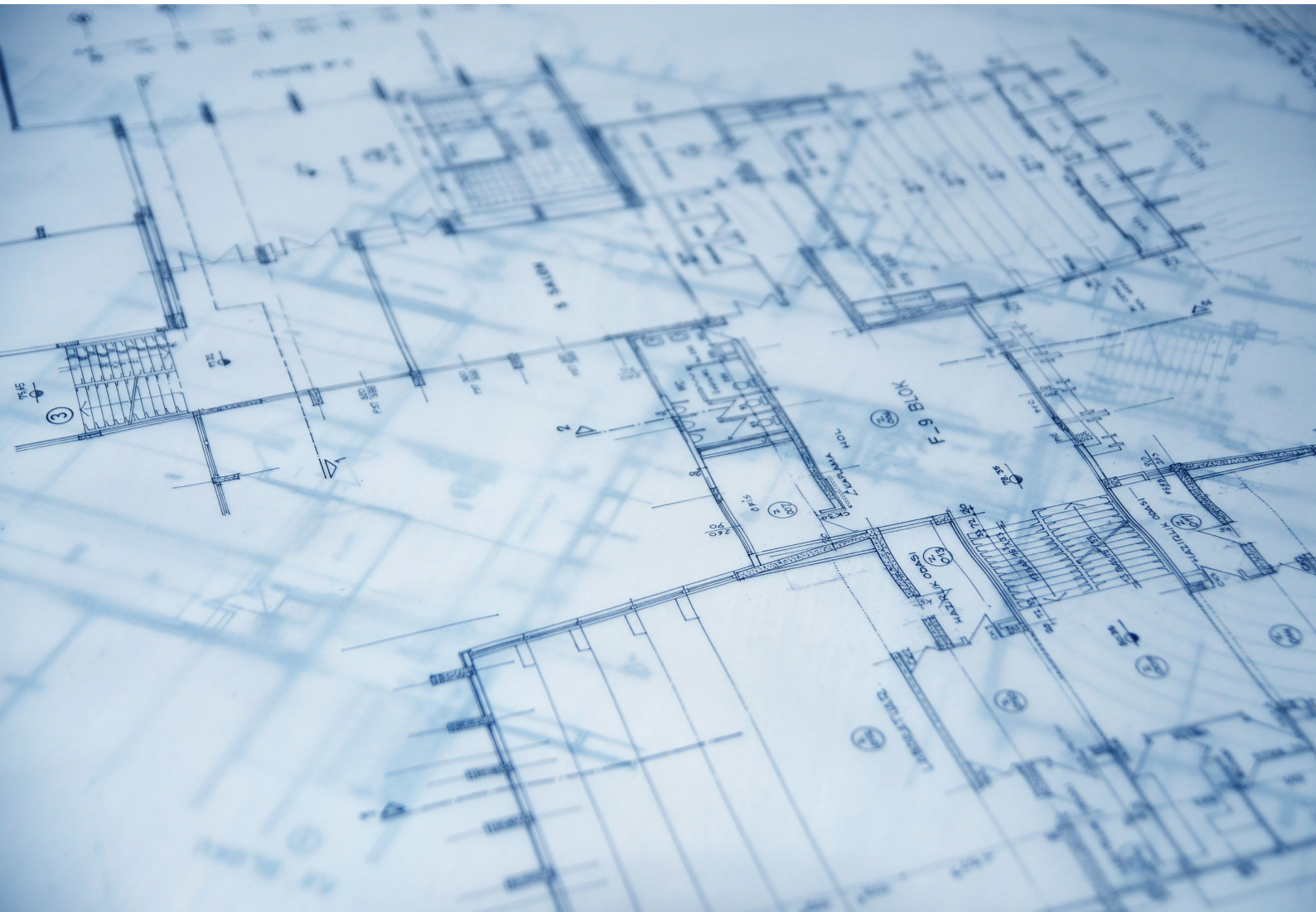


Housing Innovation in Construction Fund

Program Guidelines

2026-2027



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About the Program

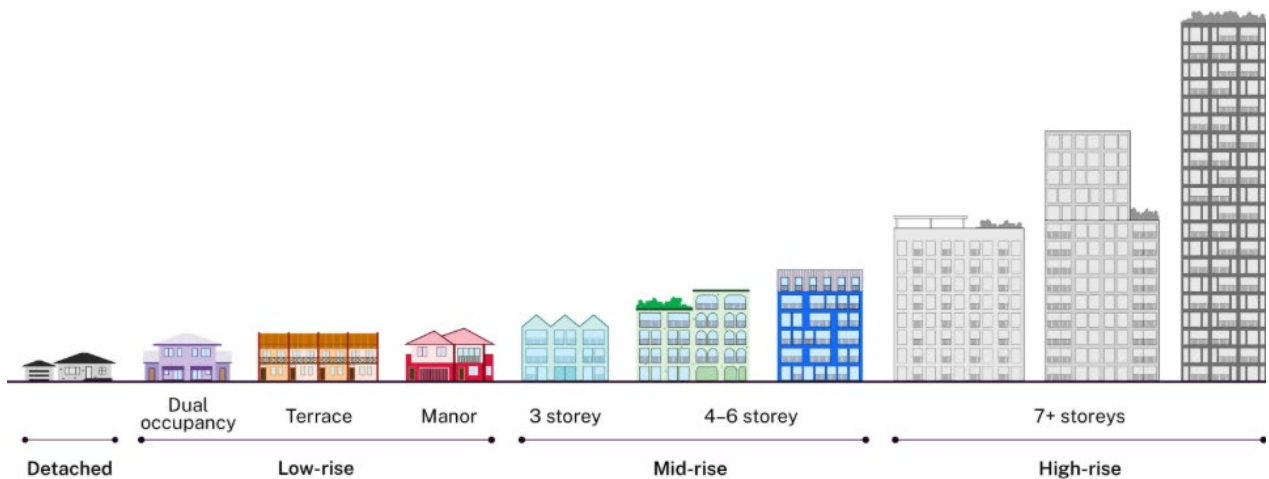
The Housing Innovation in Construction Fund 2026–27 (the Program) provides grants to support **Modern Methods of Construction (MMC)** manufacturing capability to deliver mid-rise and high-rise housing in NSW. MMC refers to innovative building approaches, such as prefabrication, volumetric or panelised systems, where significant construction work is carried out off-site.

