

# Housing Acceleration Fund – A Question and Answer Guide for Delivery Agencies

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This document provides an overarching summary of objectives and operation of the Housing Acceleration Fund (HAF) program

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## What is the Housing Acceleration Fund program?

The Housing Acceleration Fund (HAF) was established by the NSW Government in 2012 as a grants program to support the delivery of critical enabling infrastructure which stimulates the acceleration of housing delivery.

The HAF program provides grant funding through the Restart NSW Fund and is administered by the Department of Planning and Environment (the department), in conjunction with Infrastructure NSW and NSW Treasury under the *Restart Act 2011*.

HAF funding is a fixed contribution towards a delivery agency. Funding is provided on a full or partial contribution basis to a delivery agency who is responsible for all aspects of project delivery including planning, design, construction and asset operations and maintenance.

## What are the objectives of the HAF program?

**Increase housing supply in high demand areas** by prioritising infrastructure projects in growth areas and providing for critical enabling infrastructure such as transport, water and community infrastructure.

**Accelerate housing supply** by providing critical infrastructure to growth areas, giving developers confidence to proceed with housing developments and confidence for Council's to accelerating development approvals.

**Support community resilience for growth** through the provision of enabling infrastructure that enables the development of planned, appropriately serviced and accessible communities.

**Facilitating sustainable urban growth and in-sequence development** to ensure that funding is directed in areas of greatest need and aligned to current plans and strategies.

## How is the program administered?

### *Program Management Accountability*

The department is accountable for the delivery of the Housing Acceleration Fund program, including:

- Monitoring overall program delivery
- Managing program change
- Benefits realisation

### *Project Management Accountability*

Delivery agencies are accountable for the management of individual projects, including:

- Lodging project nominations
- Defining project scope, cost and schedule
- Managing project risk and stakeholder engagement
- Delivering project phases including design and construction
- Asset management and operation
- Data collection for benefits realisation

*Governance*

The HAF program governance structure is shown in the **Figure 1** below:

