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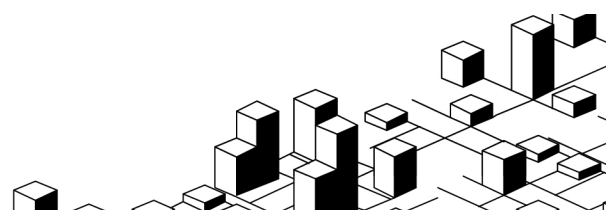
Dear Commissioners,

Executive summary:

This letter primarily responds to the Productivity Commission's terms of reference on housing supply regulation: our evidence indicates that current approval systems were designed around conventional, on-site building, and impose disproportionate friction on modern methods of construction (MMC) as a structural consequence of that design, not through any single fixable rule. Secondly, this letter advises the Commission of a new initiative — the National Housing Platform — through which Building 4.0 proposes to close a related evidence gap. That gap is the absence of a nationally consistent dataset on where time is spent in the delivery of housing projects and which regulatory processes most influence project duration. To close it, we propose to conduct a national benchmarking study across jurisdictions and delivery methods and, as it progresses, we would welcome the opportunity to work with the Commission and as much as possible, to share this data.

Part 1: Our Response to the Terms of Reference

Our evidence speaks most directly to Scope Matter 1 — approval processes, including barriers to the uptake of MMC. It also aligns closely with Principle 4 of the interim report: keep the process simple. Across six research projects spanning regulatory reform, digital approvals, remote and component-level inspection, MMC compliance guidance developed jointly with the Australian Building Codes Board, compliance-checkpoint automation, and certifier and surveyor skills, our consistent finding is that current approval systems were designed around conventional, sequential, on-site building, and impose disproportionate friction on offsite and industrialised methods as a structural consequence of that design, not through any single fixable rule. This is consistent with the interim report's own finding that approval-process barriers to new construction methods contribute to poor housing-construction productivity (Productivity Commission, *Housing construction productivity: Can we fix it?*, 2025, p. 56).



This friction shows up most visibly in planning approval, which industry frequently identifies as one of the most significant constraints on housing delivery. While considerable focus has been devoted to reducing construction duration, town planning and development approval durations do not appear to have improved to the same extent and are frequently reported as the bottleneck in project delivery.

For Scope Matters 2 (availability and use of land) and 3 (housing-enabling infrastructure), our evidence base is narrower, reflecting our research focus on construction-method and delivery-process innovation rather than land-use planning. We offer our findings — on housing-stock densification potential and on the Homes NSW MMC Program as an example of how a delivery program can be coordinated at scale — as a complement to, not a substitute for, evidence from bodies with a primary research focus in those areas.

Part 2: The National Housing Platform — Benchmarking Data

At present there is no nationally consistent dataset that compares: time spent obtaining planning approvals; time spent obtaining building approvals and related permits; time spent constructing equivalent housing typologies; differences between jurisdictions and local government areas; and the extent to which MMC and industrialised construction reduce overall project delivery time.

The National Housing Platform — building on the Homes NSW MMC Program and its national expansion, backed by \$39.3 million in Australian Government funding announced on 28 May 2026 to work with Building 4.0 CRC and participating States and Territories — will address this gap through a national benchmarking study. The study will collect and compare data from residential building projects across jurisdictions and approval pathways, to establish where time is spent throughout project lifecycles and where the greatest opportunities exist to accelerate housing supply. It will also assess the potential benefits of reforms frequently raised by industry, including expanded code-assessable pathways, greater consistency between local government approval processes, and the time savings of code-assessable pathways relative to impact (subjective) assessable planning pathways.

Building 4.0 CRC considers that a robust evidence base of this kind is required before specific reforms can be prioritised and quantified, and the National Housing Platform's benchmarking program is intended to provide it. As this program progresses, we would welcome the opportunity to work collaboratively with the Productivity Commission and to make this data available, with the consent of participating States and Territories, to inform the Commission's final report.

Building 4.0 CRC's track record

This proposal builds on research Building 4.0 CRC has already undertaken, across three strands:

- **Regulatory and compliance reform** — our Regulatory Reform for Industrialised Building project and our Prefabricated, Modular and Offsite Construction Handbook (developed jointly with the Australian Building Codes Board), together with research into remote and drone-based inspection technologies, address the compliance and inspection dimensions of approval delay.



- **Planning reform** — our ePlanning and eApprovals scoping study and our current Featherweight project, exploring “certify once, build many” models of housing, address the planning dimension directly.
- **Productivity measurement** — our Building Productivity project examines what data informs productivity and how it should be measured, complemented by our research on Product Platforms and on Performance, Productivity and Carbon Benchmarking of kit-of-parts approaches.

Our most comprehensive analysis to date comes from the development of a Kit-of-Parts building system for the Homes NSW MMC Program, which records and benchmarks the entire design, planning and development lifecycle, with the aim of reducing the time taken to deliver social housing in New South Wales. It is this program that the National Housing Platform now proposes to extend nationally.

Conclusion

We see the Productivity Commission's inquiry into the rules and regulations affecting new housing supply as of paramount importance to accelerating housing delivery in Australia. We support this work through the input set out in Part 1 of this letter, and ask the Commission to consider our further involvement, through the National Housing Platform set out in Part 2, in gathering and using national data to inform meaningful, evidence-based reform.

Sincerely,

Professor Mathew Aitchison
Chief Executive Officer
Building 4.0 Cooperative Research Centre

About Building 4.0 CRC

Building 4.0 CRC is Australia's national Cooperative Research Centre for industrialised and advanced construction, a research initiative co-funded by industry partners and the Australian Government under the CRC Program since 2020. We are tasked with building better buildings — faster, safer, more sustainably and at a lower cost — through four research programs: Industrialisation, Digitalisation, Sustainability, and People, Practices and Culture. To date we have conducted more than 90 collaborative research projects, either active or completed.

Find out more detail from our research project reports at: <https://building4pointzero.org/>

