

THE FIFTH ESTATE

Review

JUNE 2025

Social Value

Why it's good
business

Blue Zones

*And the art of designing
better places*

Inside **CBRE's**
office transformation



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Letter from the editor

Now here's a thing that's been eternally annoying: that more people outside this industry don't see how influential the built environment is in solving a huge range of problems we face.

To be honest, though, we've been around 16 years and we're still discovering new and exciting ways that our buildings and cities can be a powerful force for better.

It's why it's so thrilling to share the insights we learn from the talented people who keep breaking new ground in this space. Such as the way buildings, natural infrastructure and even the way we operate facilities can improve physical and mental health.

For instance, circulation routes can encourage young people in student housing to bump into each other and perhaps make friends for life. Or take them past lemon scented trees that will stimulate powerful connections to nature.

In this issue of TFE Review we report on our May leaders forum, Blue Zones and How to Make Them, where Petie Walker from Stockland, Kellie Payne of Bates Smart, Professor Xiaoqi Feng of the University of New South Wales, and Gabrielle McMillan of Equiem each explored their unique contribution to this emerging and exciting field.

We also step into how social procurement can change lives, what's happening with modern methods of construction and interview Mr Building Quality himself, David Chandler, former NSW Building Commissioner.

Tina Perinotto

*Editor and Publisher
The Fifth Estate*



Photo Peter Bennetts

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Social value

Why its good business

Willow Aliento

Australian Unity wanted more than the “sausage sizzle” when it developed its community and social value framework. So it decided to sell its banking business, buy My Home Care for \$300 million and create a sustainability-linked loan deal with Westpac where social value was part of the KPI.

In the past couple of years, it seems the “S” in “ESG” has been having a major moment. There’s frameworks, toolkits and systems multiplying rapidly, whether it’s social impact, social value or social return on investment. Tools, however, guarantee tangible gains for the community and stakeholders.

The first Western jurisdiction to get serious about social value appears to be the UK, where the **Social Value Act** (2013) mandated that public procurement include consideration of how additional social benefits could be secured for their area or stakeholders through the process. In 2018 an amendment to the act meant social value is now assessed as part of every major public contract.

The UK Social Value Model incorporates goals,

approaches and metrics for reporting across key themes including social inclusion, gender equality, economic opportunities for small and medium enterprise, employment and training for people with disability and supporting health and wellbeing.

Globally one of the major challenges has been agreeing on measurement. The **UK Social Value Bank**, for example, founded in 2012, uses financial proxies to calculate the social return on investment from an organisation or project’s initiatives. Simetrica, a subsidiary of Jacobs, helped develop the financial analysis model.

Simetrica also worked with three Australian community housing organisations to develop and launch the **Australian Social Value Bank**.

NSW government

But financialising isn’t the only approach. The New South Wales government is embedding **social value** using qualitative metrics as a key decision-making framework for transport projects and planning.

Property heavyweight Stockland is working

on its own framework for social value, as **Petie Walker told The Fifth Estate** ahead of the Blue Zones event in May. The Social IQ framework will incorporate 18 domain areas where

metrics, to understanding that value creation can take many forms and requires very different ways of describing it.”

Social value as defined by SVI is based on a set

“

We can use numbers to help tell the story, and that can be remarkably powerful, but it’s not the only thing ... We don’t have the value of things that matter most framed in money and framed in dollars

Stockland can “have a significant impact on everything from the provision of green spaces to Indigenous procurement”.

Evolution of the trend

Simon Faivel, director of specialist social value and social impact specialist Social Ventures Australia said interest in social value goes beyond aligning with a particular standard or philosophy and is starting to apply to all investments and activities.

There is more of a focus on the label of “wellbeing”, which is helpful, he said, because it relates to trying to understand people, the components of the “good life” and what is a better life.

“A lot of commentary and I think framing around this does relate to social value being equivalent to, or similar to wellbeing,” Faivel said.

Social value goes beyond financialisation

Faivel, whose company was founded by The Benevolent Society, The Smith Family, Work Ventures and the AMP Foundation, was one of the early members of the international SROI (Social Return On Investment) Network, which in 2014 merged with the Social Impact Analysts Association to become Social Value International (SVI).

He said there has been a shift from “pushing towards using financial proxies and other

of principles that are underpinned by power, recognising where the power relationships are, and giving power to those who are experiencing changes.

We can use numbers to help tell the story, and that can be remarkably powerful, but it’s not the only thing ... We don’t have the value of things that matter most framed in money and framed in dollars

“For some people experiencing changes, translating changes in culture, in wellbeing, should translate to a number, because that will help people who spend money on the things realise they need to invest more in it, but they’re just proxies,” Faivel said.

“We can use numbers to help tell the story, and that can be remarkably powerful, but it’s not the only thing ... We don’t have the value of things that matter most framed in money and framed in dollars.”

Theory of change

Social value needs to start with the understanding of change and what’s going on, Faivel said.

“And then, and only then can we start using the numbers, and hopefully we’ll get better at using those numbers over time, building up that that world.”



Simon Faivel

The tagline for SVI is “accounting for value”.

“Now, whenever you’re accounting for cash, you always in your profit and loss or balance sheet. So, there’s always boundaries around that.

“But with social value, we naturally start to move out and look at the systems. And we want to be able to consider the systems as a part of how we account for value. But accountability for a business has to be contained, or else no one’s going to sign up for anything.”

That means that an individual company or entity can’t be held accountable for the big systemic or structural issues. Conversely, an entity reporting on only a small component of their overall value and operations can be somewhat misleading, because “it’s not focusing on the main event,” Faivel said.

It’s fundamental and good for business

The big message for business is “social value is necessary”.

Social value is good for business... It should be elevated in the same way that your financial accounts are

“It should be elevated in the same way that your financial accounts are. It’s good for business.

“And I say good for business because of how it would be perceived by customers and also employees, particularly as we have a shift in attitudes over time.

“And it’s also just a smart risk management process. So, just getting into how one can manage reputation, how one can manage all the other risk components of a business, you’re doing something which is a necessary cost to be able to manage the business in a smart way.”

Who’s doing it well? The built environment is improving

Faivel said the charity sector, particularly the small to medium size charities are doing social value well because they “have to be able to describe how they measure or how they account for their value, because so much rides on telling that story with compelling evidence.”

In the built environment, he is seeing “a lot more movement.”

Australian Unity

One company that has been leading in the space is Australian Unity. SVA worked with its health and human services business to develop its community and social value (CSV) framework in 2021.

“They’re doing this in a way which cuts to the core of what all of this means, to be able to inform decision making,” Faivel said. “It’s not just ‘here’s a pretty report’.”

One company that has been leading in the space is Australian Unity and wellbeing was chosen as the core metric

Siobhan Henderson, Australian Unity head of social impact and strategy manager said wellbeing was chosen as the core metric in developing the CSV framework.

“We’re a health and human services company, we are a drop in the bucket when it comes to the environment and the impact we can have, but we deal with people, all day, every day, whether it’s in their homes, providing health insurance for them, or any other number of our products and services. So, we’ve always been focused on wellbeing,” Henderson said.

The company in partnership with Deakin University, launched the Australian Wellbeing Index 25 years ago. This open-source data provides snapshot of how Australians of different ages and socioeconomic backgrounds are feeling about key indicators of wellbeing including social connection, health, financial stability and hope for the future.



Australian Unity has already made some decisions around the deployment of capital, based on its CSV framework. For example, this financial year it is selling the banking business to Bank Australia.

At the start of the 2020s, the board tasked the leadership team with finding a way to prove the social value and wellbeing point of difference. Current managing director, Rohan Mead, drove the agenda.

“One of the things he says is, we want a planet worth sticking around for, but we need a humanity worth sticking around for as well,”

Henderson said.

Not just a whiff of charity fundraising

The company also wanted to go beyond the things that should just be standard good practice like having gender parity on boards, paying fair wages or having a strong Reconciliation Action Plan.

“That’s not even just your ticket to play anymore. That should just be accepted. I don’t even think those things need to be celebrated. They should just be par for the course,” she said.

“We call that the sausage sizzle stuff.”

Raising some money for charity or partnering with social organisations is not a balance for companies that are doing harm.

Australian Unity wanted to look at the impact of its own products.

That led to some significant portfolio reshaping.

How CSV is shaping commercial decisions

While still at the assessment stage, the business has already made some decisions around deployment of capital based on its CSV framework. For example, this financial year it is selling the banking business to Bank Australia.

