

Bold reform required to turn productivity around and get housing back on track

The Federal Treasurer's announcement of the new \$900 million National Productivity Fund could prove to be the most impactful housing initiative of 2024. It provides the states and territories with an opportunity to unleash the full force of our manufacturing sector for better building, according to Building 4.0 Cooperative Research Centre.

Treasurer Jim Chalmers has cut to the core of the problem plaguing our construction industry calling out the decades of productivity decline, CEO of the independent research group Building 4.0 CRC Prof Mathew Aitchison said.

"The cost problem plaguing the sector's low numbers is actually a productivity problem, which is actually an innovation problem.

"We need to find new ways to do more, with less.

"The Government's increased focus on Modern Methods of Construction (MMC), including prefabrication and modular homes, recognises that we need to ramp up our adoption of new ways of building if we are to solve our housing crisis.

"Slavish adherence to the old the ways of building have landed us in this mess; we are in the midst of a massive market failure and declining productivity that began over 50 years ago.

"We know using Modern Methods of Construction (MMC) can conservatively reduce costs and timeframes by 20%. Importantly, it can attract a more diverse workforce, critical if we are to meet the gaping shortfall in construction labour in Australia.

"It needs to be harnessed alongside traditional building to boost productivity and supply, and to make sure we are using all levers to solve our housing problem."

"MMC using offsite manufacturing and productised building approaches delivers certainty, safety and higher quality designs. Through higher waste reduction and factory-made quality, we can also make a large dent in our decarbonisation efforts."

The use of the NPF to reward those governments driving innovation and productivity gains in building is the game changer we have been waiting for, Prof Aitchison said.

"Those governments who are investing in research and development to drive generational productivity gains should rightfully be rewarded and it is our hope that exemplar government housing projects underway can be accelerated and amplified.

"We have no time to waste."

ABOUT BUILDING 4.0 CRC

Building 4.0 CRC is a research initiative co-funded by industry partners and the Australian Government. It is tasked with revolutionising how buildings are designed, constructed and operated to build faster, safer, more sustainably and at a lower cost.

Building 4.0 CRC focuses on 4 research areas – industrialisation, Digitalisation, Sustainability, and People, Practices and Culture – with a particular drive to create significant demonstration projects where industry, government and the community can experience first-hand those buildings created or retrofitted using innovation and new methods of construction.

Now entering its fifth year (of seven), Building 4.0 CRC has been involved in 68 collaborative research projects, either active or completed, with another 27 in the pipeline.

Find out more about Building 4.0 CRC: <https://building4pointzero.org/>

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