

Department of Planning, Housing and Infrastructure

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Supplementary Guideline Note – Accelerated Infrastructure Fund Round 3

Tranche 3 Regional

May 2024



Acknowledgement of Country

The Department of Planning, Housing and Infrastructure acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land, and we show our respect for Elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

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Contents

Purpose of this supplementary guideline note	4
1 Overview of grant program	5
1.1 Purpose and objectives.....	5
1.2 Grant value.....	6
2 Selection criteria and eligibility	7
2.1 Key dates.....	7
3 Assessment process	8
3.1 Assessment of grant applications.....	8
3.2 Notification of application outcome.....	8
4 Project management	9
4.1 Payment of grants.....	9
4.2 Consultation with community and other stakeholders.....	9
4.3 Monitoring, reporting and evaluation.....	9
4.4 Project responsibility.....	10
4.5 Insurance requirements.....	10
4.6 Project opening event and promotion.....	10
5 Governance and probity	11
More information	12

Purpose of this supplementary guideline note

We have prepared this supplementary guideline note to align to the NSW Government's Grant Administration Guideline and to demonstrate the competitive grant process we undertook for Accelerated Infrastructure Fund Round 3 applications.

This note should be read in conjunction with the [Accelerated Infrastructure Fund - Round 3 Program guideline - August 2022 \(PDF 584 KB\)](#)

1 Overview of grant program

The NSW Government has released funds under the Accelerated Infrastructure Fund over 3 consecutive budget rounds from 2020–21 to 2023–24.

In May 2024, the NSW Government announced a further investment in the Accelerated Infrastructure Fund program (Tranche 3) to fund 9 regional infrastructure projects.

This investment will see regional infrastructure projects funded in 5 local government areas (Bathurst, Port Macquarie–Hastings, Shoalhaven, Tweed Shire and Wagga Wagga) to support over 24,000 homes in these 5 regions. The 9 projects will leverage co-contributions of \$64.7 million for a total investment of \$201.9 million in regional infrastructure.

The 2022–23 NSW budget identified a group of initiatives for increasing housing supply. The Accelerated Infrastructure Fund program is one of the key initiatives that will contribute to the following core objectives:

- intervene where there are unnecessary delays in planning decisions, to unlock land for new housing
- accelerate the delivery of new housing through critical infrastructure projects
- activate the liveability of precincts through open public spaces and community infrastructure projects.

1.1 Purpose and objectives

The objectives of the Accelerated Infrastructure Fund Round 3 are to:

- support housing growth in both metropolitan and regional NSW
- have all projects start construction within 2 years to accelerate housing delivery
- partner with councils and agencies to co-fund an expanded and accelerated infrastructure program
- deliver critical enabling infrastructure projects that will create new, serviced development land
- deliver local development infrastructure projects that can accelerate housing supply and construction activity
- deliver social infrastructure that supports emerging populations and responds to current service shortfalls.

These objectives recognise the expansion of the program to apply to both metropolitan and regional areas, as well as supporting a mix of infrastructure categories that all contribute to housing supply. They directly inform the way in which project nominations are assessed.

1.2 Grant value

The Accelerated Infrastructure Fund has included the following funding from the NSW Government:

- 2021–22 Round 1 up to \$75.9 million
- 2022–23 Round 2 up to \$139 million
- 2023–24 Round 3 up to \$ 442.65 million
 - Tranche 1 \$254 million announced in January 2023
 - Tranche 2 \$40.9 million announced in June 2023
 - Tranche 3 \$137.19 million announced in May 2024.

Round 1 (non-competitive, selected participants) was announced as part of the NSW budget in 2020–21 and gave Blacktown City Council and The Hills Shire Council a total of \$75.9 million to co-fund and accelerate the delivery of 14 local infrastructure projects worth \$145.99 million, supporting the development of up to 40,000 new homes and 115 hectares of employment land.

