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Select Committee on Productivity in Australia

Senate Enquiry Wednesday, 22nd April, 2026.

Chair, thank you for the opportunity to appear today.

My name is Mathew Aitchison, CEO of the Building 4.0 CRC, and I'm also Professor of Architecture at Monash University.

Building 4.0 CRC was established in 2020 under the Australian Government's Cooperative Research Centre program. We carry out applied research into areas of national productivity importance in the building industry.

I will start with a brief observation on the sector, then on the role of the CRC.

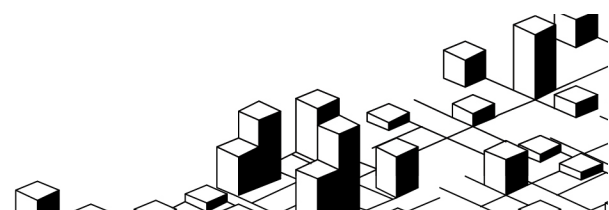
As long-term statistics show, Australia's building sector has experienced declining productivity relative to the broader economy. At the same time, it has low levels of research and development, particularly when compared to other sectors.

We require the building sector to deliver more buildings to higher standards than ever before in history, and we are asking them to do this for lower costs. However, over the past 100 years, the industry has demonstrated that it is not able to self-generate the innovation required to meet these same challenges.

This reveals a structural gap between societal needs and industrial capability.

The CRC model is designed to address that gap.

CRCs operate through co-investment: government and industry jointly identify priority problems, and researchers work together to carry out projects collaboratively. The outcomes of those projects are published for broader industry uptake.



In this way, a CRC can fill this structural gap by helping to deliver innovation, advocating on policy, and – importantly – by connecting research with industry and government.

At Building 4.0 CRC we have applied this model to housing and building productivity, especially in our work on so-called modern methods of construction (MMC), also known as modular or prefab building.

We have expanded these older ideas into newer platform-based approaches and the development of repeatable building systems. The aim of these new approaches is to: grow the scale of building manufacturing in Australia; lower construction costs; boost housing supply; and create a sustainable, resilient industry.

The broader observation is that productivity improvement in this sector *is* achievable, but it requires coordinated effort across policy, industry capability, and innovation systems.

We draw your attention to three key issues that can improve productivity in the building sector:

- Better data collection and the development of appropriate methodologies for productivity measurement
- Continuing the reform process of the NCC and other regulatory frameworks for the building industry (see the Building 4.0 CRC's NCC submission)
- Finally, by establishing an RDC for the building industry that could help coordinate the structural gap pointed out above.

These measures, we believe, will improve productivity in building over the medium to long term.

Thank you, Chair. I welcome the Committee's questions.

