar6-wg1-20210809-pr/>

³ The materials used in any such repairs or rebuild will also contribute to future emissions that could be avoided. As noted in the Built Environment Net Zero Strategy, the building sector is a significant contributor to Australia’s overall emissions

⁴ [Home Insurance Affordability and Home Loans at Risk](#)

code decisions require coordination across all levels of government to meet Australia's growing need for more housing and to ensure it is resilient to climate change impacts.

The current review is a key opportunity to ensure the NCC is aligned to those findings and recommendations, and to be consistent with numerous Government reports and policy positions drawing attention to the need to increase the resilience of Australia's housing stock. Those reports and policies include:

- The **2020 National Natural Disaster Arrangements Royal Commission** whose recommendation to add climate resilience as an objective of the ABCB was agreed by Building Ministers in 2024.⁵ This would make provision for the ABCB to consider future standards which ensure buildings can better withstand more extreme weather.
- The Productivity Commission's **Investing in cheaper, cleaner energy and the net zero transformation** report recommendation 3.3 'Improve resilience through a national strategy for housing resilience'
- The Department of Climate Change, Energy, the Environment and Water's **National Adaptation Plan (NAP)** which:
 - Provides a vision for 'Infrastructure and built environment' that "*settlements, buildings and infrastructure are resilient to the impacts of climate change and are future-proofed to ensure the health, wellbeing, safety and liveability of our communities*"
 - Emphasised that consultation on the NAP found "*that climate risk needs to be integrated into all levels of planning, regulation and strategy in the built environment. Planning and designing climate resilient critical infrastructure systems and buildings is key to preventing cascading climate impacts*".
 - Commits the Australian Government to "*work with state and territory governments through the Building Ministers' Meeting to consider current and future climates in updates to the NCC, which may include future climate files, heatwaves and thermal comfort metrics*".
- The Climate Change Authority's report **Home Safe: National Leadership in Adapting to a Changing Climate** notes the NCC "*could provide a mechanism to continue lifting standards for new buildings. Aligning the requirements of the NCC with projected climate impacts could help make homes more resilient – for example by ensuring houses are built to withstand cyclones across more parts of Australia where severe storms may occur in future*".
- The National Housing Supply and Affordability Council's **State of the Housing System 2025** comments under its goal that 'Housing is safe and environmentally sustainable' that "*as a large portion of the housing stock is located in flood plains and bushfire-prone regions... mitigating the risks of natural disasters would also help make dwellings safe and environmentally sustainable*". The report also comments that "*in remote and regional First Nations communities, housing is not built to withstand extreme temperatures and is likely to be unsuitable for future living as climate change worsens already difficult conditions in many parts of remote Australia*".

In conclusion, the Institute considers work should urgently continue planning for Code enhancements that support the resilience and energy efficiency of Australian buildings to ensure our communities can adapt to the changing climate. Any streamlining of the NCC should consider the costs and benefits that accrue over the lifetime of properties, including household energy costs, home insurance costs, and the costs of repair and rebuild, in light of Australia's future climate. Changes should consider relative cost in the near

⁵ <https://www.minister.industry.gov.au/ministers/husic/media-releases/building-ministers-back-greater-climate-resilience-australian-buildings>

term, and those which can be accomplished with a modest investment should be prioritised now, with more costly changes deferred until after the proposed pause expires.

The Institute would be pleased to discuss this submission. If you would like to do so, please contact us on (02) 9239 6100 or public_policy@actuaries.asn.au.

Yours sincerely

(Signed) Elayne Grace
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