

National Competition Policy – Bilateral Schedule

FEDERATION FUNDING AGREEMENT - AFFORDABLE HOUSING, COMMUNITY SERVICES AND OTHER

Table 1: Formalities and operation of schedule							
Parties	Commonwealth Tasmania						
Duration	This Schedule is expected to expire on 31 December 2034.						
Purpose	This Schedule will support the delivery of National Competition Policy multilateral Schedule. It contains Tasmania’s Jurisdiction-Specific Reform Plan that details how Tasmania will deliver the Objectives and Performance Requirements of the multilateral Schedule.						
Estimated financial contributions	Table a			% of maximum funding allocation	Maximum funding allocation (\$ million)		
	Lower barriers to modern methods of construction						
	Output 1	Performance milestone 1		0%	0.000		
		Performance milestone 2		10%	0.292		
	Output 2	Performance milestone 1		25%	0.730		
	Estimated total budget				1.022		
	National competition principles						
	Output 1	Performance milestone 1		100%	5.000		
	Estimated total budget				5.000		
	Table b						
	(\$ million)	2026-27	2027-28	2028-29	2029-30	2030-31	Total
	Estimated total budget	0.0	5.000	1.022	0.0	0.0	6.022
	Less estimated National Partnership Payments	0.0	5.000	1.022	0.0	0.0	6.022
	Tasmania	0.0	0.0	0.0	0.0	0.0	0.0
2027-28: 100% Principles Output 1 2028-29: 100% Modern Methods of Construction, Outputs 1 and 2 Note: Payment arrangements are indicative as determined by the reporting requirements under clauses 41 to 45 of the NCP FFA							

Table 2: Performance requirements		Delivery Mechanism			
Output	Performance Milestones	Implementation approach	Delivery date	Payment	Dependencies
Reform: Lower barriers to modern methods of construction					
Project 1: Legislate nationally consistent definitions of prefabricated and modular construction	<ol style="list-style-type: none"> State and Territory Parties, through the Australian Building Codes Board, participate in the development of a national definition of prefabricated and modular construction through the National Construction Code. State and Territory Parties adopt the national definition of prefabricated and modular construction in their relevant legislation to create a nationally consistent definition. 	<p>Tasmania, through the Building Ministers Meeting, and its membership on the Australian Building Codes Board, will participate in the development of a national definition of prefabricated and modular construction through future amendments of the National Construction Code.</p> <p>Tasmania will implement reform actions to deliver these Performance Requirements.</p> <p>Tasmania (through the Department of Justice) will review relevant legislation, including the <i>Building Act 2016</i> and <i>Building Regulations 2016</i> to develop a plan to adopt the national definition of prefabricated and modular construction following the definition being agreed by State and Territory Parties. The review will include identifying interaction with other legislation that may be impacted, such as the <i>Occupational Licensing Act 2005</i>, the <i>Residential Building Work Contracts and Dispute Resolution Act 2016</i> and the <i>Land Use Planning and Approvals Act 1993</i>.</p> <p>Tasmania will review its regulatory instruments relating to building or plumbing work, including Director's Determinations (ie Director's Determination on Categories of Building and Demolition Work) that may have an application to prefabricated buildings to ensure consistency with the updated definition of prefabricated and modular construction.</p>	<p>31 December 2026</p> <p>31 December 2027</p>	<p>\$0.000</p> <p>\$0.292</p>	<p>The delivery of these Performance Requirements is dependent on collaborative action with State and Territory Parties and State and Territory Party agreement on the national definition of prefabricated and modular construction and publication of the relevant edition of the National Construction Code.</p>
Project 2: National voluntary manufacturer certification scheme to verify compliance with the National Construction Code and ensure a chain of responsibility between off-site and on-site construction	<ol style="list-style-type: none"> State and Territory Parties remove any legislative barriers to the acceptance of manufacturer's certificates for National Construction Code compliance where these certificates are issued in accordance with the national manufacturer certification scheme. 	<p>Tasmania will implement reform actions to deliver these Performance Requirements.</p> <p>Tasmania will conduct a legislative review to identify any barriers to the acceptance of manufacturer's certificates for NCC compliance where these certificates are issued in accordance with any proposed national manufacturer certification scheme. The review will seek to ensure that the chain of responsibility between off-site and on-site construction is appropriate. This is to ensure that consumer laws, and NCC compliance, are given effect where building work, building products, or plumbing work and plumbing products, that are manufactured or assembled outside Tasmania, are intended for installation within Tasmania.</p> <p>Following the review, Tasmania will make the required legislative amendments to remove any legislative barriers to the acceptance of manufacturer's certificates for NCC compliance.</p>	<p>30 June 2028</p>	<p>\$0.730m</p>	<p>The delivery of these Performance Requirements is dependent on collaborative action with State and Territory Parties. The proposed national manufacturer certification scheme must be in place for the Performance Requirement to be delivered.</p>
Reform: National Competition Principles					
Project 1: Implement the National Competition Principles	<ol style="list-style-type: none"> State and Territory Parties will provide evidence that they have: <ol style="list-style-type: none"> updated policies and processes to assess the competition impacts of their major policy decisions, per the requirements in Schedule 1 of the 	<p>Tasmania will publish a timetable that identifies how the revitalised National Competition Principles will be put into effect in Tasmania, by 31 December 2025. Tasmania will review its policies and processes against the requirements set out in Part 3 of the NCP IGA. In doing so it will:</p>	<p>31 December 2025</p>		