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Siobhan Henderson



Petie Walker

How Stockland developed a social value framework

Bevin Liu

Petie Walker's fireside chat with The Fifth Estate at Blue Zones and How to Make Them revealed that one of Australia's biggest residential developers is deep into the challenge of carving out social sustainability and how to measure it.

Walker, group head of sustainability and delivery at Stockland, said the developer had in fact been working on creating community within its developments for its 70 year lifespan. But in recent times it's also sought to embed sustainability and First Nations considerations into its core operational areas. Walker's role was created to make ESG principles central to financial decision-making and project delivery.

The goal is to position sustainability as a key commercial advantage for Stockland in its \$50 billion development pipeline, which includes residential, logistics, office and community real estate projects.

"Social responsibility as a start is really a licence to operate, and you have that as your baseline housekeeping", Walker said.

Beyond that, stakeholders and employees are drawn to "socially responsible organisations they can feel proud of, talk to their friends and family, and our investors are increasingly requiring evidence that we're doing the right thing and how we are investing in it."

Waterloo redevelopment

Walker said that for major bids such as the massive Waterloo redevelopment project in inner Sydney, which Stockland is leading a consortium on, the government favoured developers that could "quantifiably demonstrate the social impact".

Felton "really lifted our thinking and changed the way we thought about how we are investing in social impact and how we are measuring it," Walker said,

Felton also convinced the company that it should follow a wellbeing framework by a credible global body. And to do so, the company had to change how it measured social impact.

“It really opened a can of worms on how we should be thinking about this, and we went from measuring inputs to measuring outcomes – and the way we did that was by getting empirical data.”

Capital partners are "all very interested in social impact, and it is a baseline criterion for them that we can demonstrate we are being true to purpose and vision and delivering on that."

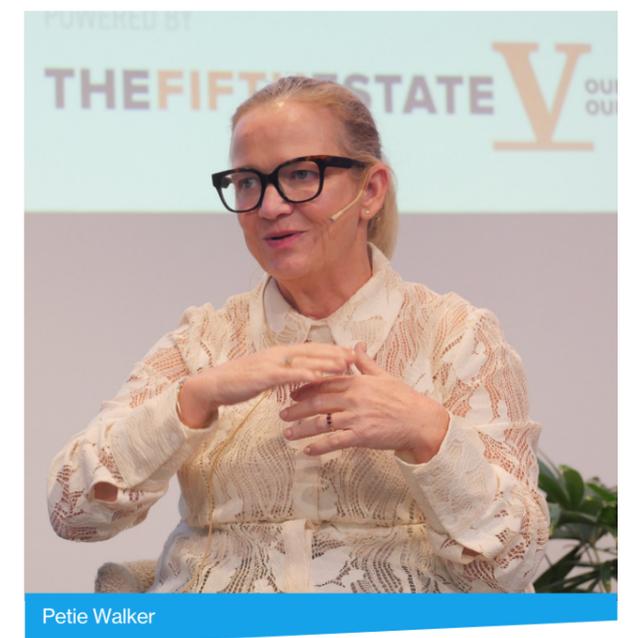
For Walker, social impact is about "making intentional investments and then being able to see that it has made a difference to an individual or community's lives, vibes, how they operate in a really positive way."

She told the audience: "I was certainly drawn to Stockland about eight years ago [after a long background with Leighton] because they were all about community, they really loved their staff, and they were about creating great, vibrant communities."

Walker said the team had matured rapidly over the past four years under the guidance of social sustainability manager Justine Felton, someone who is a "true social impact expert."

"It really opened a can of worms on how we should be thinking about this, and we went from measuring inputs to measuring outcomes – and the way we did that was by getting empirical data."

"Like many others, we have been reporting on our inputs, which were that we spent x amount on Indigenous procurement, x amount on philanthropic exercises."



Petie Walker

"It really opened a can of worms on how we should be thinking about this, and we went from

measuring inputs to measuring outcomes – and the way we did that was by getting empirical data.”

This needed to be from credible sources – whether a university or commissioned by

“It really intersects with our liveability criteria, which a lot of developers are more familiar with. It is around making sure that you’re creating [green] spaces that people can actually come together in.”



First Nations voices critical

“I’m not going to say Stockland was great at First Nations engagement and design with Country four years ago - we weren’t. We were skimming the surface,” Walker said.

“Why? Because we didn’t have any First Nations people working in our organisation. We had a Reconciliation Action Plan. We had a lot of well-intentioned people, because we are a very value-driven organisation but unless you’ve actually got First Nations voice within your organisation, you’re never going to get there.”

To remedy this Walker brought on the company’s first national Indigenous engagement manager, Maree Ansey, who now oversees a team of four. Over 18 months the company developed a designing with Country framework.

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government – that would put an economic value on what the company was doing.

There’s “a lot of research” to show, for instance, that \$1 spent on Indigenous procurement results in \$4.41 of economic benefit to Indigenous communities.

There are other more complex formulas for attributing the impact of various programs. “You pull all that together, put it into a machine, and it spits out the impact we are having across those domains in an economic term – and because of that, we committed to creating over a billion dollars of social value by 2030.

But achieving that goal won’t be a neat trajectory. It’s a bit like carbon ambitions, Walker quipped, “it’s not a straight line.”

“When you make a commitment to carbon, it’s not a straight line. It is going to be up and down depending on what your pipeline is and what your initiatives are, and how you can get there, and social impact is the same.

The company understands how this links to better mental and physical health and wellbeing, and it typically includes walking trails, Indigenous procurement, access to education, early childhood and medical services in designing communities.

And the investment needs to be sensitive to the specific characteristics of the population that will live in the communities.

For instance, at the Forster shopping centre in New South Wales, where there was a significant aging population, the focus needed to be on accessibility.

“This completely changed how the team was going to allocate their capital expenditure in the coming years, like upgrades to the amenities, ensuring entryway designs are elevated to truly integrate accessibility into the fabric of the centre.”



Kellie Payne

Bevin Liu

On architecture's creative role in designing a better world for people

At Blue Zones, Bates Smart director Kellie Payne took the audience on a journey to see the world through the eyes of architecture and its subtle ability to stimulate social and environmental outcomes for the people it houses.

So blue zones. "Let's imagine these places," Payne said as she launched into her presentation.

"Let's imagine these places," Kellie Payne said as she launched into her presentation at Blue Zones in April.

"This is a place where people routinely live to 100 years old, they are not only living longer, they're living better. They've got clarity of mind and strength in their bodies, along with connections that have endured.

“

Disconnection is more quietly felt in the lives of the younger generation that doesn't have a voice in placemaking.

"These Blue Zones are rare, but they are real, and in these communities, longevity hasn't been engineered by designers, architects, [or] masterplans; it has emerged.

"It hasn't emerged [from] medicine, despite massive investment. Instead, it has emerged

from the quiet logic of how people have lived for centuries.

These centenarians, said Payne, don't need full body MRIs or performance trackers, just streets where they walk with purpose and meals, they share without needing a special occasion.

"Their days are shaped by movement, community, and ritual."

And we often overlook the heart of it, Payne said, which is what we call the "sense of place". "It's not a backdrop in blue zones, it's the silent architecture of their longevity."

But now the question was how do you use data



from such a city in a project "for my 14 year old daughter who grew up in the age of the iPad?"

The modern problem

The last century has brought both challenges and rewards, namely industrialisation, war, mass migration and modernity, Payne said.

"Disconnection is more quietly felt in the lives of the younger generation that doesn't have a voice in placemaking.

Today we have AI, virtual doctors, working from anywhere, and communities found through a search engine and algorithmically curated to match preferences – and to be honest, Payne said, she has no intentions of spending her life herding goats in Sardinia.

"The last century brought us gifts I would never trade for – an extra decade of healthy life. We've gained diversity, equity, personal freedom, and knowledge. There are female architects! But in the process, we've quietly unravelled some of the civic frameworks that once held us together.

"Disconnection is more quietly felt in the lives of the younger generation that doesn't have a voice in placemaking.

"I rarely see mine alone. Their days are governed by curriculum, they're assessed, scheduled, and accounted for. I know where they are every minute of the day [but] there's very little space for them to wander, for them to be still, and few moments of silence or rest.

What children lack isn't interaction, said Payne. They lack rest, release and reality.