The NSW Government, through the Premier’s Department, will administer the Program and promote it to commercially established businesses with a strong track record in industrialised construction.

Funding of AUD \$2 million in 2026-27 is available. The Program supports both domestic and international manufacturers seeking to deliver mid / high-rise housing solutions through innovative MMC approaches.

The Program supports the Government’s commitment to driving strategic outcomes across NSW by:

- aligning with the Housing Mission identified in the [NSW Industry Policy](#)
- supporting the investment pillars of the [Trade & Investment Strategy](#)
- leveraging innovation through the [Innovation Blueprint](#) to address key challenges and advance priority missions.



Objective

Engineering feasibility studies are a crucial but costly initial step for manufacturers evaluating MMC manufacturing for delivery of mid-rise and high-rise housing in NSW. This often acts as a barrier for both local and global companies entering NSW’s building sector.

The objectives of the Program are to:

- attract and support MMC manufacturing operations in NSW to enhance mid / high-rise housing construction, (Class 2/3 buildings)
- assist experienced manufacturers in evaluating design feasibility against local regulations for potential establishment in NSW
- support the growth of domestic and international operators delivering mid / high-rise housing in NSW.

Key dates

Applications open: 29 June 2026

Applications close: 31 March 2027 or earlier if funds are fully allocated.

Successful applications announced: Ongoing

Definitions

Capitalised terms throughout this document are defined in Appendix A: Definitions.

Program Funding

The minimum grant amount is AUD \$20,000 (excluding GST) and the maximum grant amount is AUD \$150,000 (excluding GST) with a required applicant co-contribution covering a minimum 50% of total Project Costs.

The funding structure is intended to provide support for grantees to commission external professional services to provide a Feasibility Study or Review assisting MMC manufacturers in evaluating whether their existing designs comply with applicable Australian and NSW standards for mid/ high-rise housing solutions.

Funding is open to projects that undertake a Feasibility Study or Review, which may include activities such as:

- conducting engineering design review and gap analysis
- identifying works required to address compliance gaps
- developing engineering or design solutions to meet regulatory requirements.

These activities must directly support the establishment or expansion of MMC capability to deliver mid-rise or high-rise housing in NSW but does not include construction or capital works.

This is an open, non-competitive grant program and applications are assessed individually against the eligibility criteria.

Applicants may submit multiple applications over the life of the Program, however, only one application can be funded at any given time. **The total funding awarded to any one applicant under the Program cannot exceed AUD \$300,000 (excluding GST) cumulatively for all applications.**

Program Eligibility

Your application will not be considered if it does not satisfy all eligibility criteria.

Business Eligibility

All applicants must satisfy the following mandatory criteria, assessed in the Department's sole discretion:

- Demonstrated capability to deliver MMC solutions through at least one of the following to meet NSW requirements:
 - Be an established domestic Class 1 (detached/semi residential) MMC provider seeking to expand into Class 2 (mid / high-rise) solutions
 - Be an existing international Class 2-equivalent manufacturer seeking to enter NSW

- Have existing manufacturing capability seeking to develop an MMC offering for Class 2 solutions.
- Have a clear plan for the Feasibility Study, including scope, budget, methodology, capacity and resources to complete the project, and milestones for delivering insights into MMC manufacturing or integrated solutions
- Have a minimum turnover of AUD \$2.5M per financial year for the last three years
- Have been operating over the last three financial years delivering industrialised construction solutions and be able to demonstrate this through a portfolio of existing works
- Be registered as a company with an ABN (or equivalent) under the *Corporations Act 2001* (Cth) or hold an equivalent legal registration in their country of incorporation. International applicants must register as an Australian company and obtain an ABN if their application is successful.
- Comply with all legal and regulatory obligations, including tax obligations and GST registration
- Comply with industry best practices and responsible activities, including industry accreditation where required in Australia (or the foreign equivalent) and hold appropriate insurance.
- Be solvent at all relevant times, as defined by the *Corporations Act 2001* (Cth).

In addition to the core criteria above, applicants must satisfy at least one of the following:

- **International Compliance:** International companies must demonstrate that the intention of their project is to adapt their existing solution to meet Australian standards, with evidence of completed multi-storey building projects
- **Existing domestic MMC Capability:** the business must already have demonstrated MMC manufacturing or construction capability, with evidence of completed projects or operational processes
- **Operational Manufacturing Facility:** the business must operate an existing manufacturing facility within the construction sector, demonstrating proven production capability
- **Established Construction Business:** the business must be an established construction company servicing the Class 2/3 sector and seeking to diversify into housing manufacturing
- **Commercially Applied Solutions in Residential Construction:** the business must have a history of delivering industrialised construction projects/components for the residential sector
- **Cross-Industry Adaption with Regulatory Validation:** Funding under this Program will support businesses from other sectors entering the residential housing sector to undertake Feasibility Studies that identify and develop the adaptations needed for their solutions to meet Class 2 building requirements. Applicants must provide evidence by an appropriate engineering professional to demonstrate its capability to adapt their operations to service NSW housing projects
- **Track Record of Scaling or Production** – the business must demonstrate the ability to translate the project into operational manufacturing or construction outcomes, ensuring scalability for the mid/ high-rise residential market (Class 2).