Table 2: Performance requirements

Performance requirements		Delivery Mechanism			
Output	Performance Milestones	Implementation approach	Delivery date	Payment	Dependencies
	<p>Intergovernmental Agreement on National Competition Policy;</p> <p>b. updated their competitive neutrality policies and processes, per the requirements in Schedule 4 of the Intergovernmental Agreement on National Competition Policy;</p> <p>c. established or updated processes to ensure regulators in their jurisdictions consider the impact of their decisions on national competition where necessary, per the requirements in Schedule 5 of the Intergovernmental Agreement on National Competition Policy; and</p> <p>d. established or updated an efficient charging guide for government-delivered goods and services where necessary, per the requirements in Schedule 6 of the Intergovernmental Agreement on National Competition Policy.</p>	<p>Implementation approach</p> <ul style="list-style-type: none"> - identify policies and process that require amendment to ensure that competition impacts are considered in major policy decisions consistent with the requirements set out in Schedule 1 of the NCP IGA; - identify required amendments to Tasmanian competitive neutrality policies and processes to comply with Schedule 4 of the NCP IGA; - identify regulatory processes that may require amendment so that competition impacts are considered in decisions on national competition where necessary, per the requirements in Schedule 5 of the NCP IGA; - review and identify required changes to government charging guides, per the requirements in Schedule 6 of the NCP IGA; and - participate in discussions with other jurisdictions to agree a consistent approach to competitive neutrality processes for when multiple jurisdictions are involved in the operation of a government business activity <p>Following the review, Tasmania will implement the identified changes in its policies and processes to ensure they are consistent with the requirements set out in Schedules 1, 4, 5 and 6 of the NCP IGA by 31 December 2026.</p> <p>The transition to any new or additional obligations relative to the NCP Principles will be implemented by no later than 31 December 2026.</p>	31 December 2026	55,000m	

The Parties have confirmed their commitment to this schedule as follows:

Signed for and on behalf of the Commonwealth of Australia by



The Honourable Jim Chalmers MP
Treasurer

01 / 05 / 2026

Signed for and on behalf of the State of Tasmania by



The Honourable Eric Abetz MP
Treasurer

2 / 6 / 26

Annexure A: The Party is not seeking a determination of the maximum funding allocation for the Performance Requirements in this Annexure at this stage. The Party will update their JSRP at a later date with an implementation approach.

