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Hon Mick de Brenni MP
Minister for Energy, Renewables and Hydrogen
Minister for Public Works and Procurement
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Dear Minister

National Construction Code 2022 implementation

I am writing in response to Tuesday's Stakeholder meeting. As you know, Master Builders has communicated to you and your Department the very real concerns of builders and their clients about the National Construction Code 2022. We have been advocating strongly for additional time and sensible exemptions for industry and homeowners before the livable housing and energy efficiency changes commence.

While we appreciate the close working relationship with your Department and the many hours spent discussing issues and solutions, we are greatly disappointed by the announcement this week that implied there would be more extensive delays to commencement and an exemption for traditional 'Queenslanders'. While the announcement promised a lot more, at the meeting with stakeholders on Tuesday only the previously discussed proposed Queensland Development Code (QDC) changes were on the table.

While the narrow lot transitional arrangements will certainly benefit developers who have land subdivision applications in progress, there are no Queensland exemptions for the 'Queenslander' style house. The exemption for a step-free access path to a dwelling where it cannot be achieved within required gradients already exists for all jurisdictions. It was negotiated nationally by Master Builders and other stakeholders. The livable housing requirements from the entrance door and within the dwelling still apply, as do energy efficiency requirements, despite being significantly more difficult and therefore costly to achieve on a 'Queenslander' style construction.

It has been stated that Queensland has the most generous exemptions and transitions. We cannot understand this view, when for example Western Australia is not implementing the livable housing provisions at all and has extended energy efficiency provisions to May 2025. We are also aware that our counterparts in other states are negotiating with their governments for exemptions to the NCC provisions. For the other states, there is not the urgency to finalise the details of exemptions that we have in Queensland.

The concerns we have raised have only been addressed in small part in the proposed Queensland Development Code. While we support any changes that benefit industry, the draft QDC will not address issues of housing affordability and the housing crisis.

We believe it's vital that the Queensland Government has an accurate understanding of the impacts of the NCC changes on industry and consumers. The expected costs quoted by government aren't reflective of what our members are telling us. Throughout our discussions we have quoted the cost impact as being in the order of \$20,000 to \$30,000. This is a conservative estimate based on members' feedback. We are aware of much higher costs for example \$70,000 for energy efficiency for a new high-set home on the Darling Downs. There is no suggestion this is a typical cost; there is a significant range of costs depending on the type of construction, climate zone, topography, lot size etc.

However, as the software tool used by most energy assessors in Queensland (BERS) is not yet updated for NCC 2022 or whole-of-house provisions, most builders remain unable to determine the required changes and the subsequent costs for meeting the energy efficiency requirements. I note that it was indicated at the Stakeholder meeting that its release is imminent; however, this has been the case for many months.

Our State Budget submission included a rebate scheme to fund energy efficiency measures for new and existing homes – similar to the Government's successful Household Resilience Program.

Given the Queensland Government's position that the cost of implementing the livable housing and energy efficiency changes will be up to two per cent of the construction cost, we are keen to discuss a rebate scheme that would offset the costs for homeowners for both energy efficiency and livable housing. For example, the program could:

- fund any costs, independently verified, over and above 2 per cent of the total construction cost to achieve compliance with these provisions for each dwelling, or
- agree to provide an exemption where the costs would exceed 2 per cent of the contract price.

The NCC changes are a substantial disruption to the industry and come off the back of a raft of other changes burdening the building industry, and on top of ongoing labour and materials price rises and shortages.

The request for additional time, until at least May 2024, would not only give industry more time to understand and prepare for the changes, it would also provide a reprieve for homeowners from the housing cost increases, allow time to properly and carefully consider adequate exemptions, adequately inform industry and consumers of the changes, and ensure supply chains are informed and prepared.

Yours sincerely



Paul Bidwell
CEO

Copy to:

Hon Dr Steven Miles

Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympic and Paralympic Games Infrastructure

By email: deputy.premier@ministerial.qld.gov.au