Businesses not eligible to apply

The following entities are not eligible to apply for the Program:

- Individuals not operating under a registered business entity
- Entities in Australia without an ABN/ACN
- International entities not capable of registering as an Australian registered business entity and receiving an ABN prior to funding being made available
- Start-ups or operators that have not yet commercialised their products or services in the construction sector

- Businesses that do not demonstrate capability or experience in manufacturing in the building and construction sector
- Firms that cannot demonstrate the ability to deliver Class 2 (mid / high rise) MMC solutions, or that only operate in sectors unrelated to building and construction
- Businesses currently under insolvency, receivership, or with significant unresolved compliance or regulatory issues that may impede project delivery
- Businesses that are tax exempt
- a federal, state, territory or local government agency or body (including government business enterprises)
- Businesses receiving or have received NSW Government assistance from another program for the proposed project or a similar project currently receiving funding under the Housing Innovation in Construction Program
- any business not included under the ‘Business Eligibility’ section.

Project Eligibility

Mandatory Requirements - To be eligible, projects must:

- be undertaking a Feasibility Study or Review (which may include benchmarking of existing designs, products, or manufacturing processes against local standards) – as an initial step toward establishing manufacturing operations in NSW;
- include engineering compliance assessments, to ensure alignment with state building regulations, including National Construction Code (NCC) compliance;
- use Australian based professional service providers accredited by Engineers Australia or a specialist engineering association, with practitioners in the respective practice registered under the NSW Design and Building Practitioners (DBP) Scheme;
- be completed within 12 months from the date of the executed funding agreement with a minimum project period of 2 months (the “Project Period”);
- include a project budget with a detailed cost breakdown, clearly identifying eligible expenditure, co-contribution, milestone commitments and funding requested; and
- adhere to relevant Australian laws and regulations.

Applicable Requirements –projects must comply where relevant:

- design and/or develop engineering solutions to meet NSW building regulations with input from engineering specialists
- address relevant engineering and design considerations, including amendments to designs, product applications, manufacturing approaches, fire safety, acoustics, structural compliance, accessibility, hydraulics and electrical systems
- include a review of existing commercially delivered solutions or designs against NSW regulations and the NCC (described in section “Alignment with Regulations” below) using accredited professional service providers (including engineers).

Funding is available for projects undertaken by commercially proven manufacturers that:

- conduct Feasibility Studies or Feasibility Reviews (which may include benchmarking of existing designs, products, or manufacturing processes against local standards) to assess MMC capability in NSW

- carry out engineering compliance assessments in line with state building regulations
- identify works required to address regulatory or compliance gaps, and develop engineering or design solutions
- carry out engineering compliance assessments in line with federal and state building regulations.

The above list is indicative only. Projects not specifically listed above may be considered if they align with the Program aims and objectives.

Projects must directly support the establishment or expansion of MMC capability in NSW, promote market expansion for mid-rise and/or high-rise housing (Class 2/3), but does not include construction or upgrade works.

Eligible projects do not include:

- capital works projects
- basic research or technical experiments
- general research into Australian building regulations
- general research and development
- developing a product or process for internal use only (i.e. not for sale)
- testing/development of materials, models, or prototypes where they do not verify whether proposed solutions meet regulatory requirements
- software-only solutions, or purely digital applications
- maintenance, repairs or operational activities
- training, education or workshops
- property acquisition, leasing or construction

or any other activities deemed by the Department in its sole discretion inconsistent with the objectives, intent or eligibility requirements of the Program.

Assessment of Alignment with Regulations

All projects funded under the Program must be undertaking assessment against relevant NSW building regulations and standards to ensure Feasibility Studies and subsequent manufacturing outputs meet NSW requirements.

International Applicants

- International applicants must demonstrate how their solutions can be adapted to comply with NSW standards, including modifications required for NCC compliance.
- Engineering compliance assessments are required if the study affects regulated buildings.

Compliance Requirements for MMC Solutions

Comply with the National Construction Code (NCC) and relevant state laws and regulations.

Applicants should consider:

- identifying all applicable standards and codes relevant to their project scope, including structural, fire safety, accessibility, energy efficiency and other planning requirements for mid / high-rise housing

- document how existing designs comply with these standards or detail the adaptations required to achieve compliance in NSW.

What is DBP Registration?

- The Design and Building Practitioners (DBP) Scheme in NSW requires certain professionals to be formally registered to carry out or oversee design and building work in regulated buildings. Regulated buildings generally include Class 2 and 3 buildings, or buildings containing a Class 2 or 3 component.
- The registration is intended to improve accountability, compliance, and safety in building design and construction.
- Professionals must demonstrate competency, qualifications, and adherence to professional standards before registering.

Example Project

- A commercially proven modular housing manufacturer based in Australia proposes to expand its capability into the NSW mid-rise housing market. This includes:
 - **Feasibility Study:** Assessing its Class 2 design against building codes and regulations, including fire safety, acoustics, and energy efficiency standards.
 - **Engineering Compliance Assessment:** Engaging accredited engineers to assess the proposed solution against NSW regulations and the NCC.
 - **Exclusions:** The activity does not involve undertaking physical construction works (such as upgrading an existing building) but instead focuses on regulatory compliance, feasibility, and appropriate design solutions to enable future deployment of mid-rise housing using MMC in NSW.