Reform: Liberalise and standardise commercial zoning rules and review planning requirements to ensure they do not distort competition

Tasmanian context

The Tasmanian Planning Scheme (TPS) is the statewide framework that governs land use and development across Tasmania. It provides a single, consistent set of planning rules through the State Planning Provisions (SPPs), which apply uniformly across the state, and Local Provisions Schedules (LPS), which are prepared by each council to include local zoning maps and any area-specific provisions such as Particular Purpose Zones or Special Area Plans.

The TPS sets out zones (such as residential, business, industrial, rural) and codes (covering matters like parking, heritage, and environmental management) that determine what uses and developments are permitted, discretionary, or prohibited. It also includes pathways for low-risk proposals, such as exemptions and “No Permit Required” uses, to streamline approvals. Most business and commercial zones allow a broad range of uses without restrictions on competition or proximity, supporting flexibility and economic activity.

Performance requirements		Delivery Mechanism		Dependencies	
Output	Performance Milestones	Implementation approach	Delivery date		
Reform: Liberalise and standardise commercial zoning rules and review planning requirements to ensure they do not distort competition					
Project 1: Implement measures to limit anti-competitive objections to development	<p>1. State and Territory Parties review their respective commercial zoning rules and planning requirements against Guidelines to identify how to achieve the Project 1 Output.</p> <p>2. State and Territory Parties respectively implement reforms to limit anti-competitive objections to commercial development.</p>	<p>Tasmania will conduct a review of Tasmanian commercial zoning rules and planning requirements to identify how to achieve Project 1. The review will:</p> <ul style="list-style-type: none"> - identify and assess rules for objections to developments, include those by third parties; - consider third party appeals processes; - identify potential amendments to the Tasmanian planning scheme and processes; - consider how amendments to the commercial zoning rules and planning requirements may be adopted by Local Government. <p>The outcomes of the review will inform the development of potential amendments to commercial zoning rules and planning requirements to achieve Project 1. Tasmania will update this JSRP once the implementation approach has been determined.</p>	TBC	N/A	
Project 2: Remove anti-competitive considerations from planning, rezoning and development processes	<p>1. State and Territory Parties review their respective planning, rezoning and development processes against Guidelines to identify how to achieve the Project 2 Output.</p>	<p>Tasmania will conduct a review of the Tasmanian planning, rezoning and development processes to identify how to achieve Project 2. The review will:</p> <ul style="list-style-type: none"> - identify processes where anti-competitive considerations are made; - map and identify relevant links between planning rules such as State Planning Provisions (SPPs) and Local Provisions Schedules (LPS) and other Regional Land Use Strategies; - consider any interaction between broader activity centre hierarchy in decision making; - consider how amendments to the Tasmanian planning scheme and other planning processes may be implemented; - consider how amendments to the commercial zoning rules and planning requirements may be adopted by Local Government. 	TBC	N/A	

Performance requirements		Delivery Mechanism		
Output	Performance Milestones	Implementation approach	Delivery date	Dependencies
Project 3: In development control instruments; increase the number of purposes for which land can be used	2. State and Territory Parties implement reforms to remove anti-competitive elements from their respective planning, rezoning and development processes in local government areas.	The outcomes of the review will inform the development of potential reforms to remove anti-competitive elements from the Tasmanian planning, rezoning and development processes in local government areas. Tasmania will update this JSRP once the implementation approach has been determined.	TBC	N/A
	1. State and Territory Parties review their development control instruments against Guidelines to identify how to achieve the Project 3 Output.	<ul style="list-style-type: none"> - identify any limitations of land use in current control instruments and the justification for these limitations; - identify where, subject to the public interest test, allowable uses for land may be expanded; - review the definition of commercial and industrial zones in the relevant control instruments and rationalise the number of zones in accordance with the public interest test; - identify reforms that increase the number of commercial purposes for which land can be used in local government areas, including potential amendment to the Tasmanian Planning Scheme, Local Provisions Schedules and Codes. - develop a plan to implement reforms identified in the review including how amendments may be adopted by Local Government. 	TBC	
Project 4: Streamline criteria and processes for development assessment and rezoning	2. State and Territory Parties in their respective development control instruments implement reforms to increase the number of commercial purposes for which land can be used in local government areas.	The outcomes of the review will inform the development of potential amendments to its development control instruments to increase the number of commercial purposes for which land can be used in local government areas. Tasmania will update this JSRP once the implementation approach has been determined.	TBC	
	1. State and Territory Parties review their respective criteria and processes for development assessment and rezoning against Guidelines to identify how to achieve the Project 4 Output.	<ul style="list-style-type: none"> - assess the development assessment requirements; - review the prescribed requirements for 'as of right' development processes; - review assessment processes for 'low risk' development applications, noting that local policies and the process to develop these policies varies significantly across local governments and often State Government has not been consulted in the development of local policies; and - develop a reform plan to update the development assessment criteria and processes, where appropriate, to achieve Project 4. 	TBC	N/A
	2. State and Territory Parties implement reforms to streamline their respective criteria and processes for commercial development assessment and rezoning in local government areas.	The outcomes of the review will inform the development of potential reforms to streamline the criteria and processes for commercial development assessment and rezoning in local government areas. Tasmania will update this JSRP once the implementation approach has been determined.	TBC	

