

# Shaping the future of construction in Victoria

## Modern Methods of Construction



## Acknowledgement

We acknowledge and respect the Traditional Owners of Country throughout Victoria, their ongoing connection to lands and waterways upon which we depend, and we pay respects to their culture and their Elders past, present, and future.

We acknowledge that Aboriginal self-determination is a human right enshrined in the United Nations Declaration on the Rights of Indigenous Peoples, and we are committed to working towards social, economic, and cultural equity for Aboriginal Victorians.

We acknowledge the diversity of Aboriginal Victorians, and we acknowledge all other people of Aboriginal and Torres Strait Islander descent living in Victoria.



### Dixon Patten, Yorta Yorta and Gunaai

This artwork depicts the department, its people and its commitment to developing the economy by helping to create Aboriginal employment opportunities, supporting inclusion and economic prosperity and thriving Aboriginal communities. The bigger circle in the middle represents the broad work of the department and its eight different Groups working together to achieve this. The pathways represent the opportunities for the Aboriginal community to achieve personal and economic prosperity and improved employment outcomes. The various smaller circles represent the different mobs within the Aboriginal community and the footprints represent the diversity of knowledge, skills and resources the community have. The artefacts represent our traditional economy and are a reminder of our trade/barter system(s) and the connection to our cultural practices and ceremonies. The emu and kangaroo tracks represent the department's commitment to moving forward, as these animals can't walk backwards.

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# Modern methods, strong foundations: Victoria's construction future

Victoria's construction industry is a pillar of the state's economy, producing quality homes, business premises, schools, hospitals and infrastructure to support our growing population. With more than 125,000 businesses that support around 342,000 jobs, Victoria delivers over 25% of the nation's total construction activity.

Building on these strong foundations, the Victorian Government is supporting our construction industry to innovate and benefit from new technologies.

Modern Methods of Construction can grow Victoria's capacity to deliver more homes, more quickly, more sustainably and more affordably.

## WHAT DO WE MEAN BY MODERN METHODS OF CONSTRUCTION (MMC)?



MMC refers to a broad spectrum of innovative prefabrication and offsite manufacturing techniques, including modular construction, panelised systems, and additive manufacturing.

Buildings and components are manufactured off-site before being transported and installed on-site.



## Why MMC?



### MORE HOUSES, MORE QUICKLY

Simultaneous processes on-site and in-factory can reduce total construction time by up to 40%.



### MORE PRECISE

Controlled in-factory advanced manufacturing can enable greater precision and quality control, delivering housing that performs better for longer.



### MORE AFFORDABLE

The standardisation of building modules and components supports the bulk purchasing of components and economies of scale, leading to potential cost savings for developers, builders, and consumers.



### CLEANER

MMC approaches produce less construction waste (which accounts for 40% of landfill) thanks to precision manufacturing, and carbon emissions from building can be reduced by up to 45%.



### MORE ENERGY EFFICIENT

Precision engineering and advanced technologies lead to improved finished build quality, contributing to reduced operational costs for heating, cooling, and utilities.



### MORE DIVERSE AND VERSATILE OPPORTUNITIES

MMC creates more diverse, high-tech jobs for the construction workforce, including across manufacturing, engineering, design and logistics. Working in a controlled factory environment is often safer than on a construction site, reduces reliance on manual labour, and opens up more inclusive employment opportunities to a larger demographic of workers.

# Victoria: driving the nation's MMC sector



Victoria is primed to drive the use of MMC as another mainstream construction solution to complement existing methods.

Victoria is home to around 200 companies with capabilities spanning the entire MMC supply chain, from design and manufacture through to on-site assembly and installation.

Nation-leading MMC companies headquartered in Victoria include Grove Group, Modscape, Prebuilt, Timber Building Systems, ARKit, Drouin West Timber and Truss, Rendine Constructions, and Swanbuild.

## VICTORIAN INVESTMENT FUND



The \$150 million Victorian Investment Fund will grow priority industries across Victoria, helping businesses expand and securing supply chains.

The fund will capitalise on Victoria's strengths, like advanced manufacturing capability, to drive innovation and economic growth.



## Why Victoria?



### FASTEST GROWING

Victoria is the nation's fastest growing and most urban state, with a consistently higher number of building approvals per year than any other state.



### INDUSTRIAL CAPABILITY

Victoria is Australia's advanced manufacturing capital, with nation-leading business investment in research and development. Victoria can leverage strategically-located industrial capability to deliver innovative MMC solutions across metropolitan Melbourne and regional areas.



### SUPPORTIVE POLICY ENVIRONMENT

The recently released *Victorian Industry Policy* provides a new framework focusing on industry competitiveness, productivity and economic resilience, and specifically nominates MMC as a driver of these outcomes in the construction industry.