"We often treat these challenges as behavioural, but I would argue they're spatial," and spaces need to anchor us in the feeling of freedom, unpredictability of the natural world and trigger dopamine – a real world addictive force that improves the length and quality of life."



designed a 15 minute city framework out of the city's COVID local down experience, which is now embedded in local urban policy.

"[density done well] strengthens our infrastructure, supports our local economy, and builds trust between strangers—and that social cohesion is actually one of the biggest challenges of the Western world at the moment."

"It's not just a transport plan, it's a healthy strategy, a climate solution and policy for equity.

Sydney, which is "more like a 30-minute city for around 70 per cent of the residents", recently made gains with its metro, high density residential along the rail corridor.

Payne shared an example of density done well through an student accommodation project for Iglu in Summer Hill. The suburb's

demographic a "poster child for nimbyism", relatively wealthy, a heritage listed suburb.

The project comprised of inserting 184 foreign student beds into its civic heart behind an old fire station received some pushback. When the students arrived, they didn't take away from the life of the suburb. "Instead, they brought life to the parks, offered natural surveillance for the children and brought vitality to the local economy, enabling better shops and better services for everyone," Payne said.

When density is done well, "it strengthens our infrastructure, supports our local economy, and builds trust between strangers—and that social cohesion is actually one of the biggest challenges of the Western world at the moment."

Shaping behaviour through nudge architecture

If that proximity and density lay the foundation, the next layer is shaping the behaviour of the residents without them even knowing. This is called nudge architecture.

"A 100 year life with connection to nature and community can't be left to chance. It's built by

There are three tools Payne uses in design:

- **design for community:** activation and designing for density
- **nudge design:** designing spaces that encourage habits and rituals
- **wonder:** uplift and transform the days of people who use our spaces, compelling them to return

Designing for density

Blue zones are born out of proximity, said Payne. They are compact, walkable and socially cohesive communities where people bump into each other, walk to what they need and spend time in public life as part of their daily rhythm. This also gives them exercise and social cohesion.

"You can't support daily movement if your essential services are a kilometre away and it's hard to maintain a diverse local shopping village with only 100 people per hectare.

"And that's why density matters, only when it's done well."

An example was the mayor of Paris who

your intentions alone, but through hard work, repeated, rewarding rituals and habits of good health.

"It's not built by your intentions alone, but it needs to be built through hard work. It's repeated, rewarding rituals. It's the habits of good health. Architecture can quietly shape those rituals by making connection the easiest, most pleasurable choice you make every day."

An example was an early stage project where Bates Smart is designing student housing of 800 beds across six different colleges, including an Indigenous, international and women's college. "My task isn't just to house these students; it's to help them build the habits that might sustain them for life."

A 100 year life with connection to nature and community can't be left to chance. It's built by your intentions alone, but through hard work, repeated, rewarding rituals and habits of good health.

Design elements include building on a site anchored to a group of trees, one of which is older than the university itself, so the buildings need to "nestle within these trees". Lemon myrtles are grown beside windows to scent the air, and the water irrigation through the vertical garden will carry the scent, biophilia and soft sound of water when the students wake up.

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Professor Xiaoqi Feng



Professor Xiaoqi Feng

We need a wake up call, and solutions, for loneliness *Bevin Liu*

Usually when we think of public health in the urban context, we think of managing disease outbreaks, promoting exercise and the importance of effective water and sewerage infrastructure. However, professor of public health at University of New South Wales professor Xiaoqi Feng has established a whole new area of public health research, which she showcased at our Blue Zones event in April.

Feng began her presentation by asking everyone to stand up and stretch their legs, before she then stretched the collective mind with some hard to swallow statistics.

About one in three people are experiencing chronic loneliness, she said.

“This is not just ‘I occasionally feel lonely’. We are actually talking about chronic loneliness.”

Humans are not designed to be lonely, it is our environment that is “lonelygenic”

Many probably think of this as a personal thing, a matter of being shy or “not good at socials” Feng said. “But think about the scenario where someone perfectly social and connected with (others) gets an injury and lives in [an old style] apartments six levels high.

“How are we going to get them out of their room, going to the park and going shopping with friends? Really difficult.”

This example shows how we should think about our environment and what it enables in relation to our social connections. Humans are not

“Humans are not designed to be lonely, it is our environment that is “lonelygenic”

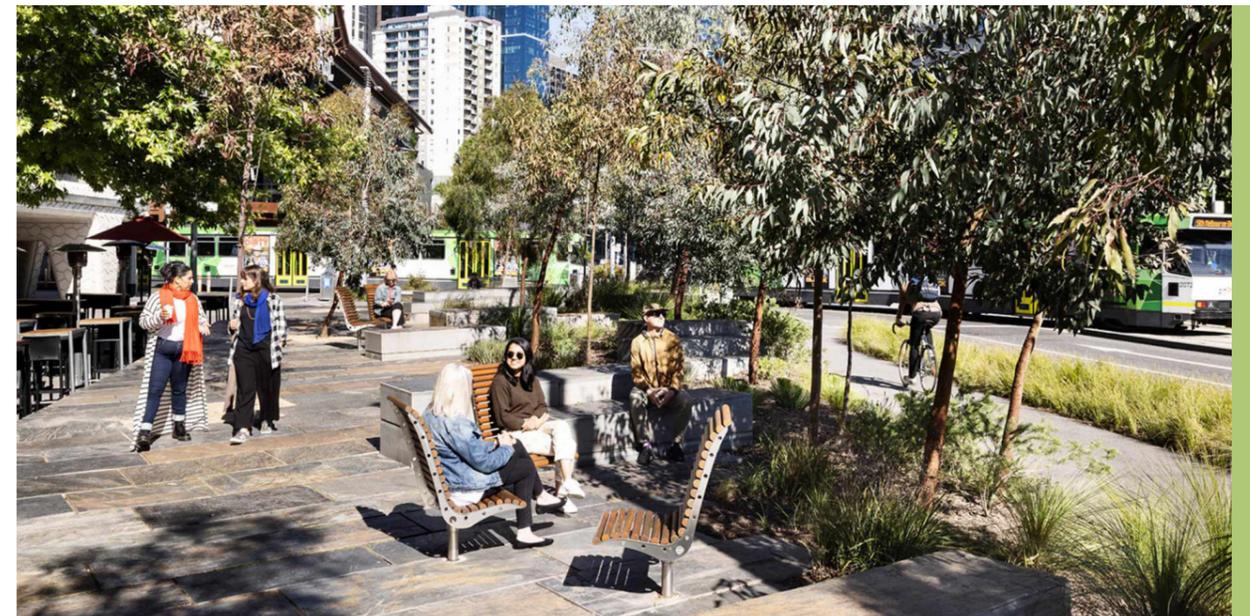
designed to be lonely, it is our environment that is “lonelygenic”.

She developed the concept with University of Sydney academic, Thomas Astell-Burt.

We also need green space

Canopy cover saves money in public health costs

There were even more benefits – namely, stress reduction, reduced risk of high blood pressure, diabetes, heart diseases and reduced emergency visits due to cardiovascular events.



In addition to needing social connections, humans need green space.

According to Feng, research she undertook with Astell-Burt showed pregnant mothers exposed to adequate green space tend to have babies with “healthier birth weight and healthy lipid levels”. Mothers with access to high-quality green spaces also have a reduced risk of developing postpartum depression.

Additionally, “children living with lots of green space have reduced risk of having asthma – especially if they’re living with heavy traffic, and children living with quality green space also show improvements to mental health and wellbeing.

“Providing space is not enough, we also need to think deeply about how we can bring people to the space

“You know what? It also saves money,” said Feng.

“We only looked at cardiovascular diseases of three major cities in Australia, and it showed that we can save 1.5 billion Australian dollars every year if we could have 30 per cent or more canopy cover.”

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Gabrielle McMillan

Equiem's engagement solutions in "vertical villages"

Bevin Liu

“The trend is partly a response to the pandemic, which has seen a lot of office space unused or poorly used, and that’s a shame, McMillan said, “especially when some is truly beautiful

managers’ report fewer complaints and happier tenants.

“Our software platform data shows that 30,000 tenant events have been delivered in just the last four months, a surprisingly high figure that has grown by 10 to 20 per cent over the past couple of years.”

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What’s the driver?

