Australian Building Codes Board The Treasury, Langton Crescent

Email: prefab@abcb.gov.au

Dear Sir/Madam

Parkes, ACT 2600

Re: National Voluntary Certification Scheme for Manufacturers of Modern Methods of Construction Issues Paper

Master Builders Australia (Master Builders) welcomes the opportunity to respond to the Issues Paper. We support the Government's goal of increasing safe, productive, and traceable use of Modern Methods of Construction (MMC). This letter highlights the matters we consider essential for a practical, nationally consistent certification scheme that protects consumers, enables industry uptake, and aligns with Australia's broader housing objectives.

To support the implementation of MMC, it is important to be clear about terminology and definitions. These definitions should adopt a classification framework, rather than a narrow static description, to remain relevant as technologies evolve. Prefabrication covers a broad spectrum of off-site manufacture (componentised, panelised, kit-of-parts, hybrids and volumetric/modular). The Government's agenda focuses on volumetric (3D, modular) building because of its potential for scale in certain housing types and social housing programs. Volumetric is, however, only one part of the solution to Australia's housing shortage. A nationally useful Scheme must recognise the whole MMC and traditional construction spectrum so that panelised, kit-of-parts and hybrid approaches, which are often better suited to particular sites, climates and lot types, are not excluded in the necessary measures to address Australia's housing needs.

A successful Scheme must be underpinned by the National Building Product Assurance Framework developed in response to the Building Confidence Review. Key elements of this Framework include:

- Evidence of suitability: adopt standardised, auditable product attestation methods and permit recognition of suitable international accreditations where they demonstrably meet Australian performance benchmarks. The National Building Products Coalition (NBPC)'s Proposal for Change to the Evidence of Suitability provisions can support this measure.
 - In the case of MMC, establishing evidence of suitability will include requirements for reasonable access to factories (and robust digital alternatives where physical access is impractical) is an important consumer protection and part of consumer trust-building. To balance commercial confidentiality and safety, the Scheme should require manufacturers to offer scheduled, controlled factory inspections for certifiers to maintain verifiable Quality Assurance/ Quality Control records (photographic logs, test reports, digital records, etc.).
- Information obligations: require minimum standardised product information (identity, origin, performance data, installation instructions, maintenance and end-of-life guidance) to be furnished to purchasers and certifying authorities. The NBPC's <u>Proposal for Change</u> to the Evidence of Suitability provisions can support this measure.
- **Traceability**: require interoperable traceability across product origin, factory, transport, site, and handover to support defect management, recalls and the circular economy. A national,

industry-wide traceability framework will bring greater certainty to product conformance by ensuring the appropriate information is available where it is needed in the building design and delivery process. The NBPC's guide for the <u>Traceability</u> and <u>Digitalisation of Building Product</u> <u>Information</u> can support this measure.

- Surveillance research and information sharing: implement surveillance, audit and corrective mechanisms (including penalties for false attestation), and clearly define the roles of accreditation bodies, test laboratories and certifying authorities to ensure that the proposed Scheme can be effective and satisfy the Performance Requirements of the NCC.
- Compliance and Enforcement: the proposal needs to talk to the role of jurisdictions, the building surveyor, chain of responsibility legislation and the ability to enact penalties. It must also speak to the role of accreditation bodies, accredited test laboratories and accredited conformity assessment bodies that are part of a well-defined product compliance system.

It is also critical that any certification scheme aligns with the National Construction Code (NCC) and supports consistent implementation across all jurisdictions. The Scheme must preserve the primacy of the National Construction Code (NCC)'s Performance Requirements and ensure any deemed-tosatisfy or evidence-based pathways under Part A5 integrate seamlessly with certification processes. These variations must be transparent, proportionate, and publicly justified to provide certainty for manufacturers, insurers, and financiers. The scheme should be designed in such a way as to minimise the need for these local variations. This will avoid fragmentation, reduce regulatory burden, and support national harmonisation.

To support the implementation of MMC at scale, the same protections for the supply chain and consumers must be provided. MMC products should be held to the same NCC performance outcomes as conventional builds. Statutory warranty rights must be preserved and cannot be diminished by scheme participation.

Finally, the Scheme must delineate responsibilities across the lifecycle of volumetric and other MMC products. Manufacturers should be accountable for design conformity, quality assurance, and latent defects before dispatch; transporters or contracting parties should bear responsibility for care in transit; builders and contractors should be responsible for correct installation and integration on site; and statutory warranty obligations must be preserved post-handover.

Master Builders remains ready to work with the Treasury, the ABCB, and other stakeholders to refine definitions, develop model contractual provisions, and design consumer information requirements that support safe and efficient uptake of MMC.

Yours Sincerely,

Denita Wawn

CEO Master Builders Australia

