



Australian
Institute of
Architects

NATIONAL VOLUNTARY CERTIFICATION SCHEME FOR MANUFACTURERS OF PREFABRICATED CONSTRUCTION – DRAFT SCHEME RULES



Australian Building Codes Board (ABCB)

ROYAL AUSTRALIAN INSTITUTE OF ARCHITECTS

Submission date: **15 SEPTEMBER 2026**

ABOUT THE INSTITUTE

The Royal Australian Institute of Architects (Institute) is the peak body for the architectural profession in Australia. It is an independent, national member organisation with more than 13,500 members across Australia and overseas.

The Institute exists to advance the interests of members, support professional standards and contemporary practice, and advocate the value of architects and architecture to the sustainable growth of our communities, economy, and culture.

The Institute actively works to maintain and improve the quality of our built environment by promoting better, responsible, and environmental design.

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The Royal Australian Institute of Architects recognises the unceded sovereign lands and rights of Aboriginal and Torres Strait Islander peoples as the First Peoples of these lands and waters.

This recognition generates acknowledgement and respect for Aboriginal and Torres Strait Islander Countries, Cultures and Communities, and their ways of being, knowing and doing.

Caring for Country practices including architecture and place shaping have existed on this continent since time immemorial.

The Institute recognises a professional commitment to engage and act meaningfully through reciprocal partnership and relationships with Aboriginal and Torres Strait Islander peoples. Together we will support and develop the emergence of new possibilities for our shared future.

NATIONAL VOLUNTARY CERTIFICATION SCHEME FOR MANUFACTURERS OF PREFABRICATED CONSTRUCTION

ABCB -Draft Scheme Rules for Consultation

1. Executive summary

The Australian Institute of Architects (the Institute) supports, in principle, the establishment of a nationally consistent and independently administered certification scheme (Scheme) for manufacturers of prefabricated construction intended for use in Australia.

A well-designed Scheme could improve confidence in manufacturing systems, factory production controls, traceability and the consistent production of prefabricated buildings and components. It could also reduce unnecessary duplication and provide a more appropriate assurance model for work manufactured away from the site where conventional staged inspections may not be practical.

The Institute's principal concern is that certification of a manufacturer or approval of a repeatable design must not be understood as certification of a completed building. The critical assurance step remains project-specific verification, which confirms that a certified system has been appropriately applied, integrated and installed within its particular project context.

The Scheme should distinguish clearly between:

1. certification of a manufacturer's systems and processes;
2. assessment of a repeatable design against specified National Construction Code requirements; and
3. professional and regulatory responsibility for the design, construction, approval and performance of a completed building in its particular location.

Manufacturer certification can provide assurance about controlled manufacturing processes, quality management, production controls and traceability. It cannot establish that a manufactured system is appropriate for every project, site, climate or jurisdiction.

Project-specific matters must remain subject to appropriate professional design, coordination, verification and approval. These include site response, planning, accessibility, climate and local hazards, foundations, structural and services integration, interfaces between systems, transport, installation, commissioning, amenity and overall design quality.

The Scheme must also clarify responsibility across the entire delivery chain. The greatest risks may occur at the points where manufactured work passes between the manufacturer, transporter, builder, installer and project team. Effective traceability and clear arrangements for defects, recalls and rectification are therefore essential.

As a voluntary scheme, its effectiveness will depend on whether certification delivers tangible value. Manufacturers are unlikely to participate if certification simply adds cost and administration while existing assessments, inspections and approval requirements continue unchanged. The Scheme should provide credible assurance that can be recognised consistently by appropriate authorities without limiting necessary project-specific scrutiny.

The Institute supports an initial focus on Class 1 and Class 2 buildings, accompanied by a defined and evidence-based pathway for possible expansion to other building classes. Prefabricated construction is already relevant to accommodation, health, education, community, commercial, industrial and remote infrastructure projects.

