



Department of
**Energy and Economic
Diversification**

Housing Innovation Fund

Grant Guidelines

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1. Overview

1.1. Background

The Housing Innovation Fund (the HIF) is a \$50 million Made in WA initiative designed to increase housing supply by boosting productivity, accelerating the adoption of modern construction methods (MMC), and strengthening Western Australia's (WA) manufacturing capability.

Administered under section 10 of the *Industry and Technology Development Act 1998 (WA)* (ITD Act), the HIF provides competitive grants and low-interest loans to support the uptake of MMC. This includes prefabrication, modular systems, and advanced manufacturing technologies that improve the speed, cost, and sustainability of housing delivery.

Western Australia's residential construction sector continues to face pressures from labour shortages, rising costs, and material supply constraints. Traditional double-brick construction methods are becoming increasingly unsustainable, particularly due to the scarcity of skilled trades, extended build times, and limited climate adaptability.

By supporting **large-scale, industry-shaping projects**, the HIF aims to future-proof WA's residential housing industry and deliver measurable improvements in housing supply and affordability across metro and regional areas.

The HIF will be administered by the Department of Energy and Economic Diversification (DEED), and includes the following funding streams:

- **\$28 million in competitive grants** to support industry-led MMC adoption and commercialisation; and
- **\$20 million in low-interest loans** to support commercially viable, scalable investments aligned with the HIF objectives.

These Guidelines apply specifically to the HIF Grant. Separate guidelines will be released for the loan stream when it opens. Further information on the HIF and related programs is available on the [Housing Innovation Fund](#) website.

1.2. About the Grant

The HIF Grant provides \$28 million in competitive funding. Grants of **up to \$5 million** (with matched contribution required) are available to support WA businesses adopting prefabricated, modular, or automated building technologies, and commercialising new MMC products or supply chains within the residential sector.

The Grant is designed to:

- Drive innovation and enable business transformation.
- Strengthen WA's advanced housing manufacturing capability.
- Accelerate MMC adoption that lowers costs, shortens build times, and improves housing sustainability.

Applications open on **13 November 2025** and close at **midnight (AWST) on 19 December 2025**.

These Guidelines are intended to help eligible businesses prepare their applications and should be read in conjunction with the **HIF Grant FAQs**.

Who should apply?

The HIF is designed for WA businesses or consortia proposing large, high-impact, and scalable projects that can transform the housing supply chain. Strong applications will demonstrate the potential to deliver system-wide benefits, broad industry adoption, or commercial-scale outcomes within two years.

What will be funded?

Funding will support projects that adopt, scale, or commercialise MMC to increase the supply, affordability, or sustainability of residential housing in WA. Proposals should demonstrate ambition, scalability, and industry relevance.

The HIF will *not* fund early-stage innovations, routine upgrades, or one-off purchases (e.g. single pieces of equipment or small-scale trials).

1.3. Objectives

The Fund aims to increase WA housing supply by scaling up commercially viable, high-impact projects that use modern, cost-effective construction methods. Objectives are to:

- 1. Increase construction productivity:** Support technologies and processes that enable faster, higher-volume housing delivery through prefabrication, automation, and advanced manufacturing.
- 2. Improve housing affordability:** Encourage innovations that lower construction costs while maintaining quality, durability, and liveability.
- 3. Strengthen WA's local capability:** Expand local content, manufacturing capacity, and supply chains through innovative construction technologies, growing industry skills and diversified material inputs.
- 4. Support regional housing outcomes:** Promote solutions that increase the availability and reduce the cost of housing in regional WA.
- 5. Enhance environmental sustainability:** Encourage low-waste, low-carbon construction approaches and improve the energy and material efficiency of new homes.

1.4. Priority Areas

Modern Methods of Construction (MMC) refers to a suite of innovative approaches to planning, designing, and delivering housing that move beyond traditional on-site, brick-and-mortar builds. These approaches leverage advanced technologies, evolving supply chains,

and new workforce capabilities to enhance the speed, efficiency, quality, and sustainability of housing delivery.

The HIF prioritises WA-based businesses involved in the manufacturing or delivery of residential housing solutions. Eligible projects will typically align with one or more of the following MMC categories:

1. Offsite Pre-manufacturing methods:
 - a. primary structural systems (e.g. volumetric modular, panelised or prefabricated housing systems);
 - b. structural components (e.g. engineered wood, pre-cut framing systems);
 - c. additive manufacturing (e.g. 3D printed concrete panels or structural parts);
 - d. non-structural assemblies and sub-assemblies (e.g. prefabricated bathroom pods, kitchen modules, integrated service walls);
2. Onsite construction methods:
 - a. alternative construction methods (e.g. Insulated Concrete Forms, hempcrete,);
 - b. site process led productivity improvements (e.g. mobile brick-laying machines, onsite robotics, automated screeding);
3. Process improvement to increase productivity:
 - a. technology or systems that improve speed to market and lower cost (e.g. digital design tools, lean construction systems).