Project Expenditure

Project expenditure under this Program covers activities directly related to assessing and adapting MMC solutions to meet NSW and Australian building standards for mid / high-rise housing (Class 2/3).

Eligible project expenditure must be reasonable, directly attributable to the funded project, and incurred during the approved Project Period.

Eligible Expenditure may include:

- Feasibility and technical studies and reviews
- Design and engineering compliance
- Product testing
- Project management and reporting
- Any other costs the department determines to be eligible.

Project Expenditure Categories (NSW/Australia)

To be eligible, expenditures listed below must be incurred within NSW or Australia, and the activities must be undertaken by an appropriately accredited engineering organisation or professional who holds current professional indemnity insurance.

Contractors/Consultants/Professional Services

- Accredited engineers or professional consultants performing regulatory compliance assessments
- Compliance assessments against Australian and NSW building codes and regulations
- Design modifications or amendments to existing products, solutions, or manufacturing approaches required to achieve Class 2/3 compliance with NSW and Australian building standards
- Professional consulting fees from accredited engineers or registered professionals (eg NCC review, acoustic specialists, structural engineers)
- Legal or regulatory advisory costs directly supporting compliance review for NSW and national codes

Regulatory Compliance

Eligible costs include, but are not limited to, fees for testing, certification, verification, structural and acoustic assessments, quality assurance and safety audits required to ensure MMC solutions meet with NSW regulations and the NCC.

Other Direct Costs

- Any other costs directly supporting the project that can be evidenced.

Other Project Expenditures

Software and Analysis Tools

- Licensing or usage fees for design, modelling or simulation software required for the project period and is not an ongoing business expense
- Costs for running structural, fire, acoustics or other compliance simulations.

Testing and Validation

- Costs for product testing, lab validation or certification needed to verify that proposed solutions meet regulatory requirements.

Wages/Salaries (directly related)

- Staff time directly allocated to managing or performing the project (no more than 25% of the total Project Cost may be allocated to wages / salaries).

For additional guidance on Eligible Expenditure, refer to Appendix B.

For additional guidance on Ineligible Expenditure, refer to Appendix C.

Co-contribution

To be eligible under this Program, applicants must co-contribute at a minimum of 50% of the total Project Cost.

Eligible co-contribution expenditure:

Requirements:

- applicants must demonstrate that the co-contribution component is secured and available prior to the commencement of funded activities
- proof of funds can be evidenced by either:

- audited financial statements or a published annual report, including an auditor's report, for the last three years; or
- a bank statement from an Australian Authorised Deposit-taking Institution (ADI) or equivalent international institution, dated within the last 30 days, clearly showing the available account balance and account holder information matching the applicant's business details.

Ineligible co-contribution evidence

The following forms of evidence will not be accepted:

- expenses occurring before the execution of the Funding Agreement
- other NSW Government grants or R&D grants, tax incentives, or other government funded R&D
- letters or transaction statements from:
 - a self-managed super fund
 - a personal bank account
 - a Payment Processing Service Provider
- investor agreements
- any other form of evidence deemed insufficient by the assessment team in its sole discretion.

How to apply

Before applying applicants must read and understand the Program guidelines.

To apply applicants must:

- Complete the online application form. The link is available on the Investment NSW Housing Innovation in Construction webpage
- provide all information requested, including supporting documentation, in line with the instructions provided within the form
- meet all Program eligibility criteria. Applications that do not meet program eligibility will not be assessed
- submit the application by the Key Dates.

Supporting documentation

The following documents are required with the application:

- A **portfolio** of a maximum of five projects – examples of previous or current MMC or related building projects demonstrating capacity and experience for the last three years.
- A **quotation or estimates** that must detail the scope of works to be undertaken – from accredited engineers or qualified professionals (as referenced above) to verify the proposed costs of technical, design or compliance activities.
- Applicants must demonstrate a **minimum annual turnover** of AUD \$2.5 million.
 - Evidence for Australian companies should cover the last three years and must include audited financial statements or published annual reports.
 - International companies must provide equivalent audited financial statements or published annual reports covering the same period.
- Applicants must demonstrate the ability to **provide co-contribution** towards the project. Applicants that do not have a published annual report covering the last three years must provide a bank statement from a regulated financial institution to verify co-contribution
 - Australian companies must provide a transaction bank statement from an Australian Authorised Deposit-taking Institute (ADI) dated within the last 30 days, clearly showing the available account balance and account holder information.
- International companies must provide a statement from a regulated financial institution, dated within the last 30 days, clearly showing the available account balance and account holder information.
- International companies that do not have published annual reports, must provide evidence of **business registration** that includes Officeholders information.

The Department will not consider any materials or documents attached to the application that were not specifically requested.

Additional Information

Multiple applications will not be accepted from the same business or Related Parties simultaneously. In the case that two applications are submitted by the same business or Related Parties, the first application lodged will be assessed. Subsequent applications lodged will be deemed ineligible and no assessment will be undertaken.

Applicants are responsible for ensuring that the application clearly addresses the questions and provides complete and accurate information. Giving false or misleading information is a serious offence under the *Crimes Act 1900 No 40* (NSW) and will result in exclusion of your application from further consideration.

Applications will be assessed based on the information submitted. Applicants should keep a copy of the application and any supporting documents. Applicants will receive a confirmation upon successfully submitting the application through the online portal.

For further guidance around the application process or completion of the online application form, please contact via investment.nsw.gov.au/contact-us.

Assessment process

The Department will review the application (including attachments) against the eligibility criteria. The Department will consider eligible applications on an ongoing basis, based on a non-competitive process and applications will be assessed in the order in which they are received.