“It comes down to money,” McMillan said. “Tenants are increasingly demanding these



Blue zones don't have to only exist in villages or other residential communities, they can also do well in our vertical villages or office towers and other places of work, Gabrielle McMillan, chief executive of Equiem told the event audience.

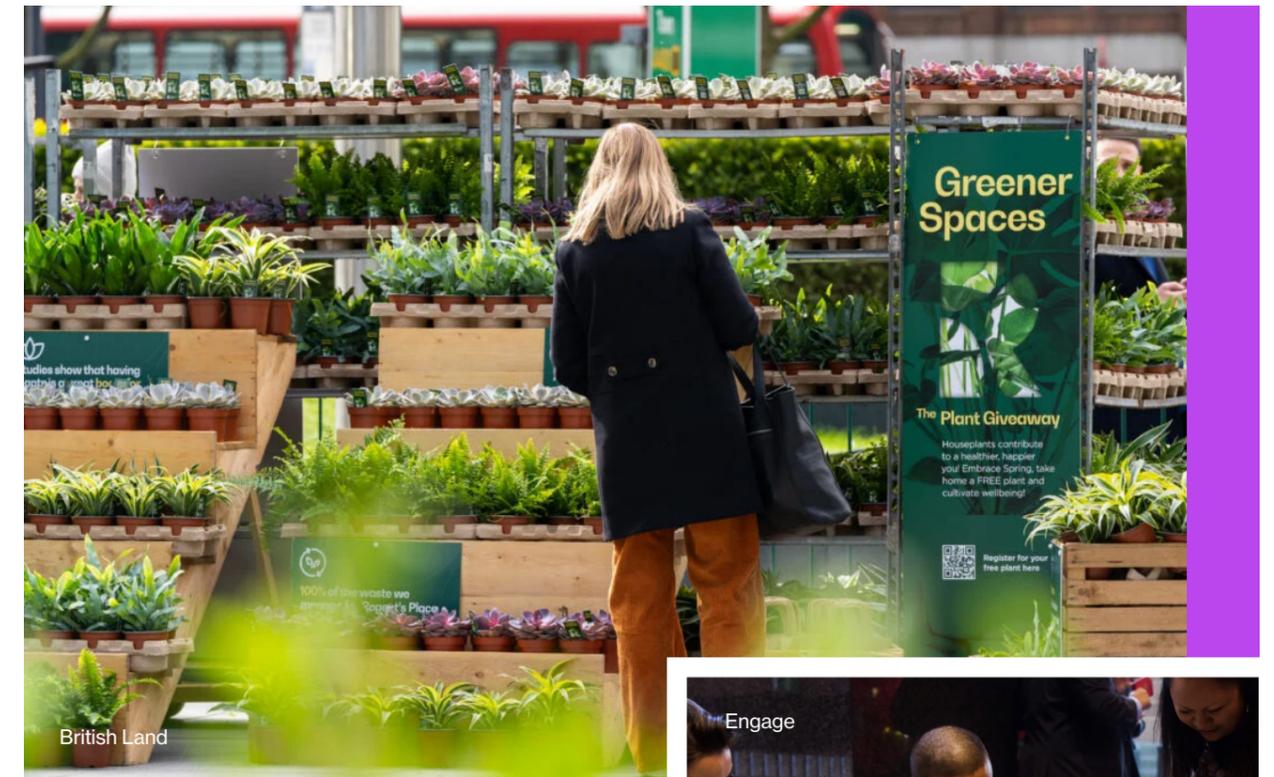
“While we may not spend a third of our time in the office anymore, we still spend a third of our time working. And so office buildings are these vertical villages, are these places where communities naturally exist and where we spend a lot of our life,” McMillan said.

Generally, however, buildings are not necessarily

designed with health and happiness in mind. But McMillan said she the principals of blue zones while initially a fridge idea are starting to show up more in office buildings around the world.

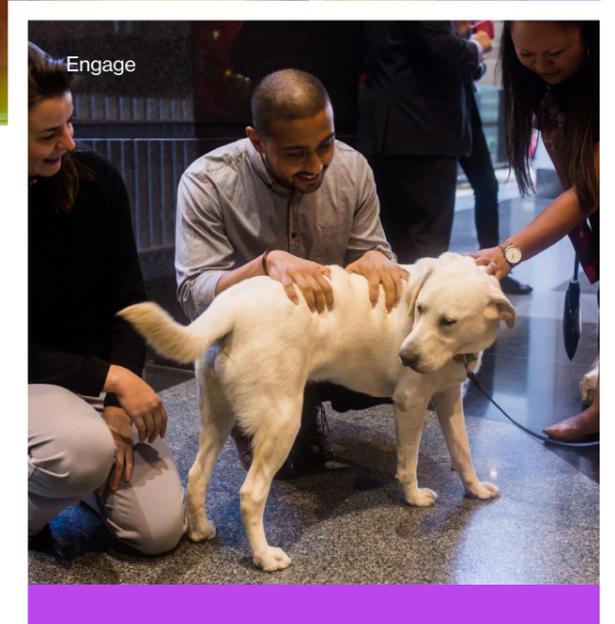
So 14 years ago, the company kicked off a platform for social activation within these buildings, something that’s now gone mainstream.

McMillan’s company, originating in Melbourne, is said to now service 300,000 people in its systems, globally.



features in their office spaces. They want to bring people back together in the office for various reasons, including the fact that it boosts engagement, which in turn drives productivity.”

Landlords are not only responding to demand, but they can see “increased profits and building asset value” and “stronger ESG metrics” by creating blue zones in offices, while tenants experience improved health, happiness and connection. These buildings see facilities



Engage



Walking the talk:

Inside **CBRE's** office transformation

When CBRE needed to upgrade its much-loved headquarters in Sydney, it seized the opportunity to deliver a transformative workplace culture. This was a chance to empower its own employees, but also a way to create a practical working example of what excellence looks like, both in design and environmental achievements.

In a world where hybrid work is now the norm, the challenge has shifted.

Today's workplaces must do more than simply welcome people; they must inspire them to stay, collaborate, and thrive. That means creating environments that are not only functional but also flexible, engaging, and deeply human.

Offices need to offer comfort, a stimulating environment for productive work and social value, and an element of fun.

When CBRE needed to upgrade its much-loved headquarters at 363 George Street in Sydney,

it knew that this was an opportunity to meet multiple objectives simultaneously.

For the CBRE Workplaces Consulting team the challenge was irresistible.

Here was an opportunity to achieve value through internal transformation and practical demonstration for clients as well.

The first challenge for the team was to identify the project's main objectives and develop a strong strategic backbone to deliver on those ambitions.

A worldclass headquarters for a global gateway

CBRE's NSW Executive Managing Director, Andrew Roy, says showcasing a world-class workplace was key.

"As a global gateway, our Sydney office is now a world-class workplace that reflects our commitment to excellence and innovation."

Connectivity was critical

"The more connected a workplace, the greater value we can generate," Roy says.

"It will enable us to communicate more effectively, share our ideas more freely and work together more seamlessly.

"And as we collaborate more closely, we'll see improvements in our efficiency and productivity, and that means delivering even greater value to our clients."

The Workplace Consulting team set about leveraging its deep experience in strategy and change management to the project.

People first

Above all came the focus on people.



"This transformation isn't just about place – it's about people," CBRE Director of Workplace Consulting Jenny Liu says.

The final design delivered 3700 square metres of space over three revamped floors, a range of new facilities and creative spaces, including a business lounge for staff and clients, a presentation suite, a social hub, and an event space.

Planning for the new workplace began in 2021, as Covid lockdowns and full-time work from home receded, and a new consciousness around health, wellbeing and the social dimension of the workplace came to the fore in the Australian commercial office market.





Pacific Head of Workplace Consulting, Felicity Marshall says the journey as an organisation was a great one.

“We saw this as a real opportunity to redefine how we approach the workplace within CBRE, but also as a catalyst for the culture we want to create.”

The results would be on show for clients, to actively demonstrate what their own transformation opportunities could be.

Embedding wellbeing

Wellbeing also needed to be a defining feature of the new offices.

Architects, Bates Smart, working with SHAPE, designed and delivered the fitout. The companies initially advised against moving the stairs but the CBRE team felt this was essential to ensure the work floors connected directly to the social hub, making it much easier for people to move around and engage with each other.

Another important but invisible element that can make or break a workspace is the acoustic treatment. The delivery team was conscious of ensuring people could work effectively in all areas of the office, while also installing quiet

areas for those who need it.