The Scheme also presents an opportunity to improve lifecycle information about prefabricated buildings and components. Its traceability framework should be capable of recording material provenance, embodied carbon, durability, repair, maintenance, adaptation, disassembly, reuse and end-of-life pathways.

2. Overall position

The Institute supports the establishment of a nationally consistent certification framework for manufacturers of prefabricated construction.

Prefabricated construction can involve work that is substantially completed before it reaches the building site. Regulatory arrangements based primarily on progressive inspection of conventional on-site construction may therefore be difficult to apply. Designers, builders, building surveyors and approval authorities may need to rely more heavily on documented production controls, inspection records, testing and independent assessment.

A systems-based assurance model is an appropriate response to manufacturing-based construction. Certification of quality management systems, factory production controls, traceability, inspection and change-management processes could increase confidence in the repeatability of manufactured outputs.

The Institute's support is conditional on the Scheme:

- clearly describing the assurance it provides;
- preserving project-specific professional and regulatory responsibilities;
- allocating responsibility across manufacture, transport and installation;
- providing reliable and accessible traceability records;

- establishing practical defects and recall arrangements;
- maintaining competent and independent assessment; and
- reducing unnecessary duplication rather than adding another layer of approval.

3. Definition and scope

The proposed definition of prefabricated construction is:

“A method of construction in which a building, in whole or in part, is made in a location separate from the site of installation.”

The Institute considers the definition to be appropriately broad and technology neutral. It avoids tying the NCC to a particular production method and can accommodate continued innovation.

However, the definition potentially applies to a spectrum ranging from a single prefabricated component to a substantially complete volumetric building. Those forms of construction involve different levels of design integration, manufacturing assurance and project-specific risk.

The definition should be supported by guidance explaining its application to component manufacture, hybrid systems and work partly completed off site, together with its relationship to the five prefabrication categories.

The Scheme’s coverage should not be inferred from the definition alone. Each certificate should identify the precise scope and boundaries of the certified work, including interfaces and work that remains subject to project-specific assessment.

4. Building classifications

The Institute recognises that prefabricated construction is already being used across a broader range of building classes than those currently proposed within the Scheme.

Prefabricated construction is used in accommodation, health facilities, schools, community facilities, commercial buildings and remote infrastructure. However, staged implementation would allow the Scheme to be tested before being applied to buildings with different uses, risks and occupant profiles.

The Institute supports the initial Class 1 and Class 2 scope, provided the ABCB establishes a transparent pathway for reviewing and potentially expanding the Scheme. This should include provision for mixed-class buildings and consideration of prefabrication already occurring in regional and remote settings.

Expansion should be informed by evidence from the initial implementation, including regulatory acceptance, defects and non-conformances, certification capability, the

performance of different prefabrication categories and the experience of manufacturers of different sizes and production models.

5. Manufacturer certification and responsibility for the completed building

The Scheme must make clear that certification of a manufacturer is not certification of a completed building.

Manufacturer certification may establish that a manufacturer has documented and independently assessed systems for production, quality control, traceability and change management. It does not establish that every manufactured output is appropriate for every project or that the completed building will satisfy all relevant requirements.

A completed building must respond to its particular site and regulatory context. Project-specific professional design and review remain necessary for matters such as planning, accessibility, climate, foundations, structural and services integration, interfaces with other work, installation, commissioning, amenity and design quality.

A design suitable for one location may not be suitable for another. Conditions relating to wind, bushfire, flood, corrosion, termites, ground conditions, servicing and climate may vary significantly. Planning, heritage and building-control requirements also differ across jurisdictions.

The Scheme should therefore identify clearly:

- the design controlled by the manufacturer;
- project-specific work outside the certified scope;
- interfaces requiring coordination;
- responsibility for site-specific verification; and
- responsibility for approving changes and confirming installation.

Architects should not be assumed to perform the role of Certification Bodies solely because they are architects. Their distinct role is to provide professional design services and, where engaged to do so, coordinate the manufactured system with the site, building design, other disciplines and applicable approvals.

Certification should support that professional role by providing reliable information about manufactured work. It should not transfer or obscure responsibility.