Throughout the assessment process, the Department may request additional information from the applicant. Advice and information may also be sought from other NSW Government agencies or other parties (such as third-party credit assessors and technical experts) to assist with the assessment of applications.

The Department will consider each application on its merits, based on whether it meets the eligibility criteria in our sole discretion.

Decision-making

The Designated Decision-Maker is the Minister, Innovation, Science and Technology, who will determine which projects are approved for funding, based on the recommendations provided by a cross-agency Panel convened by the Department.

The Decision-Maker's decision is final in all matters including:

- the assessment outcome,
- the approval of the grant, and
- the grant amount to be awarded.

The Decision-Maker may also consider other factors that may affect recommendation to award a grant including whether there are any conflicts of interest, whether the applicant and any person associated with the applicant are fit and proper and whether there is any reputation risk associated with providing the grant.

The Department reserves the right to assess the applicant's management, its Directors and Officers and entities or individuals that exercise control over an applicant against a fit and proper persons eligibility criterion.

The Delegated Decision-Maker will not approve funding if there are insufficient funds for the Program.

Notification of application outcome

Unsuccessful applicants will be notified by email and the Department may provide the reasons why the application was unsuccessful. Applicants may reapply for the same (or similar) project; however, applicants should include new or more information to detail how the feedback was addressed. If a new application is substantially the same as a previous ineligible or unsuccessful application, the Department may refuse to consider it for assessment.

Successful applicants

Successful applicants will be notified in writing via email and/or letter, which will include details about any specific conditions attached to the grant.

Where an announcement by the NSW Government is planned, successful applicants may be required to keep the grant confidential for a specified period. This includes refraining from publicising the grant or project until the official announcement has been made or approval to disclose has been provided by the Department.

Successful applicants must remain an eligible business for the duration of the project period for which they were funded. Continued eligibility will be monitored, and failure to meet the requirements may impact ongoing funding.

Additionally, successful applicants will be required to:

- enter into a Funding Agreement with the Department
- acknowledge NSW Government support in any project-related publications or promotions, as directed
- co-operate with any evaluation or audit activities conducted during or after the funding period
- notify the Department of any material changes to the project, timeline, or budget

Failure to comply with these requirements may result in the withdrawal of funding or repayment obligations.

Funding Agreement

The Funding Agreement will outline project outcomes, activities, and Eligible Expenditure. Grantees will be required to provide evidence of completion of the activities and the Eligible Expenditure to receive funding.

Applicants will have 20 business days to accept the Department's Letter of Offer. The offer may lapse if the applicant does not accept within this time.

The Department makes no binding funding commitment to the applicant unless and until both parties have signed the Funding Agreement. Each agreement includes standard terms and conditions that cannot be changed.

Applicant must also provide a copy of the signed Funding Agreement and any other supporting documentation relevant to the grant, or as requested by the Department.

The Applicant should not make financial commitments reliant on this Program until the Department have formally awarded the grant, and a Funding Agreement is signed and executed by both parties.

If there is a change in the project activities and/or expenditure after the Funding Agreement is executed, grantees will need to seek approval for these changes from the Department prior to expending funds. If changes are not approved by the Department, expenditure at the acquittal stage will not be approved.

The sample Funding Agreement may be found at [Investment NSW Housing Innovation in Construction webpage](#), however this document is provided for guidance purposes only and the Funding Agreement submitted to successful applicants may have different form and content.

Grants are assessable income for taxation purposes, unless exempted by a taxation law. The Department recommends grantees seek independent professional advice on taxation obligations. The Department is unable to provide tax advice.

How we verify Eligible Expenditure

Grantees will be required to verify the project budget that was provided in the submitted application when the Department finalises the Funding Agreement. Grantees will need to provide evidence related to Eligible Expenditure such as, but not limited to, quotations and contractor agreements.

How we pay the grant

The Funding Agreement will state the:

- maximum grant amount awarded
- proportion of Eligible Expenditure covered by the grant
- the financial contribution to be provided by the grantee

All payments will be made in Australian dollars to the grantee's nominated Australian Authorised Deposit-taking Institution.

The Department will not exceed the maximum grant amount under any circumstances. Any additional costs incurred will be at the full expense of the grantee.

The Department will pay the grant via agreed milestone payments set out in the Funding Agreement as follows:

- Milestone 1: 50% of the total grant paid upon execution of the Funding Agreement.
 - Milestone 2: The remaining 50% of the grant is available a minimum of two (2) months after executing the Funding Agreement, subject to provision of satisfactory evidence as to expenditure of the approved Eligible Expenditure.
-

How we acquit Eligible Expenditure

If your application is successful, the Department will ask the applicant to verify key project information when the Department issues the Funding Agreement.

Funding will be approved for the various expense categories listed in the application. After the Funding Agreement is executed, changes to an expense category may be permitted but grantees cannot exceed the total approved funding for that expense category.

Grantees are required to provide evidence of all approved Eligible Expenditure when making a claim against the milestone. Grantees must keep payment records of all project expenditure and be able to explain how the costs relate to the agreed project activities.

Evidence of expenditure includes tax invoices and proof of payment to substantiate that payment has been made. At any time, the Department may ask the grantee to provide records of the

expenditure it has made, including redacted bank statements. If the grantee does not provide these records when requested, the Department may not fund these costs.

Any changes to expenditure and/or project activities will require prior approval by the Department. If changes are not approved by the Department, expenditure at the acquittal stage will not be funded.