### SKILLS

Victoria has a diverse and highly skilled workforce and a world-class construction skills training system primed to support the adoption of new technologies and processes.

# Industry partnerships are unlocking MMC opportunities



With 97% of housing in Victoria delivered by private developers and builders, there are significant opportunities for partnerships with MMC manufacturers to support the traditional construction industry to deliver housing with MMC at scale.

Partnerships between MMC manufacturers and the traditional construction industry will unlock new market opportunities for MMC and enable greater efficiencies and economies of scale. In turn, building the demand pipeline for MMC will also allow the adoption of more advanced manufacturing techniques in the MMC sector, including robotics and automation.

Here in Victoria, there are nation-leading examples of MMC manufacturers and traditional construction companies working together to maximise efficiencies. The Victorian Government is facilitating more of this collaboration – from greenfields to urban developments.



## TIMBER BUILDING SYSTEMS (TBS) PARTNERSHIP WITH HENLEY

In partnership with Henley ReadyBuilt, TBS has manufactured and delivered over 200 townhouses efficiently and sustainably using MMC.

Henley prepares the site and lays the slab, after which TBS installs its prefabricated wall (including windows), floor, and roof panels – achieving lock-up stage within just 14 days.

This approach enables developments to be completed and ready for inspection 4 to 6 months faster than traditional construction methods.

## DROUIN WEST TIMBER AND TRUSS (DWTT)

DWTT's FutureFit™ advanced, automated panelised building system involves prefabricated externally-clad wall panels (windows fitted), floor cassettes, internal wall frames and roof trusses, allowing for installation on-site in approximately two and a half days.

DWTT can deliver approximately 500 double-storey townhouses per year and has partnered with builders to deliver over 1,500 dwellings before the end of 2027. DWTT's major partners are Paramount Living and Argyle Constructions, with several other major builders showing strong interest in FutureFit™.



# Ensuring the right conditions



The *Victorian Industry Policy*, released in June 2025, seeks to drive industry development using the full breadth of government levers.

The Victorian Government is advancing MMC through an ambitious package of initiatives and reforms to fast-track the sector's growth, to achieve our objective of building more houses, more quickly and more affordably across metropolitan and regional locations.

## Regulation and reform



### Modern building regulations to enable the use of MMC

Victoria's building regulatory framework was developed around on-site construction, without specific consideration of MMC. The 2024-25 State Budget provided funding to make changes to regulations to support the use of MMC. The aim is to achieve regulatory parity between modern and traditional methods of construction by modernising any outdated regulations which deter consumers and industry. This will level the playing field and support broader uptake of MMC, and ensure the efficient and effective delivery of safe, compliant, durable, affordable and sustainable housing and buildings.



### Suitable domestic building contracts to support MMC solutions

The Victorian Government has recently amended the *Domestic Building Contracts Act 1995* to strengthen consumer protections while supporting contemporary construction practices. The new legislation differentiates between domestic building contracts by recognising projects that include different volumes of MMC, including those with moderate and high proportions. The legislation will be supported by regulations that define MMC and determine how progress payments can be adjusted subject to the proportion of MMC in a project.



### Fast-tracking development approvals

Through the Development Facilitation Program, the Victorian Government is supporting major MMC developments to obtain approvals through accelerated and simplified processes.



### Unlocking more housing choices

The Victorian Government is opening up more options for housing delivery, including by introducing deemed-to-comply development standards and removing planning permit requirements for many small second dwellings.

**The Victorian Government is working with the Commonwealth Government on reforms to the National Construction Code and establishing the new National Competition Policy.**





### SUPPORTING WOMEN IN MANUFACTURING



*Making it equal: Victoria's women in manufacturing strategy*, released in 2024, aims to encourage more women and gender diverse people to pursue a career in manufacturing, while supporting the industry to create inclusive and accessible workplaces for everyone. MMC can support increased gender diversity in the workforce due to more diverse skills needs and work environments.

## Skills



### Future of Housing Construction Centre of Excellence

Victoria will equip the construction industry to harness new technology and innovative approaches. The Future of Housing Construction Centre of Excellence will be the first national hub for training, skills development and applied research in the industry focused exclusively on advanced construction methods.

The Centre will be co-located with the Advanced Manufacturing Centre of Excellence at Melbourne Polytechnic's Heidelberg campus, providing integration between Victoria's leading manufacturing and construction industries. Industry is critical to the design of the centre's operations, and future training and applied research outputs, which will be shared across the Victorian and national TAFE networks.

The Centre is a \$50 million commitment by the Victorian and Commonwealth governments through the National Skills Agreement.