6. Design Approval Certificates

The Institute supports avoiding repeated assessment of genuinely repeatable design elements. However, the usefulness of a Design Approval Certificate will depend on whether its scope and limitations are readily understood.

A certificate should clearly identify the approved design, the NCC requirements assessed, relevant assumptions and limitations, and matters outside the assessment scope.

It should state prominently that it does not, by itself, constitute planning approval, a building permit, confirmation of site suitability, approval of project-specific installation work or authorisation for occupation.

The certificate should also explain when a variation requires reassessment. Version control will be important where repeatable designs evolve or are adapted for different manufacturers, projects or jurisdictions.

Building surveyors and appropriate authorities should have access to sufficient supporting information to establish what was assessed. They should retain the ability to confirm that a certificate is current, that the project falls within its conditions and that work outside its scope has been appropriately addressed.

These checks should not involve reassessing technical matters already independently assessed without good reason. Their purpose is to confirm that the certificate is being relied upon correctly.

7. Responsibilities at project interfaces

The draft framework describes the principal Scheme participants, but further clarity is required where responsibility moves between participants.

A responsibility gap can arise between manufacturing and project delivery. Relevant interfaces include:

- manufacturer and subcontracted supplier;
- manufacturer and transporter;
- transporter and site receiver;
- manufacturer and builder or installer;
- manufactured system and foundations;
- manufactured system and building services; and
- certified design and project-specific design.

The Scheme Rules should include a responsibility matrix covering manufacture, transport, storage, site receipt, installation, commissioning, variations, defects, recalls and record retention.

This does not replace contracts or professional agreements. It provides a common framework so that critical responsibilities are not overlooked or allocated inconsistently from project to project.

Particular attention is needed after manufactured work leaves the factory. Transport may cause damage, site storage may depart from specified conditions, and on-site changes may invalidate aspects of the certified design. Connections, waterproofing, fire-stopping, airtightness, acoustic treatment and services interfaces may also be completed outside the manufacturer's certified system.

8. Manufacturing assurance and traceability

The Institute supports documented quality-management systems, factory production controls, inspection and test points, material controls, competency requirements, change management, independent audits and traceable declarations.

These mechanisms can increase confidence if they are implemented consistently and independently assessed.

Certification of a manufacturer's systems does not, however, prove that every individual building, module or component complies. A Manufacturer Declaration of Conformity should link the output to the applicable design, relevant production and inspection records, testing, non-conformances and dispatch status.

Traceability is important for:

- confirming provenance and compliance;
- identifying affected projects if a defect is found;
- facilitating recalls and rectification;
- retaining reliable lifecycle information; and
- supporting future repair, reuse and recovery.

The Scheme should establish minimum requirements for the integrity, accessibility, security, longevity and interoperability of traceability records while remaining technology neutral.

Records should remain accessible if a manufacturer is sold, restructured, becomes insolvent or ceases trading. The Scheme should also address the transfer of relevant information to building owners and asset managers, subject to appropriate treatment of privacy and commercial confidentiality.

9. Defects, recalls and rectification

The Scheme requires clear arrangements for defects discovered after a manufactured building or component has left the factory. The Institute also considers the Scheme should include a final installation or completion declaration confirming that the certified component or building has been installed in accordance with the approved design, relevant conditions of use and manufacturer requirements. This would help

bridge the current divide between manufacturing assurance and completed-building assurance.

This is particularly important once work is installed, connected to other systems, enclosed or occupied. Rectification may require access to the completed building and coordination with owners, practitioners, builders and regulators.

The Scheme should establish clear responsibility for:

- notifying affected parties;
- identifying affected outputs and projects;
- assessing immediate risk;
- making work safe;
- providing approved repair information;
- completing and verifying rectification; and
- updating records.

The Rules should explain the effect of suspended or withdrawn certification on buildings or components already supplied. They should also address the continuation of records, warranties and rectification responsibilities if a manufacturer ceases trading.

