

Albanese Government Defends Energy Standards Despite Builder Backlash

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CANBERRA – Housing Minister Clare O’Neil has declared that energy efficiency rules in the National Construction Code must remain in place, even as the government admits the 2000-page document has become overly complex and is now being paused until mid-2029.

Speaking on Sunday, Ms O'Neil acknowledged that the code in its current form had become “unworkable” for builders but rejected calls to roll back its environmental requirements, including electric vehicle charging provisions and tougher efficiency targets.

“We want to have energy-efficient houses. Climate change is a reality that’s got to be dealt with,” Ms O'Neil said. “But we want to do this in a way that’s workable for our builders.”

The 2022 update to the National Construction Code introduced tighter energy efficiency standards, which industry groups say have increased house prices by \$30000 to \$50000. Builders argue the changes have complicated projects and slowed housing delivery at a time when Australia faces a severe supply crisis.

Ms O'Neil insisted that the government’s decision to freeze non-essential changes for the next four years would give the sector “room to breathe” while ensuring that safety and environmental standards remain intact.

“Because of the decision the government has made, there really will be no meaningful changes to the code for a seven year period,” she said.

The NCC, which sets minimum standards for design, safety, and energy efficiency, is typically updated every three years. By pausing non-essential changes until 2029, the government aims to simplify the rules and reduce the regulatory burden on builders, while leaving climate measures untouched.

Industry stakeholders have repeatedly argued that these green requirements increase costs for families and worsen affordability. Critics warn that pushing climate policy through building codes risks undermining Labor’s own pledge to accelerate housing supply.

Alongside the pause, the government also announced plans to fast-track approval of more than 26000 homes currently tied up under environmental assessments governed by the Environment Protection and Biodiversity Conservation Act.

Ms O'Neil described this as a “common sense measure” that emerged from the Economic Reform Roundtable, where housing supply and regulatory hurdles were top concerns.

“We can actually build more homes more quickly and do it in a way that sees us build high-quality homes,” Ms O'Neil said.

The announcement highlights the Albanese government's balancing act: defending its climate agenda while responding to mounting pressure over affordability and supply. The pause on code changes may ease frustration among builders, but many in the industry remain skeptical about the ongoing costs tied to the NCC's energy rules.

Some economists have suggested that embedding climate requirements into the housing market could further entrench higher costs for new builds, at odds with Labor's promise to deliver cheaper housing.

Despite these criticisms, the government appears unwilling to compromise on green standards, framing them as essential to long-term planning and future-proof housing.

For now, the construction sector will face fewer regulatory changes but no relief from the rising costs driven by the NCC's energy efficiency measures.