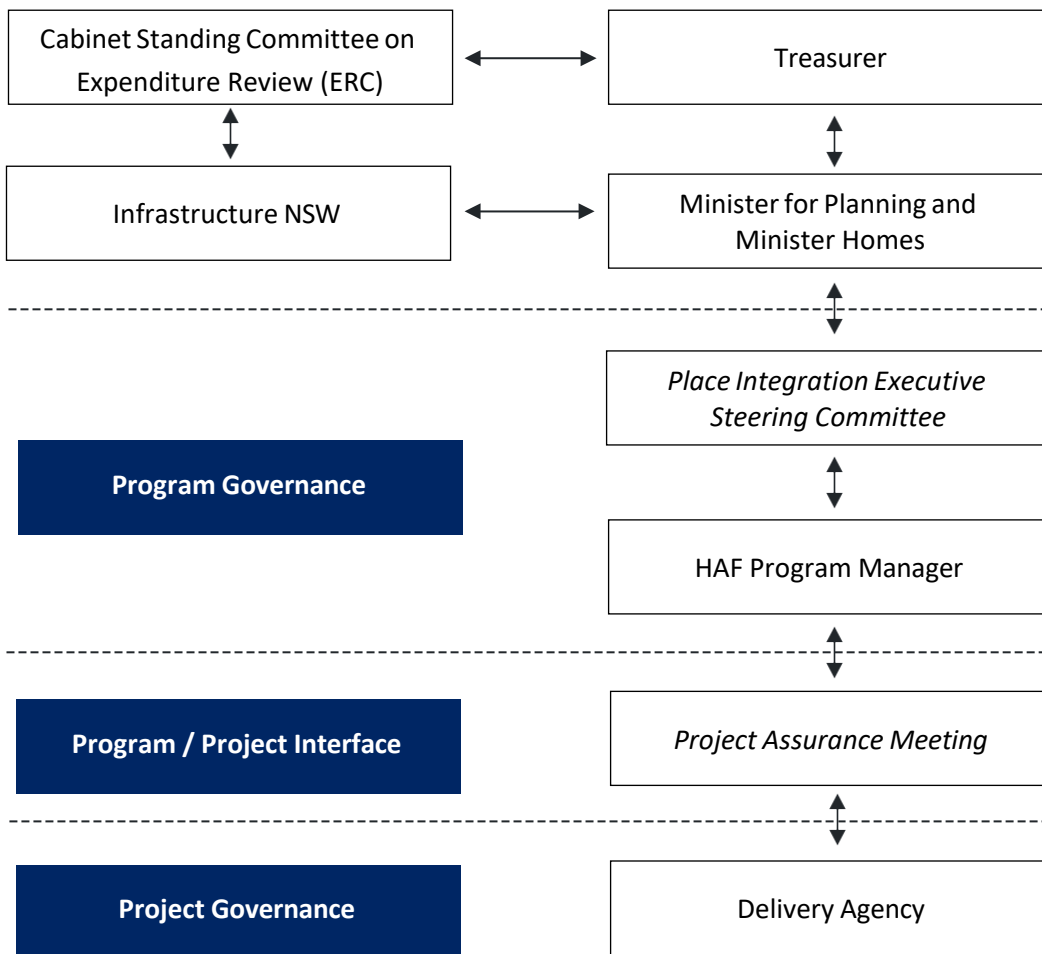


Figure 1

*Place Integration Executive Steering Committee*

The Place Integration Executive Steering Committee (ESC) provides:

- Strategic oversight of all aspects of the program performance
- Delivery and risk/issue management

- Endorsement of program and project delivery and project funding decisions, including change management; and
- Inter-agency coordination and stakeholder management.

The ESC meets monthly and includes representatives from the department, Infrastructure NSW, Treasury and Transport for NSW.

#### *Project Assurance Meeting*

Project Assurance Meeting's (PAM) are held monthly and provide an interface between the department, as HAF program manager, and delivery agencies.

The primary function of the PAM is to:

- review and track project progress and performance (budget/schedule) and risk/issue management; and
- undertake forward planning and coordination of project delivery, gateways, milestones and media/communications.

#### What is the role of Infrastructure NSW in the HAF program?

Infrastructure NSW fulfils two roles as part of the HAF program:

1. Project assurance; and
2. Funding deed management

The two roles are performed by separate groups within Infrastructure NSW to protect the integrity of the independent assurance process.

#### *Project Assurance*

All projects funded under the HAF program are subject to a Gate 2 Final Business Case assurance review. Infrastructure NSW conduct the assurance review for Tier 1 and Tier 2 projects and the subsequent recommendation report is used to make decisions regarding project suitability for further investment.

The Gate 2 Final Business Case assurance review process and guidelines can be found at

<https://www.infrastructure.nsw.gov.au/project-assurance/resources/nsw-gateway-reviews/gates-1-6/gate-2/>

The Final Business Case template can be found at <https://www.infrastructure.nsw.gov.au/project-assurance/resources/business-case-toolkit/>

Tier 3 & 4 projects will undergo an assurance process that is managed by the department. This process may be led by an independent consultant.

Regardless of who is leading the assurance process, the cost of conducting the assurance review is funded by the delivery agency i.e., it is not able to be funded from the HAF program.

The purpose of conducting the Gate 2 Final Business Case review is to:

- Provide a milestone / checkpoint to determine the suitability of the project to move into the next phase of delivery (including further funding); and

- Satisfy requirements under the *Restart NSW Fund Act 2011* to demonstrate that funding from the Restart NSW fund is being directed to projects which “*improve economic growth and productivity in the State.*”

The department will assist delivery agencies commence and participate in the assurance review process.