The feedback has already been great, Marshall says, with employees saying the spaces feel serene, despite the bustling activity surrounding them.

Social value

Social responsibility was also emphasised.

Engagement with First Nations people led to meeting rooms named along themes of “earth, sandstone, and rock.”

A 10% diverse procurement target was also set to frame engagement with Indigenous-owned businesses and suppliers.

“We are on a journey to learn more and understand more about First Nations people and culture,” Marshall says.

“Ultimately, we are real estate people, we’re all about place. And if we don’t understand the land that we’re operating on, it doesn’t make sense for us.”

The emphasis on diversity also reflects the changing nature of the business as well as the client dimension.

“Diversity is important for general wellbeing and demonstrating best practice.

“It also acknowledges that our business has transformed; we bring together diverse people, from diverse backgrounds, with diverse skillsets”.

A business with 35 teams

The office space needed to accommodate 35 teams, over three levels, each working on their own business lines, and each with their own internal teams.



Felicity Marshall

This meant creating a space that responded to “different ways of working” and at the same time would resonate with clients.

“Our ambition was to create an ambience that offered an immediate signal to clients and staff that here was a place they would feel welcomed, among friends.”

The future – not so far away

In recent times, the big demographic news has been that Gen Z has overtaken the Baby Boomers as a proportion of the workforce. Given that workplace decisions for both CBRE and its clients often have long lead times, to 2030 and beyond, a major rethink was needed to reflect the perspectives of both current and future workforces.

It’s a discussion that clients are keen to take part in, Marshall says.

“Gen Z is much more values-driven than previous generations, and this is something we’re talking about with a lot of clients: What does it mean for them?”

“The workplace has changed from being only a place to get work done to needing to represent an alignment of values.”

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Construction

The big challenge of procurement and social value

Willow Aliento

While there's a lot of talk about social value these days, it's not actually new. It's more a rebrand of that thing called "community" in the triple bottom line. It's also the (often silent) "S" in "ESG" and it plays a starring role in the 1992 Rio Accord and the UN Sustainable Development Goals adopted almost a decade ago in 2015.

So, while it's not new, there's been a rapid proliferation of tools, systems, frameworks, businesses, experts and white papers.

UTS Professor Martin Loosemore has been leading the establishment of a *Community of Practice* on social value since 2022. It is focused on the property, development and construction value chain sectors, areas where tangible social value benefits can be delivered.

The CoP has delivered resources, case studies, reports and supported substantial research and academic literature.

According to Loosemore while many people work very hard at delivering meaningful benefits for communities and individuals in the social value domain, it is also an area where many organisations tend to "over inflate" claims.

There are also organisations that claim successes that are bare legal minimum, such as eliminating modern slavery or working to eliminate racism, homophobia or sexism in the workplace.

Where's the value-add?

There is a real lack of innovation generally in the space, Loosemore says.

This is because many organisations looking to achieve some aspect of social value tend to outsource the initiative to a not for profit or social enterprise, rather than implement social value across their entire value chain.

The small organisations at the end of the chain that deliver reportable outcomes are generally "doing what they are told".

There's a sameness to much of it. For example, procuring catering from a charity for youth homelessness or food rescue, donating strip-out materials to a charity, or procuring some stationary or feature office furnishing from an Indigenous business.

That's not to say these initiatives don't matter – they absolutely do. However, as Loosemore points out, most of these social value approaches are "social lite".

It's not engaging the entire supply chain, which is what best practice requires.

Competition not always positive

One of the major challenges with scaling up best practice is it is very difficult to get people to share information, Loosemore says.

It's a highly competitive space, as a company can win or lose a tender based on its social value credentials, commitments and performance.

There are also those who "over-inflate" their claims at tender stage, which is partly a factor

of there being "very little scrutiny" on the client side.

Clients are often not resourced to "ask the tough questions".

What are we measuring?

Overall, he says monitoring of social value performance is lacking, and people are "not held to account" so they can get away with overclaiming.

For example, tenants coming into a building may be given a spiel about multiple services and amenities that are available for employees. The asset owner claims these as social value provided to tenants. The tenant management can claim them as social value provided for employees. And often, no-one checks and reports on the degree to which the workers are experiencing these things as added value.

Similarly, Loosemore says there are often claims that something will benefit wellbeing, which is often considered part of social value. However, how it is measured and what "wellbeing" means is often not explained.

It's something that is highly nuanced, with meanings and experiences of wellbeing shaped by class, age, gender, culture, family structure, socio-economic status, income, education, and so forth.

READ MORE



Martin Loosemore

Green space, canopy cover and getting involved in the community can save costs in treating a range of diseases, according to Dr Thomas Astell-Burt, professor of cities and planetary health in the School of Architecture, Design, and Planning at the University of Sydney.

According to Astell-Burt's research, conserving and restoring nature in cities is directly linked to improvements in public health, including enhancing our mental health and reducing the risk of diabetes, cardiovascular disease, and even dementia.

How social value makes economic sense

Bevin Liu

Nature can "keep people healthier and out of the hospital," he tells *The Fifth Estate*.

Data tracking individuals in New South Wales, specifically in Sydney, Wollongong, and Newcastle, for six to 15 years, found that people living under canopy cover have a 31 per cent chance of developing type 2 diabetes over a six-year period. There is also a 27 per cent reduction in odds of developing heart disease and other related conditions.

"For every prevented heart attack, we estimate healthcare savings of about \$20 million per 100,000 people annually. Extrapolating this nationally for people aged 45 and older in cities, simply by preserving trees, (we) could save approximately \$1.5 billion each year."

He says it is unusual to realise such significant

financial benefits by "not doing something" that is, by ceasing to destroy urban nature.

We need to talk about the benefits of environmental conservation for future generations, the natural world, and our health, said Astell-Burt. For policy to change, we need to demonstrate financial implications.

"While achieving a healthy lifestyle isn't always easy, any measures we can take to improve the odds for everyone are vital," he says.

"For individuals facing chronic disadvantage

and significant life challenges, creating healthier environments can help level the playing field and provide a fairer chance at well-being."

The role of nature in addressing loneliness is particularly significant.

Astell-Burt says the term "lonelygenic environments" was coined to suggest that "loneliness isn't solely an individual failing."

"While everyone experiences loneliness at some point, and many face persistent loneliness, the conventional narrative often places blame on the individual. This can lead to people suffering in silence, with detrimental consequences.

"Instead of just focusing on the problem, we should emphasise solutions."



Photo: Hassell

He says the strongest evidence backed solution is to build places that naturally foster social connection. It is crucial to provide opportunities for people to gather that are not driven by profit motives.

Connecting in nature is one of those non-financialised opportunities.

Astell-Burt explains that it is increasingly emerging in environmental psychology that connecting with nature supports mental health, provides sources of happiness and provides a remedy that's not just "social connection for loneliness".

"Connecting with something larger than ourselves could also be significant. I often feel that city design overlooks this, [which] not only isolates us from other people but also from elements that could enrich our lives."

Social prescriptions – who's due?

Meanwhile, some people, such as those with chronic shyness, could simply need extra support, said Astell-Burt. And that's where the growing field of "nature-based social prescribing" becomes important.

Astell-Burt and Professor Xiaoqi Feng's research group were among the only ones bringing it together as a program, he says.

While the medical system does a good job, it does not solve "unmet health and social needs – loneliness being the obvious one."

"There is no pharmaceutical to treat loneliness, and often people will be prescribed antidepressants for loneliness, which does nothing to actually solve the problem."

READ MORE



Thomas Astell-Burt

Doughnut Economics takes hold in Melbourne and Sydney and now Malaysia

Willow Aliento

Doughnut economics is a model that is rapidly gaining traction at a city level and it's an approach that's rapidly gaining traction at the city level.

Dr Kate Raworth, who is credited with *conceptualising the model* as a way of synergising social needs and ecological limits says a growing number of cities worldwide are getting interested.

Raworth told webinar attendees at a recent Permaculture Festival of Dangerous Ideas that Ipoh in Malaysia is the first city in the region to formally adopt the Doughnut Economics model for regenerative transformation of the entire city.

It has engaged with the Doughnut Economics Action Lab (DEAL), a resource-sharing, professional development and networking organisation founded as a Community Interest

Company in July 2019.