Grantee obligations

To ensure appropriate use of grant funds and compliance with the grantee's obligations, the Department require prompt notification of any significant changes to the grantee's organisation or project. This includes changes that may affect the grantee's capacity to deliver the project, continue operations, or meet the requirements of the grantee's Funding Agreement. Grantees must notify the Department in writing of any changes to the following:

- The organisation becomes insolvent or is acquired by another entity
- The organisation's legal or trading name
- business or postal addresses
- primary contact person or contact details
- nominated bank account details for grant payments

Grantees are also obligated to inform the Department of any additional grant funding received from the NSW or Federal government for the same activity during the term of the grantee's Funding Agreement.

If the grantee becomes aware of an actual or potential breach of the terms and conditions under the Funding Agreement the grantee must notify the Department immediately in writing.

Reporting

Grantees are required to submit a completion report outlining the activities undertaken and outcomes achieved in line with the requirements of the Funding Agreement.

The completion report must be submitted within the time limits specified in the Funding Agreement. This report should provide an overview of progress against the intended outcomes and deliverables, as outlined in the Funding Agreement. The grantee's completion report must:

- include details of its final progress achieved against the agreed project activities
- identify the total Eligible Expenditure incurred for the project
- be submitted with the final payment claim

Grantees must provide a copy of their completed report, including the Feasibility Study or Review. This information will be used by the Department for reporting purposes only and will be managed in accordance with applicable privacy, confidentiality, and information management obligations.

The Department confirms that:

- the ownership of any IP in a Feasibility Study is unaffected by its provision to the Department; and
- the Department will not publicly disclose any confidential information, including information provided on a commercial-in-confidence basis.

Use and Confidentiality

All submitted findings and reports will be treated as confidential. They will not be published and will be used solely for the purpose of program monitoring and evaluation, to assess whether the project aligns with the objectives of the MMC Program and to inform future program design.

Participants may be contacted in the future regarding the development, progress or outcomes of MMC initiatives.

Additional Information

Publication of successful applicants

The Department will maintain a public list of all awarded Housing Innovation in Construction projects, with the names of recipient businesses, funding awarded for the project, and a brief description of the project. The list will be published on the [NSW Government Grant Finder Website](#).

Evaluation

The Department will evaluate the Program to measure how well the outcomes and objectives have been achieved. The Department may use information from successful applications and reports for this purpose. The Department may also interview grantees or ask grantees for more information to help the Department understand how the Program impacted the grantee and to evaluate how effective the Program was in achieving its outcomes. The Department may contact grantees up to 5 years after the grantee receives its final payment associated with the Program for more information to assist with this evaluation.

Grantees will be required to participate in program evaluation after the project has commenced. Grantees will be required to provide evidence of how projects have resulted in measurable benefits consistent with the Program's objectives and outcomes.

Acknowledgement

All recipients of NSW Government funding should acknowledge this financial support in accordance with the Funding Acknowledgement Guidelines for Recipients of NSW Government grants available on the [NSW Government Sponsorship and funding acknowledgement webpage](#).

Grantees must seek the Department's written consent prior to any significant public announcement, marketing, press announcements, or official launch in relation to the Program.

Probity

The Department will make sure the Program is compliant with the [NSW Grants Administration Guide](#) and incorporates appropriate safeguards against fraud, unlawful activities, and other inappropriate conduct.

Conflicts of interest

Any conflicts of interest could affect the performance of the Program. There may be a conflict of interest, or perceived conflict of interest, if Department staff, any member of a committee or advisor and/or grantee or any of the grantee's personnel:

- has a professional, commercial, or personal relationship with a party who can influence the application selection process,
- has a relationship with or interest in, an organisation, which is likely to interfere with or restrict the applicants from conducting the proposed activities fairly and independently, or
- has a relationship with, or interest in, an organisation from which they will receive personal gain because the business received a grant under the Program.

The grantee may be asked to declare, as part of its application, any perceived or existing conflicts of interests or that, to the best of the grantee's knowledge, there is no conflict of interest.

If the grantee later identify an actual, apparent or perceived conflict of interest, it must inform the Department immediately.

Conflicts of interest for the Department will be managed as set out in the Department's Code of Ethics and Conduct.

Enquiries and feedback

Any enquiry applicants have about the assessment process or the outcome of its application for the Program should be submitted in writing via investment.nsw.gov.au/contact-us.

If the applicant does not agree with the way the Department have managed its enquiry or complaint, it may wish to contact the NSW Ombudsman. The NSW Ombudsman will not usually investigate a complaint unless the matter has been first raised directly with the Department.

NSW Ombudsman

Level 24, 580 George Street,

Sydney NSW 2000

ombo.nsw.gov.au

Privacy

The Department treat your personal information according to the Department's Privacy Management Plan available on the [Investment NSW Privacy webpage](#) and the Privacy and Personal Information Protection Act 1998 (NSW).

This includes letting the applicant know:

- what personal information the Department collect
- why the Department collect your personal information
- who the Department give your personal information to

Your personal information can only be disclosed to someone for the primary purpose for which it was collected unless an exemption applies.

The Department may also use or disclose information about grant recipients under this Program for reporting purposes, including:

- recipient company name
- recipient Local Government Area
- underrepresented status
- project name
- funding amount

Records management

The Department comply with the management, storage, and retention requirements of the *State Records Act 1998 (NSW)* to the extent it applies to any documents created by the Department's funding applications or funding recipients under this Program.

Government Information (Public Access) Act 2009 (NSW)

Applicants should be aware that information in applications and all related correspondence, attachments and other documents may be made publicly available under the *Government Information (Public Access) Act 2009 (NSW)*. Information that is deemed to be commercially sensitive will be withheld.