For interstate, overseas and remote supply, there should be a practical Australian arrangement for notifications and rectification. Responsibility should not default to owners, remote communities, unrelated practitioners or local builders who did not cause or assume responsibility for the defect.

10. Making a voluntary scheme effective

Participation by manufacturers is proposed to remain voluntary. The effectiveness of the Scheme will therefore depend on whether certification provides benefits proportionate to its cost and administrative requirements.

Manufacturers are unlikely to participate if Scheme certification is additional to, rather than recognised within, existing approval and assurance processes.

The value proposition is likely to depend on:

- consistent recognition by states and territories;
- reduced duplication of assessments and inspections;
- clear interaction with other certification pathways;
- confidence among practitioners and approval authorities;
- appropriate recognition by procurers, insurers and lenders; and
- reasonable certification costs for manufacturers of different sizes and production models.

The Scheme should not achieve participation through misleading claims that certification amounts to whole-of-building approval. Its value should arise from reliable manufacturing assurance and appropriate recognition of matters genuinely demonstrated through certification.

Conversely, voluntary certification should not become mandatory in practice without transparent policy consideration. Governments, insurers, lenders or procurers may begin to treat Scheme participation as an expected condition even where other legitimate NCC compliance pathways remain available.

The ABCB should monitor whether this occurs and whether smaller, lower-volume or specialised manufacturers face disproportionate barriers to participation.

The pilot should test not only the technical operation of certification but also whether the Scheme delivers sufficient practical value to generate sustainable participation. If participation does not deliver practical regulatory or commercial value, uptake is likely to remain limited regardless of the technical merits of the Scheme.

11. Certification capability and national implementation

The Scheme will require Certification Bodies and Design Assessment Bodies with appropriate expertise in the NCC, building design, quality assurance, manufacturing processes and prefabricated construction.

The proposed pilot should test:

- assessment competence and consistency;
- independence and conflicts of interest;
- availability across jurisdictions;
- capacity to assess interstate and overseas production;
- ongoing oversight; and
- commercial viability for both assessors and manufacturers.

The Scheme should not proceed on an assumption that sufficient specialist capability already exists. Inadequate assessment capacity could delay certification, increase costs and undermine confidence.

In relation to overseas manufacture, equivalent international evidence should be recognised where its suitability is demonstrated. However, overseas manufacturers should not be assessed to a lower standard because access to factories, practitioners or records is more difficult. There should be an identifiable Australian entity responsible for Scheme obligations, notifications and practical rectification.

National consistency will also depend on clear recognition by states and territories. Recognition should avoid unnecessary reassessment of matters already demonstrated,

while preserving an appropriate authority's ability to confirm that the certificate applies to the particular project.

12. Sustainability, resilience and design quality

The primary purpose of the Scheme is manufacturing assurance. Certification should not imply that a building is sustainable, resilient, accessible or well-designed unless those outcomes have been expressly assessed.

Nevertheless, the Scheme will establish traceability and information systems capable of supporting better lifecycle outcomes. The framework should be capable of incorporating information about material provenance, embodied carbon, durability, maintenance and repair, disassembly, reuse and end-of-life pathways.

Lifecycle information, material traceability and design for disassembly can improve long-term building performance, maintenance, adaptation and circular-economy outcomes.

While every sustainability field may not be mandatory from commencement, the priority is to create an information framework that can accommodate these requirements as policy and industry practice develop.

Manufacturing consistency is not equivalent to design quality. A certified process may consistently reproduce a component or design, but that does not establish that the completed building provides appropriate amenity, responds to its context or meets the needs of occupants.

Architectural design remains essential to resolving site response, orientation, accessibility, privacy, daylight, ventilation, climate, landscape, building-system integration and adaptation over time.

13. Monitoring and review

The Scheme should be reviewed following its pilot and during early implementation.

Monitoring should examine:

- participation across manufacturer sizes and production models;
- certification and assessment capacity;
- jurisdictional recognition and approval duplication;
- defects, recalls and rectification;
- complaints and appeals;
- impacts on practitioners and approval authorities;
- regional, remote and overseas implementation; and

- any misleading reliance on certification as assurance of completed-building performance.