Reform: Lower barriers to modern methods of construction

Tasmanian context - projects 3 & 4

The Tasmanian Planning Scheme does not specifically differentiate between modular or prefabricated construction methods and traditional construction methods. The planning requirements and standards apply uniformly to all types of construction. This means that modular and prefabricated buildings must comply with the same zoning, design, and building regulations as traditional constructions.

Performance requirements		Delivery Mechanism		Dependencies
Output	Performance Milestones	Implementation approach	Delivery date	
Reform: Lower barriers to modern methods of construction				
Project 3: Regulatory neutrality between modern and conventional methods of construction in state and territory planning and building legislation, including that of Local Government Planning Schemes	1. State and Territory Parties, through the Planning Ministers' Meeting, review their respective planning systems with respect to off-site construction methods to identify where the regulatory burden materially exceeds that for on-site construction methods and does not appropriately balance this additional burden with the costs (including restrictions to competition).	Tasmania will conduct a review of its planning systems with respect to off-site construction methods with a view to identifying where the regulatory burden materially exceeds that for on-site construction methods and does not appropriately balance this additional burden with the costs (including restrictions to competition).	TBC	The delivery of these Performance Requirements is dependent on collaborative action with State and Territory Parties.
	2. State and Territory Parties, through the Planning Ministers' Meeting, participate in developing Guidelines that detail reforms required to remove unnecessarily burdensome regulatory requirements for off-site construction based on issues identified in the jurisdictional legislation reviews.	Tasmania will participate in developing Guidelines for reforms. A Tasmanian plan will be developed for any reforms, if required, to remove unnecessarily burdensome regulatory requirements for off-site construction based on issues identified in the legislation review.	TBC	
	3. After completing Performance Milestones 1 and 2, State and Territory Parties amend their respective planning systems to achieve regulatory neutrality.	Tasmania will update this JSRP once the implementation approach has been determined.	TBC	
Project 4: Regulatory neutrality between modern and conventional methods of construction in house and building consumer protections	1. State and Territory Parties lead a review of house and building consumer protections through the Building Ministers' Meeting to identify disparities between consumer protections for modern and conventional methods of construction.	Tasmania will participate, through the Building Ministers' Meeting, in a review of residential building consumer protections to identify any potential disparities between consumer protections for modern and conventional methods of construction.	TBC	
	2. State and Territory Parties participate in developing Guidelines through the Building Ministers' Meeting that detail reforms required to establish regulatory neutrality between modern and conventional methods of construction in house and building consumer protections, based on the issues identified in the review.	Tasmania will participate in developing Guidelines through the Building Ministers' Meeting that detail reforms required to establish regulatory neutrality between modern and conventional methods of construction in house and building consumer protections, based on the issues identified in the review.	TBC	Milestone 1 must be completed
	3. After completing Performance Milestones 1 and 2, State and Territory Parties amend their respective consumer protections for houses and buildings including to provide appropriate enforcement mechanisms.	Tasmania will update this JSRP once the implementation approach has been determined.	TBC	