Round 2 (competitive, selected participants) was announced as part of the NSW budget in 2021–22 and expanded funding to include other high-growth councils, including Blacktown, The Hills, Hawkesbury, Penrith, Liverpool, Camden, Campbelltown, and Wollondilly. Round 2 provided \$139 million to co-fund and accelerate the delivery of 24 local infrastructure projects worth \$521 million in council-led precincts in western Sydney. This round supported the development of 65,000 new homes, created up to 2,200 construction jobs and unlocked 570 hectares of employment land dedicated to creating more jobs closer to home.

Round 3 (competitive, selected participants), announced as part of the 2022–23 NSW budget, provided up to \$300 million to support the delivery of local infrastructure in high-growth greenfield and brownfield areas of metropolitan and regional NSW. This included funding for councils, state agencies and utilities to deliver roads, stormwater, electricity, sewers and open public space projects that enable and support the construction of new homes.

During 2023, 2 tranches of funding were released for a total investment of \$295 million.

In May 2024 a third tranche of funding was announced for \$137.19 million to fund an additional 9 regional projects. These projects were selected from the initial Accelerated Infrastructure Fund 3 Round 3 project applications and included in the investment recommendations reserve list.

2 Selection criteria and eligibility

We received all Accelerated Infrastructure Fund Round 3 applications in one tranche submitted to the Department by 30 September 2022.

All Accelerated Infrastructure Fund Round 3 applications were subject to the funding and eligibility criteria published in the August 2022 Round 3 guidelines.

2.1 Key dates

Table 1 shows AIF Round 3 program milestones and indicative key dates.

Table 1. Key dates Accelerated Infrastructure Fund Round 3 Tranches 1, 2 and 3

Milestone application and assessment	Date
Accelerated Infrastructure Fund Round 3 launch – nominations period opens	19 August 2022
NSW Department of Planning and Environment completes briefings for all applicants	26 August 2022
Nomination period closes	30 September 2022
Assessment stage begins	4 October 2022
Assessment stage complete – the department endorses investment recommendations (project list)	December 2022
Minister for Planning and Public Spaces announces additional funding and recommended investments (Accelerated Infrastructure Fund Round 3 Tranche 3)	May 2024
Funding agreement stage begins	May 2024
All funding agreements completed	June 2024
All projects receive first tranche of funding	June 2024
All projects must begin construction by or before	1 July 2025
All projects (under Accelerated Infrastructure Fund Round 3) must be completed	30 June 2026

3 Assessment process

3.1 Assessment of grant applications

The Department rigorously assessed and prioritised projects that were nominated for funding under the third round of the Accelerated Infrastructure Fund to ensure funding goes to projects that support new housing outcomes.

Further, all nominations were subject to the same assessment criteria, governance oversight committee and probity processes for all successful projects announced under the three tranches in 2023 and May 2024.

The Accelerated Infrastructure Fund Round 3 assessments involved the following stages:

- Stage 1: Nominations received from applicants.
- Stage 2: Review of eligibility
- Stage 3: Multicriteria analysis
- Stage 4: Independent review by technical consultant
- Stage 5: Strategic review by expert panel
- Stage 6: Investment recommendation and minister's approval
- Stage 7: Funding agreements and release of funds

3.2 Notification of application outcome

Once the minister approves the investment recommendations, we will finalise a draft funding agreement for the recipient councils.

Applicants must accept the terms identified in the draft funding agreement as part of the project nomination through the online portal.

We will engage and collaborate with the applicant to settle the funding agreement. The funding agreement is legally binding. The agreement details the project being funded, manages the allocation of grant funding and details the recipients performance obligations and the project completion date.

A project plan will underpin the agreement. The plan sets out the works and deliverables that must be completed by the recipient within the agreed timeframes. The project plan includes a high-level scope of works and costs schedule for each component of the project, together with delivery milestones.

4 Project management

Successful applicants must enter into a funding agreement with the Department. The funding agreement sets out the obligations of the recipient of the funding, including, but not limited to, obligations about monitoring and reporting, project completion and milestones and payment.

Funding recipients will be responsible for delivering and meeting the project milestones and delivering the project within the timeframe as per the funding agreement.