Review findings should inform future changes to the Scheme Rules and any staged expansion to additional building classes.

14. Recommendations

The Institute recommends that the ABCB:

1. **Clearly distinguish manufacturer certification and repeatable design approval from project-specific professional and regulatory responsibility for a completed building.**

Scheme documents and certificates should state that manufacturer certification does not constitute whole-of-building approval or displace professional design, coordination, verification and statutory decision-making.

2. **Clarify the purpose, scope and limitations of Design Approval Certificates.**

Certificates should identify the approved design, NCC requirements assessed, principal assumptions, conditions, limitations and matters outside their scope. They should state that they do not constitute planning approval, a building permit, confirmation of site suitability, approval of installation or authorisation for occupation.

3. **Clarify responsibilities across design, manufacture, transport, installation, commissioning, defects and recalls.**

A responsibility matrix should allocate clear responsibilities across design, manufacture, transport, installation, commissioning, defects, recalls and record retention.

4. **Require project-specific verification before a certified design or manufactured system is applied to a particular building.**

Verification should address relevant planning and jurisdictional requirements, site and climate conditions, foundations, accessibility, structural and services interfaces, installation and commissioning.

5. **Strengthen traceability from manufacture through installation and completion.**

Individual buildings, modules and components should be linked to the applicable approved design and relevant production, inspection, testing, non-conformance, dispatch, site-receipt and completion records.

6. Establish practical arrangements for defects, recalls, rectification, manufacturer insolvency and post-installation assurance.

The Scheme should identify responsibility for notifications, risk management, repair information, rectification and continuing access to records, including for interstate, overseas and remote supply.

7. Retain the initial Class 1 and Class 2 focus, with a transparent and evidence-based pathway for staged expansion.

The implementation review should consider mixed-class buildings and the existing use of prefabricated construction in health, education, accommodation, community, commercial, industrial and remote infrastructure.

8. Clarify that the five prefabrication categories describe manufacturing typology, not the extent of building approval.

Certificates should define their precise scope, component boundaries, interfaces, inclusions and exclusions and provide for hybrid systems spanning more than one category.

9. Use the pilot to demonstrate that the voluntary Scheme provides sufficient value to support participation.

The pilot should test whether certification reduces unnecessary duplication, receives consistent regulatory recognition and remains accessible to manufacturers of different sizes and production models.

10. Develop and test sufficient certification and design-assessment capability before broader implementation.

This should include competence, independence, consistency, geographic availability, overseas assessment and commercial viability.

11. Create a technology-neutral traceability framework capable of supporting future sustainability and circular-economy information.

The framework should accommodate material provenance, embodied carbon, durability, maintenance, repair, disassembly, reuse and end-of-life information.

12. Monitor the Scheme's operation and review the Scheme Rules following the pilot and early implementation.

Monitoring should consider participation, regulatory recognition, duplication, defects, recalls, rectification, assessment capacity and any inappropriate reliance on certification as assurance of the completed building.

15. Conclusion

The Institute supports the establishment of a nationally consistent and independent certification framework for manufacturers of prefabricated construction.

A well-designed voluntary Scheme could improve manufacturing assurance, traceability and regulatory confidence while reducing unnecessary duplication. Its success will depend on certification delivering clear practical value to manufacturers, practitioners, appropriate authorities and procurers.

Certification of a manufacturer or repeatable design must not be mistaken for certification of a completed building. Project-specific professional design and verification must continue to address site, planning, accessibility, climate, structural and services integration, installation, commissioning, amenity and design quality.

Clear certificate limitations, robust traceability, explicit allocation of responsibilities, practical defects and recall arrangements, competent assessment bodies and consistent jurisdictional recognition are essential.

With these safeguards, the Scheme can support innovation and productivity while strengthening accountability for safe, compliant, sustainable and well-designed buildings.

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