Alignment with these areas does not guarantee funding. Applications must still meet eligibility criteria and demonstrate competitive merit. Only proposals showing strong impact, feasibility, and value-for-money will be recommended.

2. Assessment Criteria

2.1. Eligibility

Applicants must meet the following requirements:

- Be a WA business with demonstrated operations in residential construction, manufacturing or related sector.
- Have been operating as a business in Western Australia for more than 12 months at the time of application.
- Be a legal entity with an Australian Business Number (ABN) or Australian Company Number (ACN).
- Be registered for Goods and Services Tax (GST).
- Be solvent and able to demonstrate financial capacity, including provision of recent financial statements or financial projections.

- Have no outstanding debts to the Australian Taxation Office (ATO) or unpaid superannuation obligations.
- Be capable of entering into a legally binding Financial Assistance Agreement (FAA) with the WA Government.
- Submit only one complete application via SmartyGrants.
- Declare if any other WA Government funding received or applied for in relation to the project. This includes grants, loans, or other financial support.

Project must:

- Directly relate to the design, manufacture, or delivery of *residential housing* in WA, and demonstrate how outcomes will align with applicable national and WA housing standards (e.g. National Construction Code, 7-Star energy efficiency requirements, and accessibility standards).
- Align with one or more MMC priority areas.
- Commence within 60 days of signing the FAA.
- Be completed within 24 months, with clear milestones.
- Demonstrate commercial readiness and the applicant's capacity to deliver the proposed project.
- Include matched funding (cash preferred; in-kind may be considered where the contribution demonstrates tangible value to the project outcomes).
- Provide a detailed business plan and supporting evidence (e.g. funding proof, approvals, feasibility studies, letters of support).

2.2. Ineligible

Not eligible:

- Projects not directly linked to residential housing delivery, or primarily related to non-housing sectors (e.g. commercial or industrial construction).
- Government agencies, Government Trading Enterprises (GTEs), individuals without an ABN, not-for-profits, or businesses not registered for GST or not operating in WA.

Ineligible activities:

- Operational costs: salaries, routine administration, rent, utilities, office supplies.
- Business-as-usual upgrades: maintenance, general improvements, or equipment/IT replacements not tied to MMC transformation.
- Property acquisition: purchase of land, buildings, or vehicles (may be funded by the applicant but not by the grant).
- Retrospective costs: expenses incurred before the Financial Assistance Agreement (FAA) is signed, or previously completed projects.
- Research and feasibility: exploratory studies, market research, or analysis.

- Marketing and promotion: general advertising or promotional activities not integral to project delivery.
- Training: standalone training or workforce initiatives unless clearly integrated into project delivery and essential for outcomes.
- Outside WA: activities undertaken outside Western Australia.

Matched Funding

Applicants must contribute at least 50% of the total project cost from their own resources or other secured funding sources, demonstrating both commitment and financial viability.

Eligible contributions may include:

- **Cash** from the applicant or confirmed project partners.
- **Loan finance** from banks, investors, or other financiers.
- **In-kind support** (e.g. materials, recent land or facility investments, staff time) where clearly valued and directly linked to project outcomes.

In-kind contributions will be assessed by DEED for reasonableness and are expected to represent no more than 50% of the applicant's total contribution.

Example: For a \$5 million project, the applicant must contribute at least \$2.5 million.

2.3. Weighted criteria

Applications will be competitively assessed against the following weighted criteria. In addition to the criteria below, all applications will be assessed for value-for-money, including cost-effectiveness, level of co-investment, and broader industry and community benefits.

Assessment Criteria	Weighting
Strategic Impact & Alignment: The extent to which the project advances the Fund's objectives by accelerating MMC adoption, increasing housing supply and affordability, strengthening local supply chains (including regional delivery), supporting industry growth, and improving sustainability. Applicants must clearly demonstrate how the project will deliver new residential housing that is more available, affordable, or sustainable in WA.	40%
Timeliness of Impact: The extent to which the proposal delivers measurable outcomes within agreed timeframes, with preference for projects that achieve productivity gains or increased capacity, leading to housing supply outcomes or broader supply chain transformation within two years.	25%
Feasibility & Readiness: Strength and credibility of the business plan, including technical soundness, commercial feasibility, realistic milestones, risk management, and readiness to commence. Applicants must also	25%

demonstrate alignment with housing standards and compliance with relevant building regulations.	
Organisational Capability: Strength of the applicant's governance, track record, expertise, and financial position to successfully deliver and sustain the project, including the ability to meet funding agreement obligations.	10%

2.4. Business Plan

Applicants must submit a business plan to demonstrate the commercial soundness of the project. Key business plan components are set out in the table below:

Key Business Plan Components	
Business Strategy	Business vision/mission Business goal, objectives and outcomes Business size/position in market
Product overview	Product (outcome of project) overview Distinguishing features of product (including technical basis) Target market
Commercial soundness of the proposal	Market analysis (trend/market size/competitors/barriers to entry) Demand analysis and demonstrated customer need Price point and justification Ability of the business to generate revenue and profits
Business readiness	Implementation plan Marketing plan Recruitment and skills development plan Project budget (including quotes, investment)
Gantt Chart	Activities and tasks that are to be done Start and end date for activities Milestones and milestone dates
Organisation capacity	Financial capacity Robust governance structure Capacity of key personnel (including CVs) Previous experience in delivering similar scale projects
Evaluation	Project objectives and outcomes Performance measures and data collection methods

3. Assessment Process

3.1. How to apply

All applications must be lodged through the SmartyGrants portal at nft.smartygrants.com.au/hifg. The official receipt date and time will be that recorded by the system at the point of full submission.