Funding recipients will need to supply a project plan that sets out the works and deliverables, costs and schedule. This will be included in the funding agreement. Recipients must carry out the project in accordance with the terms of the agreement. Grant recipients must also provide a final concept plan before beginning construction.

4.1 Payment of grants

Payment of funding will be conditional on the funding being used only for the project in accordance with the terms and conditions of the funding agreement.

Payment of funding will be made in accordance with the milestones and payment schedule set out in the funding agreement and will be subject to compliance with the recipient's obligations. Recipients must submit a final acquittal and project report following completion of the project. Any unspent funds will be returned to the department.

4.2 Consultation with community and other stakeholders

The recipient must demonstrate that it has undertaken community and stakeholder engagement on the project or that it intends to do so.

4.3 Monitoring, reporting and evaluation

The recipient must provide:

- high resolution 'before and after' images
- 'before and after' reporting on core indicators requested by the department

- regular milestone reports and a final acquittal report via SmartyGrants at the completion of the project
- all requirements such as construction certificates set out in the executed funding agreement
- an acquittals report on project completion in accordance with the department-provided template.

4.4 Project responsibility

The recipient must acknowledge and agree that it is solely responsible for delivering and completing the project in accordance with the terms and conditions of the funding agreement, and it will not be relieved of that responsibility because of any involvement with a third party (for example, subcontractors or partnerships).

4.5 Insurance requirements

Grant recipients must maintain a minimum public liability insurance cover of \$20 million, workers compensation insurance for people involved in delivery of the project and insurance over assets used in connection with the project.

4.6 Project opening event and promotion

Grant recipients must acknowledge the funding contribution from the NSW Government in all communications and media for the project in accordance with the [NSW Government Funding Acknowledgement Guidelines](#).

If holding a formal project event, the recipient must:

- invite the Minister for Planning and Public Spaces or a departmental representative on the minister's behalf (including to opening and completion ceremonies), consulting beforehand on available dates where practicable
- provide no less than 30 business days' notice before any formal event.

To make the invitation, the recipient should access the minister's web form. It is for the recipient to decide if there is to be an opening event. [Contact the Minister for Planning and Public Spaces | NSW Government](#)

If the invitation is accepted, a departmental media officer will work with the recipient on the arrangements and media protocols.

5 Governance and probity

Accelerated Infrastructure Fund Round 3 Tranche 3 – February 2024

All Accelerated Infrastructure Fund Round 3 applications underwent a thorough evaluation process and were assessed against the 6-stage Accelerated Infrastructure Fund Round 3 assessment criteria. This included a minimum eligibility and mandatory assessment criteria and a multi-criteria analysis that considered project criticality, commitment and urgency for delivery.

An independent technical consultant also conducted a review, assessing recommendations for feasibility, risks and benefits. Additionally, an independent panel of subject-matter experts from the Department and the Department of Regional NSW confirmed problem definition, service need, benefits, funding strategy, risks and dependencies.

To qualify for investment, applications needed to meet the objectives of the program including accelerating housing supply, commencing construction within 2 years, co-funding and that the project would deliver a piece of critical enabling infrastructure.

Probity – An independent probity advisor oversaw the Accelerated Infrastructure Fund Round 3 grant process from project nomination, assessment and funding decision to ensure integrity, fairness and accountability while delivering value for money for NSW.

Governance – The Housing Coordination Committee, comprising senior executives of the NSW Public Service, was established to oversee the Accelerated Infrastructure Fund Round 3. This committee recommended projects for funding to the minister based on an assessment of eligible applications against the relevant assessment criteria.

The minister is the delegated approver for investment recommendation of projects to be funded under the program that best meet program objectives.

More information

This note should be read in conjunction with the [Accelerated Infrastructure Fund - Round 3 Program guideline - August 2022 \(PDF 584 KB\)](#)

For more information on these guidelines or any related matter, please email the Department at accelerated.infrastructurefund3@dpie.nsw.gov.au

You can also visit the Department's [Accelerated Infrastructure Fund web page](#)