



332 Albert Street
East Melbourne, VIC, 3002
T (03) 9411 4555
F (03) 9419 3800
www.mbav.com.au

ABN: 38 004 255 654
RTO: 3935

30 August 2024

Department of Transport and Planning
Victorian Government

By e-mail: [REDACTED]

Dear Team

Re: Submission - Big Ideas for Victoria's Future

The Master Builders Association of Victoria (MBV) welcomes the opportunity to provide feedback to the Department of Transport and Planning (DTP) in response to the recently released Big Ideas for Victoria's Future. We acknowledge the significant effort DTP is investing in the development of the Plan for Victoria and the important role the Big Ideas for Victoria's Future will have in shaping the final Plan.

MBV represents over 6,300 members from across the building and construction industry, including all tiers of construction companies, subcontractors and tradespeople working in the domestic and commercial sectors, apprentices, suppliers, and manufacturers.

The building and construction industry is one of the most important sectors of the Victorian economy. Our sector is the third-largest full-time employer in Victoria and supports 126,370 businesses, more than every other sector of the economy. The overwhelming majority of these businesses (98.8 per cent) are small, with less than twenty employees.

Building and construction activity also has one of the largest multiplier effects on the economy. This is because the structure of activity requires high domestic content for our industry's inputs, such as building materials, labour, and professional services. As a result, it is estimated that every \$1 million spent on residential building activity delivers \$3 million worth of economic activity.

Our industry delivers essential infrastructure such as schools, hospitals, parks and housing, as well as other amenities critical to our community's well-being and the state's future prosperity.

We have provided feedback below to the Big Ideas where it is relevant to our members.

Affordable Housing and Choice

MBV strongly supports the Victorian Government goal of providing all Victorians with a choice of a well-designed home at an affordable price close to daily needs. We consider a broader choice of housing options can be delivered through the increased use of non-traditional construction methods such as offsite construction or manufacturing such as pre-engineered flat panel systems or 3D volumetric construction. The construction of a house using these methods is often more efficient and requires less time.

Our research has shown that innovation in material and service supply chains and in digitalisation through increased application of Modern Methods of Construction (MMC) provides several benefits for the building and construction industry to deliver more sustainable, social and affordable housing options faster. For MBV, this will be crucial in enabling the targets the Victorian Government's Housing Statement has set, enhancing affordable housing and choice.

MMC encompasses construction approaches that span off-site, near-site and on-site pre-manufacturing, process improvements and technology applications. MMC, such as prefabricated modular buildings or panelised and framing systems, provides benefits such as fewer constraints due to weather patterns, reduction in construction timeframes by using technology and offsite fabrication, along with the potential to improve the safety of workers, since health and safety are often easier to control in a factory environment. Similarly, in projects that embrace MMC at a large scale, building sites tend to be less disruptive and quieter, as fewer people are needed on site, and construction waste is often reduced.

The increased building target will not be attained without tapping into MMC and supporting a culture shift to advance the understanding that prefabrication, especially through methodologies like kit-of-parts and Design for Manufacturing and Assembly (DfMA), does not mean less quality.

Equity and Jobs

MBV supports the goal of enabling all Victorians to have access to a range of services, including jobs, so they can lead prosperous lives. We note the feedback received indicates that most people are still using private cars to get to work, and that they are spending too long on the daily commute.

In this context, a shift from traditional methods of construction towards MMC is considered to be more conducive to flexible work arrangements due to the controlled environment of offsite manufacturing. This means that people with carer responsibilities, people with disabilities and others with various reasons to prefer the consistency of indoor manufacturing environments in static sites might be more attached to the building and construction industry, which has been struggling with a lack of skilled labour.

The development of manufactured construction also offers significant prospects for setting up manufacturing hubs that have the potential to create employment opportunities throughout Victoria, including in Melbourne's growth areas and regional areas. This would provide employment opportunities close to where people live and reduce the travel time to work.

Sustainable Environments and Climate Action

MBV supports the goal of protecting our environment, agricultural land, and natural resources for a sustainable and healthy future. In our view, a key part of this is the Victorian Government commitment to achieving net zero carbon emissions by 2045.

As part of this process, there will necessarily be a shift to focusing on whole-of-life embodied carbon and building more durable, adaptable buildings as well as low carbon retrofits rather than the predominant process of demolishing and constructing new buildings. This requires significant structural change in the industry. As some Local Governments take the lead in this space, pushing for

retrofit of the existing building stock to try and achieve the net zero targets agreed upon, several hurdles still need to be overcome.

MBV understands that most of our existing building stock requires significant retrofit and upgrades to improve its energy efficiency and move towards decarbonisation to support and achieve net-zero. Having houses that perform well in terms of energy efficiency is also key for consumers' quality of life, as a properly insulated home is more comfortable, improves health, and requires less energy for heating and cooling, and therefore, it reduces energy bills in the long term.

Contact

We thank you for the opportunity to engage in this important consultation process and we look forward to discussing how we can work closely with DTP in the further development of the Plan for Victoria. Should you wish to discuss any of the feedback provided, please contact Joana [REDACTED]

Yours sincerely

[REDACTED]

Dr Caroline Speed
Director Policy and Industry Collaboration
Master Builders Victoria

IS YOUR BUILDER A MASTER BUILDER?