The assurance process includes the key steps summarised below:

- Document upload – upload of Final Business Case and all associated documentation for review by the assurance team.
- Planning day – presentation of the Final Business Case to the assurance team.
- Interviews – interviews with key personnel involved in the preparation of the Final Business Case and in the delivery of the project should funding be awarded under HAF. 1-2 days is typically allocated to conduct these interviews.
- Draft assurance report – the assurance review will provide a measure to Government regarding the confidence that the project aligns with the objectives of the HAF program and project deliverability. The report will also include a series of action items for the submitting agency to respond to.
- Final assurance report – the final version of the assurance report which has been updated to include:
  - Delivery agency feedback regarding the Action Items documented by the assurance team.
  - Changes to the assurance report based on the feedback from the delivery agency.

The complete assurance process can take up to 3 months including interviews, providing findings & generating a final report. Through the PAM’s, the department will work with the delivery agency to forecast when an assurance review will be required and ensure that this is booked in advance with the relevant assurance team.

### *Contract Management*

INSW are responsible for the preparation of new deeds of agreement and the management of existing deeds (including claims).

Under the terms of deeds of agreement, delivery agencies must report project progress to the Infrastructure NSW Project Management Office (PMO) via an online portal. All project change requests, including scope, time and budget, must be lodged with the INSW PMO via the online portal.

Delivery Agencies should seek approval for all project change from the department prior to lodgement on the Infrastructure NSW PMO portal. Written approval will be provided by the department which can be attached to the Change Request submitted in the online portal.

The Infrastructure NSW PMO and the department work collaboratively to share project information provided by delivery agencies.

### How is HAF program funding made available to delivery agencies?

#### *Project Funding Allocations*

The HAF budget is drawn from the Restart NSW fund, controlled by Treasury and managed by Infrastructure NSW.

Funding approval (allocation) decisions are made by the Cabinet Standing Committee on Expenditure Review (ERC). The department works collaboratively with Infrastructure NSW and Treasury to bring project funding recommendations to ERC.

The full process and timing throughout the project lifecycle to secure a funding approval is set out in **Figure 2** below:

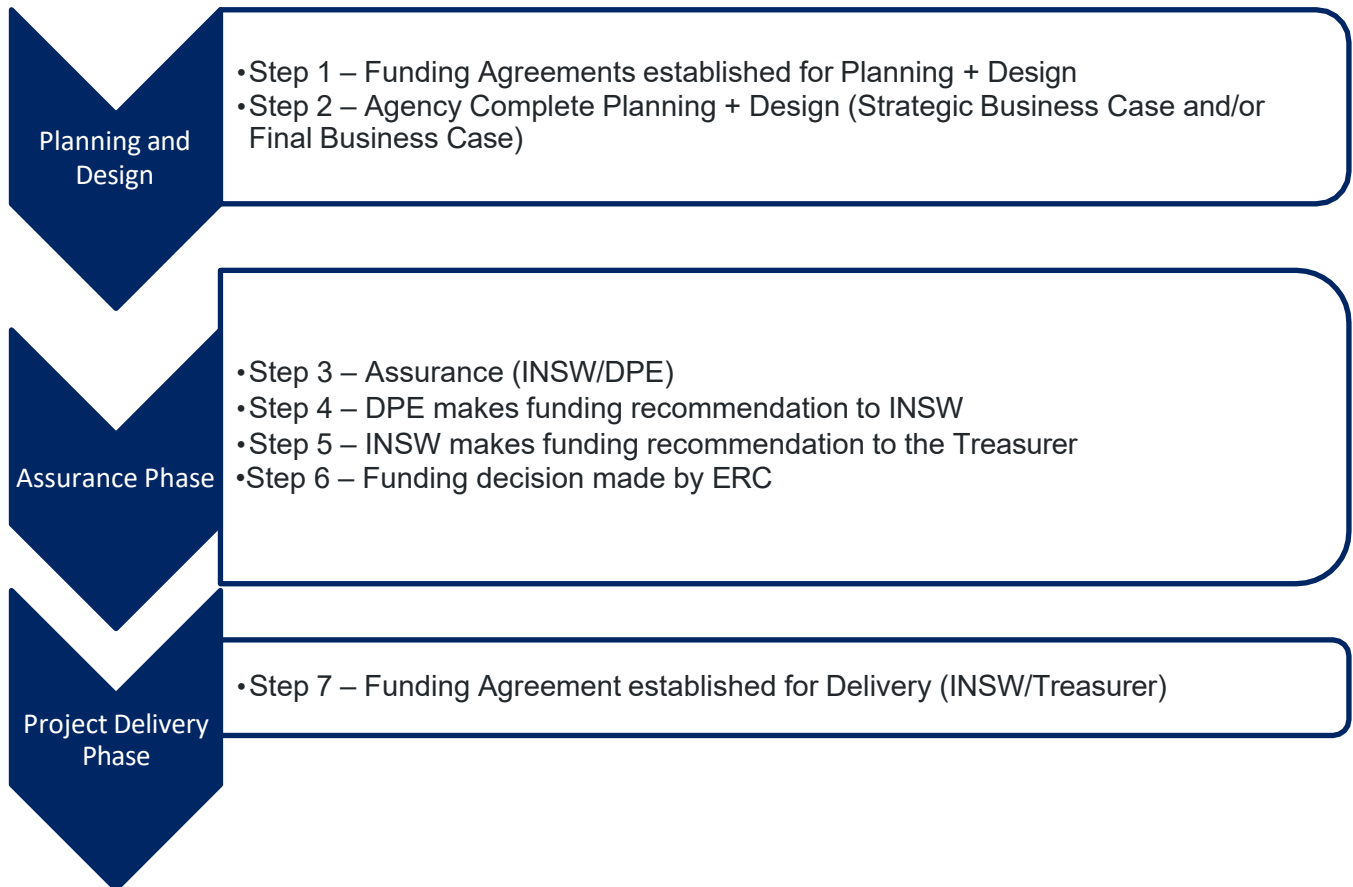


Figure 2

Funding provided to a project from the HAF program is considered a fixed grant contribution. The contribution may be provided to fund the full estimated total cost of a project at the time of nomination, or on a partial funding basis.

An expansion of the grant contribution will not be provided where the total project cost increases, either because of revised cost estimates through the design process, scope variations, or latent conditions encountered during construction. Delivery agencies must fund, through internal funding sources or other grant programs, the completion of the current phase of project delivery, as agreed in a deed of agreement.

#### *Project Funding Deeds*

A deed of agreement between Treasury and the delivery agency will be established to specify the conditions under which HAF funding is provided, and the timing of funding release.

Preparation of the deed of agreement will be managed by Infrastructure NSW, with support from the department where required. Delivery agencies will be required to provide the following documents to support preparation of the deed of agreement:

- Project Scope
- Project Program (including milestones)
- Procurement plan for final business case and indicative plan for the project.
- Risk management plan for final business case and indicative plan for project delivery.
- Cash flows for final business case and indicative cash flows for the project, including proposed grant drawdown schedule.
- Preliminary cost plan for the project.

Projects being delivered under the HAF program are typically captured under two deeds relating to separate project phases:

Project Phase	Key elements	Phase completion milestone
Planning and Design	Project initiation, design (including REF) and business case	Project business case
Construction	Land acquisition and construction	Project operation

### How is project change managed?

#### *Project change that requires approval*

- **Scope:** The scope deviates from a deliverable specified in a deed of agreement, or the broader project scope which was approved for inclusion in the HAF program.
- **Cost:** The cost to deliver the project scope outlined in a current deed of agreement increases beyond what has been approved under the deed of agreement. This needs to be reported even if the increase in cost can be funded by the delivery agency. Where the project is in Planning and Design estimated cost of the Construction phase is expected to increase beyond the overall project budget, a change request does not need to be lodged. Rather, it should be recorded and reported as a project risk.
- **Schedule:** The delivery schedule will result in a milestone under a current deed of agreement not being met.