Applicants are responsible for allowing sufficient time for electronic transmission; incomplete or late applications will not be accepted.

DEED can provide high-level guidance on application requirements. Enquiries can be directed to HIF@jtsi.wa.gov.au.

3.2. Assessment stages & timeframe

The assessment process will be overseen by a probity adviser to ensure transparency, integrity, and the appropriate management of any actual, perceived, or potential conflicts of interest.

The following outlines the indicative assessment stages and decision timeframes:

Stage	Description	Indicative timing
Applications open	Applications submitted via the SmartyGrants portal. Late or incomplete applications will not be accepted.	13 November - 19 December 2025
Eligibility Screening	Preliminary review by DEED against the eligibility criteria. Applications that do not meet requirements will not proceed further.	December 2025 - January 2026
Independent Assessment	Eligible applications referred to independent third parties for confidential financial due diligence and technical assessment.	January 2026
Panel Assessment	An assessment panel will review and score applications against the published merit criteria and prepare a shortlist for consideration.	February 2026

Steering Committee Review & Recommendations	Review of assessment outcomes and formulation of funding recommendations for Ministers.	February – March 2026
Approval	Final decisions by the Minister for Manufacturing and the Treasurer. Public announcement of successful projects and all applicants notified of outcomes.	March 2026
Agreements	Execution of Financial Assistance Agreements (FAAs) to enable project commencement.	March - April 2026

All timeframes are indicative only and may be subject to change.

3.3. Assessment Panel

Applications will be evaluated by an Assessment Panel established under the Housing Innovation Fund (HIF) governance framework. The Panel will include:

- **Representatives from Steering Committee member agencies** with responsibility for housing, architecture, and industry development.
- **Independent technical assessors**, engaged to provide specialist advice on the feasibility, scalability, and application of proposed MMC solutions.

The Assessment Panel will assess projects against the published eligibility and merit criteria and provide recommendations to the HIF Steering Committee.

All assessment processes will be **overseen by an independent probity advisor** to ensure transparency, impartiality, and consistency.

4. Funding conditions

Successful applicants will be required to enter into a Financial Assistance Agreement (FAA) with the DEED. The FAA must be executed within 60 days of the funding offer; if not finalised in this timeframe, the offer may be withdrawn. Funding cannot commence until the FAA is signed by both the applicant and a government representative.

Payments will be made in instalments linked to the achievement of agreed milestones. The payment schedule, including amounts and dates, will be confirmed during negotiations. Payment claims must be supported by evidence, and instalments will only be released once milestone conditions have been verified. All payments will be made electronically to the applicant's nominated bank account.

4.1. Reporting

Recipients must submit a baseline evaluation report, quarterly progress reports, and a final acquittal. Reports must demonstrate delivery against agreed milestones, outputs, and key performance indicators. All funded activities will be acquitted as set out in the FAA. Failure to meet reporting or compliance requirements may result in repayment of some or all funds.

4.2. Information Management, Privacy and Disclosure

DEED is subject to the *Freedom of Information Act 1992 (WA)*, which provides a general right of access to records held by Western Australian State and Local Government agencies. Information relating to the receipt of State Government financial support may be tabled in the Western Australian Parliament. This may include recipient names, funding amounts, project titles, and short project descriptions, and could result in further details being released publicly.

DEED may also collect and disclose personal information for the purposes of administering, assessing, and evaluating applications. Information may be provided confidentially to third parties engaged to assist in the assessment process. Recipients may be publicly identified in Ministerial media releases, on the DEED website, and on social media platforms.

All personal information will be managed in accordance with the *Privacy Act 1988 (Cth)* and the Australian Privacy Principles. Failure to supply required information may result in an application not being assessed. Additional information on the *Freedom of Information Act 1992* is available on the Department's website.

4.3. Tax Information

DEED is registered for GST and has an Australian Business Number (ABN) 90 199 516 864. Grants paid under the HIF are not regarded as payment for a supply to the DEED. Therefore, DEED will not increase the grant to include GST, nor reimburse a grant recipient for GST paid to a third party.

Grants are assessable income for taxation purposes. Applicants should seek independent tax advice. The Department does not provide taxation advice.

4.4. Contact

For enquiries, please contact HIF@jtsi.wa.gov.au. Updates, FAQs, and supporting materials are available on the Housing Innovation Fund website.