The *Government Information (Public Access) Act 2009 (NSW)* makes government information accessible to the public by:

- requiring government agencies to make certain types of information freely available
 - encouraging government agencies to release as much information as possible
 - giving the public an enforceable right to make access applications for government information
 - restricting access to information only when there is an overriding public interest against disclosure
-

Disclaimer

The Department does not guarantee or warrant and accepts no legal liability whatsoever arising from or connected to, the accuracy, reliability, currency, or completeness of any material contained in this publication. Information in this publication is provided as general information only and is not intended as a substitute for advice from a qualified professional.

The Department recommends that users exercise care and use their own skill and judgement in using information from this publication and that users carefully evaluate the accuracy, currency, completeness, and relevance of such information. Users should take steps to independently verify the information in this publication and, where appropriate, seek professional advice.

The guidelines are subject to change at any time at the sole discretion of the Department, so the applicant should make sure it has the current version from the [Investment NSW Housing Innovation in Construction webpage](#) before preparing your application.

Appendices

Appendix A – Definitions

Arm's-length

- Two or more parties acting freely and independently of each other (i.e. have no pre-existing relationship) ensuring the transaction is made fairly and without influence from one party over the other.

Australian Authorised Deposit-taking Institutions

- For this Program, Financial Institutions are defined as Australian Authorised Deposit-taking Institutions (ADIs) listed with the [Australian Prudential Regulation Authority](#). International applicants may use a bank that is regulated and licensed in their home jurisdiction and meets equivalent prudent and regulatory standards to an Australian ADI.

Building Classes (NCC) – Mid / High-rise Housing Context

The following definitions applies to this Program:

- Class 2 Buildings: mid/ high-rise multi-unit residential buildings where residents occupy separate sole-occupancy units across multiple levels. Examples: Apartment buildings, residential units above shared basements or carparks.
- Class 3 Buildings: mid / high-rise buildings accommodating a number of unrelated people for long-term or temporary stays, excluding single dwellings. Examples: Hostels, guest houses, backpacker's accommodation dormitory-style facilities, or the residential portions of hotels, motels or schools.

Department

- The Program is administered by Investment NSW, a part of the Premiers Department.

Design and Building Practitioners (DBP) Scheme NSW

- A regulatory framework established under the *Design and Building Practitioners Act 2020* requiring registered design, building, and engineering practitioners to be accountable for the quality and compliance of Class 2, certain Class 3 buildings, including preparing regulated designs and design compliance declarations lodged on the NSW Planning Portal.

Eligible Expenditure

- The expenditure incurred by a grantee on a project and which is eligible for funding support as set out in Appendix B of the Program Guidelines.

Feasibility Study

- Feasibility Study is the initial, comprehensive investigation, usually done before committing to a project. It gathers new data and analysis to decide if and how the project should proceed.

Feasibility Review

- Feasibility Review is a subsequent or independent assessment or evaluation of a feasibility study or proposal to confirm the soundness of its assumptions, analysis and conclusions to ensure that the proposed use of MMC is technically, financially, and legally sound and that the risks, benefits and constraints have been properly considered before proceeding.

Full Time Equivalent (FTE)

- FTE means the full-time equivalent employees including contractors directly engaged based on a 38-hour week.

Funding Agreement

- A Funding Agreement is a legal document that outlines the terms, conditions, and obligations of funding your project.

Grantee

- The recipient of grant funding under a Funding Agreement.

Income tax exempt

- Businesses exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997* (Cth) or under Division 1AB of Part III of the *Income Tax Assessment Act 1936* (Cth).

Ineligible expenditure

- Any cost that does not qualify as an Eligible Expense, refer to Appendix C for further guidance.

Intellectual Property (IP)

- Intellectual Property (IP) means creations of the mind or intellect that can be legally owned. The applicant's IP includes the intangible assets the applicant creates for its business, i.e. designs and automated processes.

Modern Methods of Construction (MMC)

- Innovative building approaches, such as prefabrication, volumetric or panelised systems, where significant construction work is carried out off-site.

National Construction Code (NCC)

- The NCC of Australia is a uniform, performance-based code that establishes the minimum technical requirements for the design, construction and performance of buildings, as well as plumbing and drainage systems, across Australia. Published by the Australian Building Codes Board, the NCC ensure buildings are safe, healthy, accessible, and sustainable by addressing aspects such as fire safety, structural integrity, and health and amenity.

Officeholders

- For international and Australian companies, officeholders include company directors, secretaries and other roles recorded on the organisation's Australian Securities and Investments Commission (ASIC) registration, or their equivalent under the company's country of incorporation.

Ordinary income

- Ordinary income relates to the activities undertaken by the company as part of its normal business operations. Ordinary activities would not include economic contributions by the owners, revenue attributable to transactions or events that are outside of day-to-day activities, donations, and government grants

Payment Processing Service Providers

- Financial platforms or fintech companies that offer payment and currency services

Project

- The funded activity as noted in your Funding Agreement.

Project Costs

- Total eligible expenditure for project delivery, including the grantee's minimum 50% co-contribution.

Project Period

- The period following execution of your Funding Agreement or otherwise agreed in writing with the Department. The minimum project period is two months with the maximum project period of 12 months.

Regulatory Compliance

- Adherence to all applicable laws, regulations, standards, and codes established by the Australian Government, the NSW Government, and relevant regulatory authorities governing the design, manufacture, and construction of buildings. This includes, but is not limited to, compliance with the National Construction Code (NCC) and relevant NSW legislation such as the *Design and Building Practitioners Act 2020*, the *Environmental Planning and Assessment Act 1979*, and associated regulations and guidelines.

Related Parties

- Refers to any entity or individual that has a pre-existing relationship with one another which can affect the terms of the transaction. Examples: family members, affiliated companies, common shareholders, and key management personnel.