The City of Melbourne has also shown interest. It used the DEAL framework, and a three year process for the City led to the formation of the Regen Melbourne network. Regen Sydney is another organisation that has been engaging with DEAL as part of its evolution and progress.

Applying the theory to a community, place or project means identifying the local and global ecological ceilings, and the local and global social foundations, Raworth explained.

Development within the doughnut will neither exceed ecological ceilings, nor allow communities or groups of persons to slip below the social foundation.

In this way, the doughnut approach combines social aspects as captured in the UN

Sustainable Development Goals (SDGs), and environmental aspects of the Planetary Boundaries model developed at the Stockholm Resilience Institute by Professor Joannes Rockstrom and the late Professor Will Steffen, among others. These indicators are also interpreted in a highly localised way as well as within the broader global context.

What's happening in Ipoh

The Ipoh Doughnut Economy program was launched in 2023, and is a collaboration between the city council, Sunway University's Sunway Centre for Planetary Health, Institut Darul Ridzuan, and cultural agency People of Remarkable Talents.

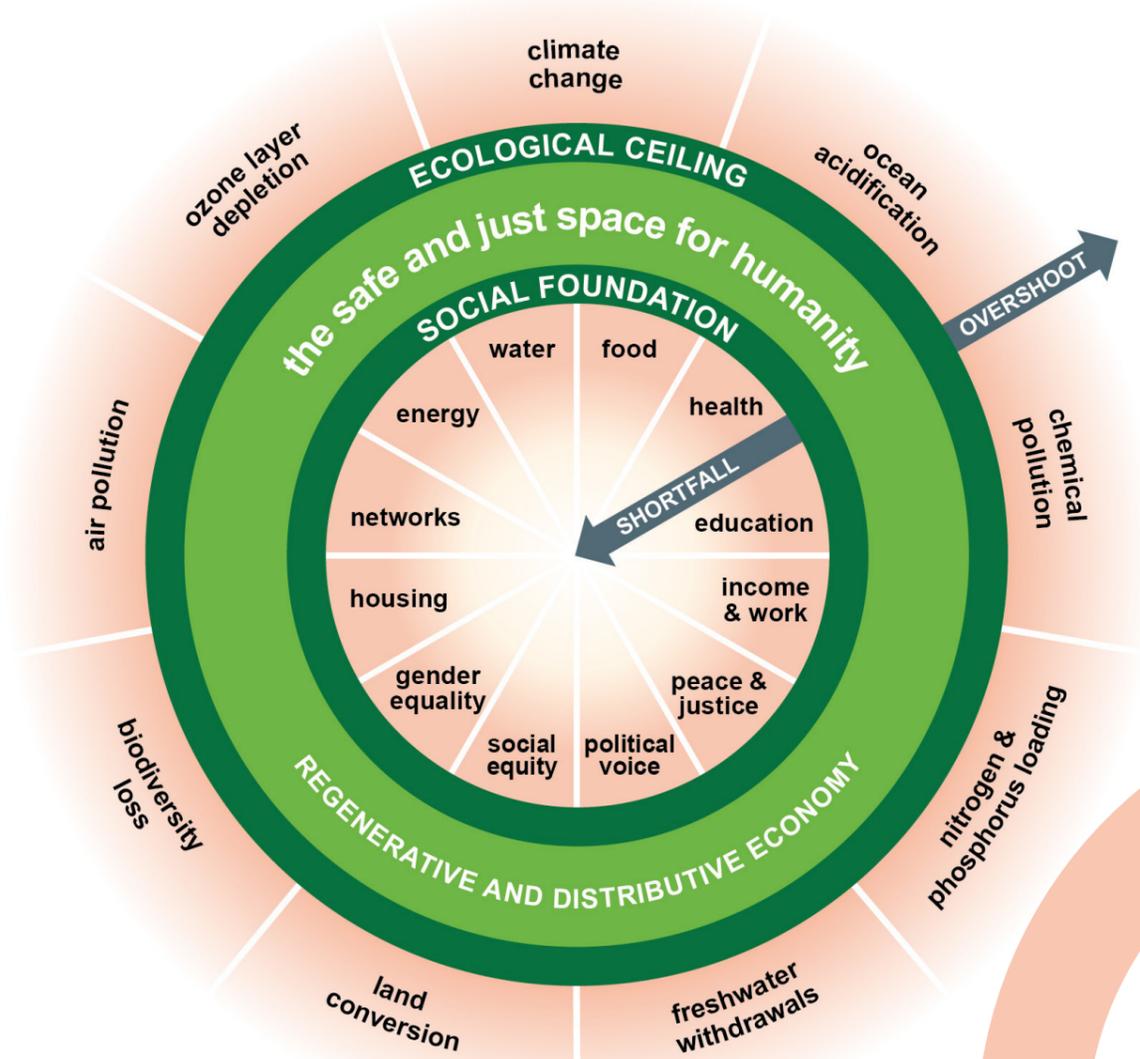
The city is using the model to *support the transition* from an extractive industries-based economy to one powered by urban ecotourism and local, regenerative economic activity including health, waste management and circular economy programs including "trash-for-cash"

and "waste-to-wealth".

The Ipoh Doughnut Economy program is a collaboration of the city council, Sunway University's Sunway Centre for Planetary Health (SCPH), Institut Darul Ridzuan, and cultural agency People of Remarkable Talents. The ambition is for it to be a Doughnut Economics City by 2027.

Ipoh's transformation is also a centrepiece of the Malaysian Government's *Perak Sejahtera 2030* roadmap, which aims to progress strategic priorities including digital economy, food security, vocational education and training, responsible mining, social development, environmental and biodiversity sustainability, and empowerment of local authorities.

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Targets for procuring goods and services from Indigenous-controlled businesses are enshrined in federal government practices and increasingly feature in state and local government tendering processes. The private sector, however, generally still has a way to go to align Reconciliation intentions and effective and meaningful support for First Nations enterprises and communities.

When was the last time your company used an Aboriginal locksmith? Or a First Nations IT service provider? Or an Indigenous-owned renewable energy supplier? The odds are that

Indigenous Chamber of Commerce, an ongoing issue when it comes to Indigenous procurement is “the narrow understanding of what Aboriginal businesses can offer.”

Kinaway members include majority Aboriginal-owned enterprises in sectors including construction and civil works, environmental consulting, professional services and digital solutions and IT.

“A common misconception is that Indigenous businesses are limited to cultural products, consulting, or event services,” a spokesperson

contributes to missed opportunities for meaningful engagement and reinforces an environment where unconscious bias continues to shape procurement decisions.”

The barriers are real

Peramangk and Ngarrindjeri woman Rebecca Wessels is the founder and CEO of *Ochre Dawn Creative Industries*, a South Australian business that provides services including Reconciliation Action Plan (RAP) consulting, fitouts and

will not use that business again. When a First Nations business lets someone down, clients may then avoid all First Nations businesses in that sector.

Stereotyping can limit the opportunities for a business. Wessels explains that in her industry, art and cultural services, and in so many others it is “just the Blak stuff” on offer. Her team may get approached to create or produce promotional merchandise featuring RAP artwork but sometimes isn’t given the opportunity to pitch for

Indigenous procurement

From token to transformational

Willow Aliento



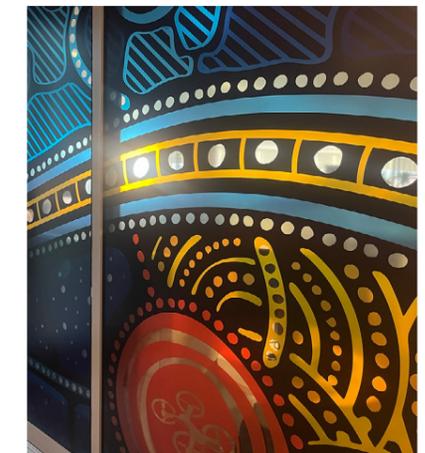
Aunty Munya Andrews & Carla Rogers

the answer might be “never” and it won’t be because those businesses don’t exist.

According to Kinaway, Victoria’s peak

for Kinaway says.

“This outdated and narrow-minded view



furnishings, PPE and corporate merchandise, graphic design and branding.

Wessels says the two biggest barriers faced by First Nations businesses are stereotypes and racism. For example, an Indigenous locksmith she knows is hesitant to identify openly as an Indigenous business because racism means some people who won’t give him work.

Race bias also means First Nations businesses are held to different standards. When a general business lets someone down, the unhappy client

simpler branded items like a company logo on a coffee mug or corporate apparel.

