An Australian Government Initiative

Regional Development Australia

REGIONAL DEVELOPMENT AUSTRALIA CENTRAL COAST

Modern Methods of Construction (MMC): Build Smarter, Faster and More Sustainably

Fact Sheet 1

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What is MMC?

Modern Methods of Construction (MMC) refers to a range of construction approaches that use manufacturing, digital technology and off-site production to improve how buildings are designed and delivered. MMC shifts some or all of building activities into a controlled factory and manufacturing environment. MMC can improve productivity, quality, safety and predictability, while supporting faster project delivery. MMC is not a single product or building system. It is an umbrella term that includes a range of manufacturing-led construction approaches.

Common Types of MMC

Prefabrication: Building elements are manufactured away from the site and then transported for installation eg roof trusses, wall frames and bathroom pods.

Modular or volumetric construction: Complete rooms or major building sections are produced in a factory and assembled onsite.

Panelised systems: Wall, floor or roof panels are manufactured off-site for rapid on-site installation.

Kit-of-parts systems: Standardised components are manufactured and assembled in different combinations.

Digital and automated methods: Digital design tools, automation, robotics, Building Information Modelling (BIM) and Design for Manufacture and assembly (DfMA) support more efficient design, production and construction approaches.

Benefits of MMC

MMC can reduce build times by shifting work into controlled factory environments and allowing site works and manufacturing to happen in parallel. It can improve quality through repeatable processes and tighter quality assurance, reduce waste through more precise material use, and lower site disruption for surrounding communities. It may also improve safety, reduce weather-related delays, and support more predictable project delivery. Australian sources report that prefabricated and modular construction can cut costs by up to 20% and be up to 50% faster than traditional methods in suitable projects.

Why MMC matters

MMC is increasingly used in housing, social and affordable housing, education facilities, health infrastructure, regional accommodation, and projects where speed, repeatability, reduced disruption or workforce constraints are important. It is particularly valuable where a pipeline of similar buildings can support scale and standardisation.

Challenges and Considerations

MMC is not a single solution and does not suit every project. Successful delivery depends on early design resolution, supply chain capability, transport and lifting logistics, and alignment between manufacturing and onsite installation. Regulatory and approval pathways are still evolving in Australia, and some financing models remain geared to traditional onsite progress payments. Upfront planning, standardisation, and clear compliance with the National Construction Code are essential.

Policy and Regulatory Developments

The Australian Building Codes Board (ABCB) is developing nationally consistent definitions for prefabricated construction and a voluntary certification scheme for manufacturers. In NSW recent reforms are seeking to improve pathways for prefabricated and modular construction, support industry growth and integrate MMC more effectively into planning and building approval systems.

Opportunities for Central Coast MMC

Faster project delivery through parallel manufacturing and site works. Improved quality and consistency through factory-controlled production. Great certainty around cost, program and delivery outcomes. Reduced material waste and improved resource efficiency. Improved workplace safety through controlled manufacturing environments. Reduced weather-related disruptions. Better utilisation of skilled labour and manufacturing capability.

NSW Government Funding Opportunities

The NSW Government has announced $4 million in new grants to help boost prefab and modular housing. Designed to support Modern Methods of Construction (MMC) manufacturing capability in delivering mid-rise and high-rise housing in NSW.

https://www.nsw.gov.au/.../housing-innovation.