Total Eligible Project Expenditure

- This refers to the total cost of the project, excluding GST, which is being submitted and approved for funding under the Program. Applicants can submit total Project Costs up to AUD \$300,000 (excluding GST). Projects with total costs exceeding this amount remain eligible; however, any costs above the AUD \$300,000 (excluding GST) cap must be fully covered by the applicant.

Appendix B - Eligible Expenditure

This section provides guidance on Eligible Expenditure.

To be eligible, expenditure must:

- be incurred by the grantee within the Project Period
- be a direct cost of the project and not be provided for the benefit or profit of affiliate persons
- be incurred by the grantee to undertake the required project activities
- comply with the following Eligible Expenditure requirements:
 - all suppliers must be engaged at Arm's-Length and not be Related Parties
 - all costs other than wages and salaries used directly on your project are considered Eligible Expenditure only if they are purchased from third parties
 - all project expenditure must be documented in English
 - supported by itemised invoices that clearly identify the products and/or services provided
 - all costs must be reasonable, necessary and directly attributable to the project.

The Department may update the guidance on eligible and ineligible expenditure from time to time. If the application is successful, the guidance in place when the applicant submitted its application applies to its project.

Eligible cost categories

Grantees must record its project expenditure under the eligible costs categories.

Justification must be provided on the function, impact, and necessity of all project expenses, including how it directly contribute to achieving the project's outcomes.

Contractors/Consultants/Professional Services

Prior to starting the project, all fees under this category must be an arms-length transaction and have either a written contract, purchase order, quote or formal agreement, directly related to the project that specifies:

- the nature of the work to be performed
- the hours and hourly rate
- all applicable fees and costs payable
- fees under this category must be incurred within NSW or Australia, and the activities must be undertaken by an appropriately accredited engineering organisation or professional who holds current professional indemnity insurance.

Regulatory compliance costs

Fees incurred for regulatory compliance may be accepted where they directly relate to achieving required NSW or Australian standards, certifications, or approvals necessary for the project. To be eligible, costs must be:

- incurred in NSW or Australia
- undertaken by appropriately accredited and insured professionals with relevant registration or accreditation details; or fees payable for an application or inspection to recognised NSW or Australian regulatory authorities

Software and Analysis Tools

Expenses incurred for project-specific analytical tools that support the approved project or are required for modelling, compliance testing, or design validation activities necessary for project delivery to meet Class 2/3, or part of a building that is Class 2/3.

Eligible costs include:

- non-recurring license or usage fees for third-party software or analytical tools directly supporting the project
- structural, simulation, or performance modelling software used to assess or adapt MMC solutions to meet NSW or Australian Building Codes and Standards
- analytical tools used to evaluate materials, design, or system integration directly related to project outcomes.

Testing and Validation

All testing and validation costs should be:

- directly related to the approved project scope
- supported by itemised invoices clearly showing the service provided and the purpose of the test or validation.

Wages/Salaries

Costs of wages or salary paid to staff and employees for activities which can be specifically identified and measured as having been performed on the project.

It is encouraged that, where possible, the grant funding will support employees located in NSW. However, wages for employees outside of NSW and/or Australia are eligible. Grantees will be required to provide evidence of employment and work completed on the project when the grantee make a claim.

Eligible salary expenditure includes an employee's total remuneration package as stated on their PAYG Annual Payment Summary submitted to the Australian Taxation Office. On costs are not eligible.

Wage costs are only eligible for the hours that an employee works directly on project activities during the Project Period.

No more than 25 per cent of the total Project Cost can be counted towards wage expenditure.

Requirements:

- Payslips or equivalent proof of payment for employees being claimed
- For international staff, records evidencing work performed, such as timesheets, project logs or activity reports.

Other Direct Costs

Expenses must be directly necessary to support the approved project in evaluating existing designs to ensure compliance with applicable Australian and NSW standards for mid/ high-rise housing solutions (Class 2/3).

These costs must directly contribute to the intent and objectives of the Program and be clearly attributable to project activities and incurred in NSW or Australia.

Appendix C - Ineligible Expenditure

This section provides guidance on what the Department consider ineligible expenditure.

Expenditure is ineligible if it is:

- incurred prior to the execution of a Funding Agreement
- not within the Eligible Expenditure categories or limits

The following are examples of ineligible costs:

- costs that exceed Eligible Expenditure limits
- general operational costs unrelated to the project
- routine or ongoing operational testing
- wage/salary taxes, payroll tax, superannuation, leave, leave loading, bonuses, insurance, recruitment, other statutory or fringe benefits
- all forms of advertising, marketing, and the production of promotional material (including websites and applications whose primary purpose is advertising or promotion)
- financing costs, including interest
- capital expenditure and the purchase of assets
- IT equipment and infrastructure
- upgrade and renovations to existing facilities
- ordinary ongoing business costs
- insurance costs
- debt financing
- losses on other projects or contracts
- depreciation of plant and equipment
- fines and penalties
- entertainment expenses
- donations/sponsorships/gifts
- operational expenses, including but not limited to administration, communications, business development activities, rent, utilities, office computing facilities, printing and stationery, postage, legal and accounting fees and bank charges
- costs related to preparing the grant application
- domestic and international travel including car hire, petrol, accommodation and meal expenses

This list is not exhaustive, and other costs may be ineligible where the Department decide that they do not directly support the achievement of the planned outcomes for the project or that they are contrary to the objectives of the Program.

Grantees must ensure it has adequate funds to meet the costs of any ineligible expenditure associated with the project.

The Department may also impose limitations or exclude expenditure, or include additional ineligible expenditure not listed in these guidelines, in a Funding Agreement or other means by notice to the grantee.

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