“It’s the same for my other Indigenous business friends, we only get given the Indigenous roles.”

Caterers get hired for NAIDOC Week, for example, but not for the office Christmas party. Employment consultants get engaged for First Nations-identified roles, but not for general recruitment.



Rebecca Wessels

“For example, an Aboriginal contractor may be asked to prove ownership of every truck deployed to a job, while a non-Indigenous competitor is permitted to subcontract without question. These double standards reflect not only inequity but also a broader lack of cultural competency across the procurement ecosystem.”

Structural barriers

Aboriginal businesses are also burdened by a range of systemic and structural hurdles that make participation in major projects difficult.

These include limited access to finance and capital, lack of intergenerational wealth and established commercial networks, complex procurement systems that are difficult to navigate without prior exposure, tender processes, insurance requirements, and

There’s a market for specialised services, but it’s tough to break through for Indigenous businesses that want a “broader piece of the pie”.

“Indigenous procurement policies on the one hand are a foot in the door, but it’s not a golden ticket,” Wessels says.

Perceptions can be a gatekeeper

Another major obstacle for Aboriginal businesses is the “perception that Aboriginal businesses lack the capacity and capability to deliver on large-scale projects.”

This can result in capable businesses being excluded from accessing opportunities that align with their expertise and ambition.

“Even when Aboriginal businesses demonstrate strong performance histories, they are frequently overlooked or offered only small, peripheral packages of work,” the spokesperson says.

The level of scrutiny applied to Aboriginal businesses may also be more intense.

“Many Aboriginal businesses report being held to higher standards than their non-Indigenous counterparts”.



contract sizes that disproportionately exclude new or smaller businesses.

“While these challenges affect many small enterprises, they are particularly acute for Aboriginal businesses entering supply chains for the first time even when those businesses are fully capable of delivering.”



Hiring focuses on entry-level

Rebecca Wessels, who has been a youth worker and been on the board of an employment organisation, says limitations extend to jobs.

Often what companies offer are internship or trainee roles, and in many cases where an Indigenous person does take those up, they do not convert into a fulltime permanent role with career prospects. Sometimes the roles are time-limited, sometimes it’s because the organisation is not “culturally responsive”.

The “tick a box” approach is common, Wessels says.

“Why are they not recruiting for leadership roles?”

Why cultural awareness is a cornerstone

Cultural awareness is core business for Evolve Communities, a training and consulting business that provides expertise and capacity-building including Reconciliation, Allyship and culturally safe workplace practices.

Co-director Aunty Munya Andrews says cultural awareness “isn’t just ‘nice to have’, it’s essential for building respectful, inclusive, and effective workplaces.”

“It helps teams understand the lived realities of

Aboriginal and Torres Strait Islander peoples, past and present. Without that awareness, even the best intentions can cause harm or perpetuate exclusion. With it, organisations can communicate more respectfully, collaborate more effectively, and walk alongside First Nations peoples in meaningful ways.

“Not only that, First Nations peoples and wisdom, the oldest continuing culture in the world, have much to offer workplaces in terms of inclusion, productivity, resilience and innovation.”

Reconciliation is a practice, not a report

Aunty Munya says that Reconciliation isn’t something that gets achieved with a single action, it is something practised daily.

“A RAP [Reconciliation Action Plan] is a commitment – but it’s what follows that counts,” she says.

“Procurement is one of the most direct ways to turn that commitment into action. By embedding Indigenous suppliers into your day-to-day operations and forming long-term partnerships, you make Reconciliation part of your organisational DNA. Nations business is a “powerful act of Allyship.”

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There's enormous movement in Modern Methods of Construction

Maybe it's even nearing mainstream

Willow Aliento

Modular, prefab and design for manufacture and assembly aka Modern Methods of Construction (MMC) have remained somewhat on the margins in the Australian property industry. However, over a decade of concerted advocacy by organisations including PreFabAUS appears to be paying off, with finance, planning, building regulators and government all finally getting onboard.

Founding director and executive chair of PrefabAUS, Damien Crough, has been promoting the benefits of offsite construction in all its forms, including prefabrication, modular construction and design for manufacturing and assembly (DfMA) since 2013, when he worked for Hickory, one of the early innovators in Australia.

It's been an ongoing process of addressing challenges including finance, regulations, stakeholder perceptions, technology, supply chains and standards, but the sector appears now to have entirely arrived in the mainstream.

Getting finance onboard

Crough is part of a working group with federal Treasury that is looking at ways to unlock barriers around financing for MMC projects. Participants include the big four banks, Bendigo Bank, legal experts and property sector heavyweights.

The goal is to arrive at contract models and agreed financing protocols that will enable manufacturers

of MMC buildings to receive regular progress payments, rather than relying on a line of credit or bank guarantees against projects.

This needs to happen quickly, because there is so much demand for housing and capacity for the sector to scale up and start delivering.

Another challenge has been standards

The Australian Building Codes Board has been tasked with developing a voluntary certification scheme, with \$4.7 million allocated by the federal government to support this work.

An initial piece of this work by the ABCB, a *handbook on MMC developed in partnership with Building 4.0 CRC*, was released in December 2024.

Crough says a certification scheme will recognise that "prefab is different to building on site", so it could mean there are different compliance pathways.

There are already schemes overseas that do this.

Many of the individual products or components will already carry certification such as CodeMark or WaterMark that attest to a product meeting a specific standard of quality.

"Therefore, there is no need to undertake the standard types of inspections that would happen to something that is built on site," Crough says.

He cites an example in New Zealand where "multiproof" certification on a building design, system or product reduces the inspection task onsite to checking location on the site and connections to drainage.

The HIA backs the certification scheme

Housing Industry Association chief executive industry and policy, Simon Croft said the recent federal budget commitment of \$54 million to boost Australia's capacity in prefabricated and modular



housing was a positive investment in modern construction methods.

"It can support greater innovation across the sector and provide greater certainty and consistency for compliance and certification."

HIA released a report in 2019 that called for greater national coordination to grow the offsite construction sector.

"The development of a national certification scheme specifically is something that was a primary recommendation from our report to remove roadblocks to streamline approvals and provide regulatory certainty to support innovation in the sector."

More support for planning reform and innovative methods

Planning is another area where the dial is shifting and \$120 million has been allocated by the federal government for states and territories to streamline planning around MMC.

"So, there's a lot of levers being pulled, which will help the growth of prefab," Crough says.

Other initiatives include the new \$270 million Additive Manufacturing CRC. Construction is one of the sectors the research will target, particularly for potential applications for 3D printing and digital twins.

Digital twins for the win

Digitisation is another area of progress in MMC and ost of Crough's members design and engineer their buildings digitally.

He says 3D modelling and digital twins are key to accurate pricing, procurement and manufacturing and production. There is also a "lot of data and information" being embedded into the digital twins, which means projects can provide an opportunity understand and improve building performance.

Data is also the only way to assess outcomes around waste, productivity and speed.

Value chain collaboration

Collaboration is also starting to grow, between architects, manufacturers and the supply chain. That means beautiful buildings, and innovation in the areas of materials, circular economy and waste reduction.

Suppliers such as CSR and Weathertex are working with the MMC industry to determine how they can better support them with their products and product sizes and sheet sizes, Crough says.

"There's real collaborations happening between industry and the supply chain."

Kits of parts

In addition to volumetric or whole building manufacturing, there has been a major growth in panellised, kit of parts and hybrid construction.

Crough says the ability to break the building down into panels or kits, kits of parts and components will be a big, growing sector of the industry.

“**Certifiers and councils are becoming increasingly familiar with prefabricated construction, and many appreciate the reduced site disruption and fast-tracked timelines.**”

“And there’s a pretty good supply chain in Australia now with companies producing those panel components and floor components and roof components.”

Manufacturing innovation in the Top End

Another government-backed research collaboration which is fostering growth in the sector is the **Advanced Manufacturing Growth Centre**, established by the federal government in 2015 and now delivering some of the action items of the Future Made in Australia agenda.

Indigenous prefab construction business, Warle Constructions, is part of an **AMGC partnership** with the Northern Territory government’s Northern Territory Advanced Manufacturing Ecosystem Fund (AMEF).

A \$392,470 co-investment from the AMEF will help Warle establish an advanced manufacturing facility for an innovative light gauge steel “Howick Framing System” for prefabricated housing system that is inspired by IKEA kits. The company will also be establishing a training centre to upskill local people.