#### *Project change that does not require approval*

- Project team members.
- Consultant or contractor engaged by delivery agency.
- Minor project schedule change that do not affect the overall project completion date or milestones set out in a current deed of agreement.
- Minor cost changes that do not require additional funding to the allocated to the project.

- Minor scope changes that do not materially impact the broader project.

The department recommends that all potential project change are communicated via regular PAM's in the first instance, so that approval from the ESC can be provided before a formal Change Request is issued through the INSW reporting portal.

*Procedure for submitting project change requests*

Steps	Action	Actioner	Time <sup>1</sup>
1	Delivery agency to inform DPE at a monthly PAM	Delivery agency	-
2	DPE to provide initial advice on viability of change and if any support documents are required from the delivery agency.	DPE	≤1 week
3	DPE to escalate the project change request to the Place Integration Executive Steering Committee for decision.  OR  DPE HAF to apply its delegated authority and provide direct decision advice to the INSW PMO.	DPE	≤6 weeks
4	Delivery agency to submit a formal change request via the INSW project reporting portal.	Delivery agency	Next Reporting Period Following Endorsement from DPE
5	INSW PMO to amend the current deed of agreement and supply to the delivery agency.	INSW	≤4 weeks

**Where a change request seeks additional funding, complete steps 1-4, then steps 6-8.**

6	Consideration of funding allocation request by the Expenditure Review Committee/ Treasurer for funding approval (via INSW Restart Team and Treasury).	DPE, INSW and Treasury	≤12weeks <sup>2</sup>
7	DPE to notify the delivery agency of outcome of funding approval	DPE, INSW	≤1 week
8	INSW PMO to amend the current deed of agreement and supply to the delivery agency.	DPE	≤4 weeks

1 = Where the delivery agency can provide early notification of potential change requests, DPE and INSW will work to shorten these timeframes.

2 = General guidance only – this may vary depending on the circumstances of the individual project or the timing of Expenditure Review Committee meetings.

## How are media releases and public communications managed?

### *Media Releases*

The department will lead development of project related media release in collaboration with the delivery agency.

The timing of media releases will be linked to the formalisation of a new funding deed of agreement, or completion of significant milestones during project delivery (e.g., project commencement, project opening).

Delivery agencies must adhere to the NSW Government's Funding Acknowledgement Guidelines.

[Funding Acknowledgement Guidelines | NSW Government](#)

### *Public Communications*

The department will maintain a HAF program website. The website will provide the public with a list of projects funded via the program, status, funding amount, project scope and dwellings supported.

Delivery agencies may also maintain a project website, however ensuring that the publication of new project material (e.g., an announcement of a new project or new funding) does not occur in advance of an announcement by the department.

### *On-site signage*

Delivery agencies must adhere to the NSW Government's Funding Acknowledgement Guidelines.

[Funding Acknowledgement Guidelines | NSW Government](#)

## Benefits Realisation

The Place Integration Executive Steering Committee has oversight of the Benefits Realisation Framework for the HAF Program. The framework is designed to draw on existing data sources to quantify and monitor the delivery of project benefits both during construction and following project completion.

Delivery agencies must ensure that benefits realisation data collection is underpinned by a rigorous data collection methodology. The department will work with the delivery agency to ensure that the frequency and duration of data collection is not overly burdensome for the delivery agency. The benefits realization monitoring period will be determined on a case-by-case basis.

DPE's Infrastructure Programs Coordination team has responsibility for managing the HAF Benefits Realisation framework.

## For More Information

- Visit the Department's website at Infrastructure Funding website: [Infrastructure funding - \(nsw.gov.au\)](#)
- Contact the HAF Program Management team via the DPE switchboard: 1300 420 596 or online at: [Contact us - \(nsw.gov.au\)](#)