### Specialist industry training

A new round of the Digital Jobs program is focusing on construction and advanced manufacturing. The program offers training in cutting edge, in demand, digital skills that are critical for innovation and technology adoption.

The Victorian Government is also delivering a new round of the Skills Solutions Partnerships program to support industry to partner with TAFEs and universities to design and pilot new short courses and on the job training.

These courses are focused on quickly addressing critical skills gaps in key industries, including construction and advanced manufacturing.



## Government leadership through procurement



The Victorian Government has been using MMC to deliver government housing and infrastructure for many years.

The Victorian Government is already leveraging MMC in projects spanning health infrastructure, transport, housing, schools and kindergartens. Expedited installations of MMC components and buildings have accelerated project delivery, minimising community disruption.

MMC has offered flexibility to support ongoing school and early childhood transformations for the Victorian School Building Authority, which has completed over 100 modular school buildings, over 70 permanent kindergartens – many of which utilise MMC – and 34 relocatable kindergartens, and also provides 250 modular school buildings per year.

MMC has also benefited the Victorian Government's health building program across several modular projects, including mental health facilities in Epping, Geelong and St Albans, and residential rehabilitation facilities in Corio and Ballarat.

As the largest procurer of goods, services and construction work in the state, the Victorian Government will continue to use its purchasing power to foster innovation in the construction industry, through the Local Jobs First Policy.

Homes Victoria is delivering much needed social and affordable housing to regional Victoria with 250 MMC dwellings as part of the Regional Housing Fund, facilitated through an established panel of MMC suppliers.

Similarly, the Department of Jobs, Skills, Industry and Regions' Regional Worker Accommodation Fund is supporting several shovel-ready MMC projects, with co-investment from businesses, regional councils, and local community groups to deliver worker housing that local industries need to support communities in regional Victoria.

# We have a wide range of MMC capabilities across Victoria

Victoria's comprehensive and diverse MMC supply chain provides services across architecture, assembly, advanced manufacturing, project management and more.

Victoria's MMC manufacturers offer a broad spectrum of innovative prefabricated and offsite construction options, including panelised systems, kit of parts solutions, and full volumetric modules. The MMC sector services diverse needs across the state, including residential construction, transport infrastructure, and health and education services.

## KIT-OF-PARTS

A building is assembled from a pre-designed, standardised set of components manufactured offsite. ARKit has developed a low-carbon mass timber solution kit of parts for mid-rise developments.



## PANELISED WALLING SOLUTIONS

Offsite-manufactured wall panels – often incorporating insulation, windows, and doors – are transported to the construction site for rapid assembly. Drouin West Timber and Truss's FutureFit™ system produces wall panels which are transported to site for quick installation.

## PRECAST CONCRETE

Concrete elements are cast in a controlled factory environment and then delivered to site for installation. TMC3's pioneering build process utilises a turnkey 3D precast concrete solution to create a high quality, stackable module.



## MODULAR CONSTRUCTION

Entire volumetric sections of a building, complete with finishes and services, are manufactured offsite and then transported and assembled on site. Grove Group manufactures modules for residential, commercial and government buildings in its facility before installing and connecting modules on site.

## BATHROOM PODS

These self-contained modules are installed across diverse sectors, from residential and hotels to healthcare and government housing, streamlining building processes at scale. SYNC designs and manufactures precision-made, fully integrated bathroom pods offsite, delivering smarter, cleaner, and more efficient construction solutions.



## ROBOTICS AND AUTOMATION

The use of robotic systems and automated processes in various stages of construction, from offsite manufacturing to onsite assembly, enhances efficiency, safety, and precision. Modscape – powered by its robotics line, Modbotics – manufactures floor and roof cassettes with precision, accelerating production times by 50% and delivering 75% less waste than conventional methods.

# The Victorian Prefabricated Construction Directory

First released in 2019 and updated in December 2025, the third edition of the Victorian Prefabricated Construction Directory features innovative manufacturers utilising Modern Methods of Construction to deliver residential, commercial and civil projects.

The Directory is designed to help Victorian prefabricated construction businesses grow market exposure, to broaden uptake of building innovation and support productivity and capacity in the sector. Businesses and organisations are encouraged to utilise this resource to identify partners for current and future projects.

For access to the directory, please visit: [djsir.vic.gov.au/about-us/publications](https://djsir.vic.gov.au/about-us/publications)



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## Get in touch...

- To explore partnerships and foster connections across the construction industry
- To stay updated on regulatory reforms
- For more information on the Future of Housing Construction Centre of Excellence and other available skills programs
- To discuss opportunities for government investment support
- For future inclusion in the Victorian Prefabricated Construction Directory

Please email [advanced.manufacturing@ecodev.vic.gov.au](mailto:advanced.manufacturing@ecodev.vic.gov.au)