Warle Construction commercial manager, Tilman Lowe, tells The Fifth Estate that prefab and modular construction offer “practical solutions to many of the longstanding challenges in the NT, including geographical isolation, limited local skills and high transportation costs.

“By fabricating components in a controlled environment, we can ensure quality, reduce waste, and minimise delays due to weather, cultural considerations or logistical issues. It also means faster onsite assembly, reducing disruption and costs for communities,” he says.

“Importantly, prefab enables scalable housing and infrastructure solutions that are culturally appropriate, energy-efficient, and better aligned with the needs of remote communities.”



Tilman Lowe

The collaboration with the AMGC has been a significant milestone in building capacity and innovation within the business, Lowe says.

“It’s a promising partnership that supports both technological advancement and meaningful community outcomes.”

Customers are keen

The project is currently in the process of design, materials testing and community consultation.



“We’re on track with our timelines and expect to move into construction and delivery in the coming months,” Lowe says.

There is already strong interest from potential clients, including government agencies, Aboriginal organisations, and community service providers who are looking for sustainable, culturally aligned solutions in housing, health, and education infrastructure.

“There is growing recognition of the value that Aboriginal-led approaches bring, not just in terms of outcomes, but in process and engagement as well. There’s also an increased curiosity from private sector partners who are eager to collaborate on innovative, socially responsible projects in regional and remote Australia.”

Bringing in the robots

Robotics is another area where MMC innovation is scaling up and Modscape is one of the early movers in this space. The company has established two “Modbotics” manufacturing lines, one in Queensland, one in Victoria. Chief executive Jan Gyrm says initiative was fully self-funded.

“While the robotic hardware was developed in collaboration with Randek in Sweden, all R&D to adapt, customise and fully integrate the system into our modular construction process was undertaken by our internal team,” he says.

The project started in 2019 and was driven by “a vision to create a manufacturing system purpose-built for high-performance volumetric construction.”

The combination of advanced robotics and in-house construction expertise results in “faster, smarter and more sustainable builds.”

Humans get the high-value gigs

Around 10 per cent of the construction process still requires onsite or manual trade work, primarily for service connections and final installations. The company’s human team also operate, monitor and maintain the robotic production lines.

“Modbotics power the process, but it’s our people who drive it, combining technology with craftsmanship to ensure precision, quality and performance at every step.”

Victoria and Queensland epicentres of demand

Demand for the company’s volumetric and panellised products includes government bodies, social and affordable housing providers, health and education sectors, as well as residential and commercial developers. Victoria and Queensland are particularly active markets.

Certifiers and councils are becoming increasingly familiar prefabricated construction, and many appreciate the reduced site disruption and fast-tracked timelines with



Damien Crough

“We’re seeing particular interest from clients seeking to build at scale, where speed, repeatability and environmental performance are key drivers,” Gyrm says.

He adds that they have not been encountering barriers around finance or planning.

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Faster, cheaper and better quality are the trifecta dazzle terms for justifying many decisions around property, development and construction. This is particularly so in relation to “modern methods of construction” including prefabrication, modular construction and design for manufacture and assembly. However, according to former NSW Building Commissioner, David Chandler, these claims may not actually be evidenced.

Chandler is a long-term proponent of what he calls Off-site Construction Manufacture (OSCM). He has been an advocate for industry modernisation for more than 15 years. He was the industry lead in setting up the [Centre for Smart Modern Construction](#) at Western Sydney University.

David Chandler

on the future of construction

Willow Aliento

Instead of buying into the talk around faster, cheaper, labour efficiencies and so forth, Chandler says we need to first ask, “what’s the problem with business as usual?”

While BAU is not sustainable without some adjustments such as reducing waste, reducing rework, improving compliance and implementing efficiencies with programs and schedules,

Chandler points out it is the baseline against which any improvement from MMC needs to be measured.

Researchers working on MMC are finding it hard to get data, which means any research outputs are based on hypotheticals, not actual delivered projects.

And what data is available doesn’t match the claims of the MCC advocates.

“Cheaper” might be a furphy

For example, cheaper has not yet been demonstrated,” Chandler says.

The challenge with “cheaper” is the key cost of a project is not just the cost of the manufactured items after they leave the premises. It also

includes site costs, development processes, site preparation, installation works and final commissioning.

Meanwhile, a buyer may struggle to obtain the kind of finance that enables them to make progress payments for the offsite production costs. Most banks fund land and in-situ home construction, not factory production. The

exception is Commonwealth Bank, which this year became the first bank to join PrefabAUS



David Chandler

and develop a loan product specifically for MMC dwellings.

Even with the dedicated loan product, the fine detail may be problematic. This includes requirements around which suppliers are approved to provide the dwellings, the process of milestone payments, labelling of goods, and allocation of risk.

In general, Chandler says only a government agency, community housing provider or other major organisation is going to have the sophistication and the scale to navigate the hurdles.

The question of quality

Chandler says it is important to define what is meant by quality. If the word is being used as a synonym for “compliance” then MMC cannot claim to deliver improvements compared to BAU approaches because compliance is a yes/no proposition. A process can’t be “more compliant” than another compliant process.

If quality is being used for non-compliance matters then this will be aspects such as choice of benchtop materials, paint work, and so forth, and there is no automatic reason to predict MMC will deliver a more compliant product than BAU.

In terms of whether MMC offers a lower rate of defects or non-compliances, then this will depend on the degree of oversight and scrutiny

applied within any individual manufacturing facility.

“Everyone I speak to in the offsite space has yet to come up with a convincing methodology to assure compliance with Australian Standards, and everywhere I go, I can see that there are departures from those standards which run the risk of becoming custom and practice and getting baked into the offsite process.”

The quality and compliance of materials being used also needs to be factored in.



[See Building products still a risk in construction - here's the download](#)

Is it really faster?

The process of an actual build of a structure can be faster in a factory, because they “avoid a whole range of things” including inclement weather.

“The point is that they don’t ask, when do you start the clock in terms of faster? Because my view is that you must start the clock at the time you seek a development consent,” Chandler says.

“It’s no good starting the clock after you’ve got a development consent, because if you haven’t gone down the prefab construction intent at the time of a development consent, then it’s very hard to go back and put prefab into a development consent, which is not based on prefab.”

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Let's get the language right. When it comes to ESG and social value, confusion can be rife and lead to "blue washing" for instance. So here's what our experts told us:

Blue washing: when a company or organisation overstates its beneficial social initiatives or approaches such as promoting gender equality, avoiding modern slavery or practicing socially responsible procurement.

Socially responsible procurement: a generally aspirational term that means whatever an organisation wants it to mean.

Social procurement: using the procurement process to achieve measurable impacts against specified social metrics such as targets for Indigenous employment or obtaining

the project activities. For example, an affordable housing project may deliver social value if it reduces homelessness in that area, or a pedestrian overpass may deliver social value if it reduces the need for school students to be driven to school.

Social return on investment: this aims to use financial proxies to calculate the business case elements of social benefits delivered by a program, project or policy. For example, calculations of the value of avoided health costs through investment in active travel infrastructure is a form of social return on investment accounting.

Social enterprise: these are entities such as businesses, not-for-profit organisations or start ups that have a primary purpose of achieving

Social impact: this may be aspirational or tangible, depending on the methods used to benchmark, measure and report on identified social impacts. Contrast a statement such as "our mission is to provide excellent places for people to live, work and play" with "our data shows that there has been a 15 per cent reduction in reported crime in this area since the public housing estate landscaping was upgraded".

SDG Impact Standards: an international framework for assessing social, environmental and governance policies, programs and decisions against the United Nations Sustainable Development Goals. While many organisations use the SDGs as indicators, this may be a form of "rainbow washing" without effective data and

Social value glossary

Willow Aliento

products/services in a way that supports economic inclusion for disadvantaged groups such as long-term unemployed, people with disability, former offenders or people from refugee backgrounds.

Social value: additional benefits beyond the financial and environmental benefits delivered by a project that are also directly attributed to

social outcomes and may operate at a nil profit level or continually re-invest profits into providing greater services rather than returning a profit to management or stakeholders.

metrics to demonstrate progress or benefits that align with the goals.

Rainbow washing: claims that a program, product, enterprise or project has delivered a benefit that somehow progresses a UN SDG when there is no evidence it has done so.



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