Project 1.11.1

Business Model Innovation for Unlocking Modern Methods of Construction in Social and Affordable Housing Supply

PSG#1

Background

Australia must deliver housing faster, more affordably, and with lower environmental impact



Unsplash.com

32.5-38 MILLION

The projected Australian population by 2050, intensifying housing demand.

(ABS, 2022)

1.2 MILLION

new homes targeted under National Housing Accord over five years from 2024 and over **55,000** social and affordable homes supported through government initiatives.

Modern Methods of Construction

National Level Significance:

In the 2025–26 federal budget, the Australian Government has committed:

- **$54 million** to accelerate MMC uptake;
- **$120 million** from the National Productivity Fund to reduce regulatory barriers; and **$49.3 million** to support state and territory MMC programs.
- The Australian Building Codes Board (ABCB) is also developing a **voluntary certification scheme** for MMC within the National Construction Code (NCC).

State Level Significance:

- Queensland's formal MMC program via Qbuild
- Victoria's Enabling Modern Methods of Construction initiative
- New South Wales's MMC taskforce within Homes NSW
- WA's Modern Methods of Construction initiative

Research Problem

- Despite significant benefits and growing policy support, **the widespread adoption of MMC remains limited.**
- **The construction sector lags in innovation.** **38%** of construction businesses engage in innovation **vs. 51%** all industry average.
- Methods that perform well in pilot or small-scale projects often **fail to translate into scalable solutions.**



Research Objectives

1. **Map current delivery contexts:** Map how social and affordable housing MMC projects currently operate, including the strategies, organisational decisions, processes and practices of key stakeholders under varying jurisdictional settings.
2. **Identify business model barriers:** Identify regulatory, organisational, technical and other systemic challenges within current delivery contexts that constrain the uptake of MMC in social and affordable housing supply.
3. **Develop business model innovation strategies:** Provide business model innovation strategies to address identified barriers and strengthen the economic, social and environmental value of MMC to enable broader uptake in social and affordable housing.



Case Studies:

Victoria Case Study:

Arkit Social Housing Projects (Modular, Prefab)

Western Australia Study:

The PACT Construction Social and Affordable Housing Projects: Precast Concrete

Queensland Case Study:

Modscape Social Housing Projects (potential)