# Creating a more dynamic and resilient economy inquiry

Questionnaire response 81

**Name:** Australian Sustainable Built Environment Council (ASBEC)

**Submission date:** 6/06/2025

## 1. Support business investment through corporate tax reform

### 1. What features of the Australian business environment have encouraged or restrained investment over the past 10 years?

The participant did not respond to this question.

### 2. What elements of the corporate tax system encourage and/or discourage investment and risk-taking?

The participant did not respond to this question.

### 3. Which parts of the corporate tax system do you find the hardest, or most time or cost-intensive to comply with? How could the compliance burden of the business/company tax system be reduced?

The participant did not respond to this question.

## 2. Reduce the impact of regulation on business dynamism

### 1. What areas of regulation do you see as enhancing business dynamism and resilience? What are the reasons for your answer?

Regulation, when well-designed and nationally consistent, can play a critical role in enhancing business dynamism and resilience by creating clear market signals, levelling the playing field, and fostering innovation in response to shared public policy goals.
A strong example is the National Construction Code (NCC), which is a foundational regulatory instrument for the building and construction sector. In the 2024 joint industry letter to Building Ministers led by ASBEC and co-signed by over 40 industry groups, the point is made that a single, nationally consistent NCC enhances business confidence, reduces compliance costs, and enables businesses to scale innovative products and services across jurisdictions. Consistency in regulation is vital to reducing fragmentation, avoiding duplication, and unlocking economies of scale that drive competitiveness and investment.
Moreover, the referenced technical standards within the NCC serve as essential tools for implementing broader policy visions—such as improved energy performance, resilience, and reduced carbon emissions. These standards provide the technical clarity and certainty that businesses need to plan, invest, and innovate, supporting both productivity and environmental performance.
Regulation is also necessary where market failures limit voluntary action, particularly in the case of climate change mitigation. In our 2025 report Our Upfront Opportunity, we note that most companies are not investing in low-embodied carbon materials and practices because there is no clear financial incentive or mandate to do so. Recommendation 8 of that report calls for embedding embodied carbon requirements in the NCC to send consistent signals across the construction supply chain. This regulatory approach would correct market failure by ensuring that decarbonisation becomes a standard business consideration, rather than a voluntary exception.
Regulation can enhance business dynamism when it:

• Provides nationally consistent frameworks that reduce compliance burden and enable economies of scale
• Translates policy goals into clear, actionable technical standards
• Corrects market failures by aligning business incentives with long-term economic, environmental and social objectives.

Far from stifling innovation, such regulation provides the certainty and direction needed to catalyse investment, improve competitiveness, and build a more resilient and productive economy.

## 2. How has your regulatory burden changed over time?

Since the early 1990s, the adoption of a single building code by state and territory governments has been a national project grounded in productivity and efficiency, to save businesses money from unnecessary and confusing duplication between states and territories and undue regulation, focusing on reforms that have a net benefit to society.

Over ime, the issues addressed in the design, construction and refurbishment of buildings have changed and evolved in response to the risks faced. From ensuring personal safety in case of fires and structural failures, to addressing systemic defects in quality like waterproofing and condensation, there is a strong need to consider emerging challenges.

Failure to adapt our standards and approaches in line with cost-saving technology and productivity advancements risks worsening affordability. Governments' ambitious commitment to deliver 1.2 million homes over the next decade demands a focus on innovative ways to deliver homes for our growing population, including prefabricated and modular construction.

The NCC also ensures an appropriate safety net for quality, comfort and cost to all Australians, the people who ultimately own, work and live in the buildings we construct.

In 2018, ASBEC released Built to Perform: An Industry Led Pathway to a Zero Carbon Ready Building Code, recommending that Australian Governments commit to a Zero Carbon Ready Building Code and deliver a step change in energy efficiency requirements in 2022. Built to Perform noted: "Non-compliance and under-compliance … undermines the rights of building purchasers and occupants who are not receiving what they are legally entitled to receive under the Code, and provides an unfair advantage to operators who cut corners over those who meet required standards. This issue must be addressed as a matter of urgency if a zero carbon built environment is to be achieved by 2050."

ASBEC members strongly support the recommendations in the Building Confidence report (BCR), authored by Peter Shergold and Bronwyn Wier. We commend the establishment of the Australian Building Code Board (ABCB) Compliance Taskforce and BCR Implementation team to continue advancing the BCR recommendations and welcome industry involvement in informing the work of this Taskforce and Implementation team as it relates to the sustainability and energy efficiency provisions in the National Construction Code.

We are strongly committed to supporting compliance with the sustainability and energy efficiency provisions in the National Construction Code, to ensure the provisions in the Code are delivered cost effectively, holistically and in a harmonised way across Australia. Our efforts will be to work with State and Territory governments to ensure the work undertaken by the BCR Implementation team is fully adopted and implemented at a State and Territory level, whilst ensuring streamlined regulatory outcomes.

3. What regulations do you find time-consuming, overly complex or otherwise constraining business dynamism and resilience? What are the reasons for your answer?

   n/a

4. Can you share any specific examples of where you think a regulator has done a good or bad job of understanding and reducing regulatory burden on businesses and why?

   n/a