

Accelerated Infrastructure Fund – round 3

This document answers frequently asked questions about round 3 of the Accelerated Infrastructure Fund. Round 3 offered \$300 million to co-fund and accelerate infrastructure delivery to support housing supply and job generation in high-growth areas of NSW. For the first time, regional areas were included in the funding.

What is the Accelerated Infrastructure Fund?

The Accelerated Infrastructure Fund is a grant program established in 2020 to support the delivery of housing-enabling infrastructure in high-growth local government areas.

Since the program's launch in April 2020, \$215 million has been invested in 38 projects in the first 2 rounds of funding. The money has supported the development of more than 100,000 homes, 685 hectares of employment land and around 3,220 jobs.

What was the scope of the round 3 funding?

An extension of the Accelerated Infrastructure Fund was announced as part of the \$2.8 billion housing package launched in the 2022–23 NSW Budget. The aim of round 3 was to build on the success of the first 2 rounds and support the delivery of local infrastructure in high-growth areas of metropolitan NSW and, for the first time, regional areas.

A total of \$300 million was available, with up to \$180 million to be allocated to metropolitan projects and up to \$120 million for regional projects. The funding allows councils, state agencies and utilities to deliver roads, stormwater and electricity infrastructure as well as sewerage and public open space projects. This will support the construction of new homes and the development of employment land.

Applications for round 3 funding closed on 30 September 2022.

What are the program objectives for round 3?

The objectives of round 3 are to:

- support housing supply in both metropolitan and regional NSW
- see projects commence construction within 2 years to accelerate housing delivery
- partner with councils and agencies to co-fund an expanded and accelerated infrastructure program
- deliver critical 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.

Who was eligible to apply for Accelerated Infrastructure Fund round 3 funding?

Table 1 and Table 2 list the 18 metropolitan and 23 regional councils and the state agencies that were eligible to apply for round 3 funding. We accepted applications from 19 August 2022 to 30 September 2022.

Table 1. Councils eligible to apply for funding in round 3

Area	Eligible councils A to L	Eligible councils M to Z
Metropolitan	Bayside Council Blacktown City Council Camden Council Campbelltown City Council Canterbury–Bankstown Council Central Coast Council Cumberland City Council Fairfield City Council The Hills Shire Council Liverpool City Council	City of Newcastle Council City of Parramatta Council Penrith City Council City of Ryde Council City of Sydney Council Sutherland Shire Council Wollondilly Shire Council Wollongong City Council
Regional NSW	Albury City Council Ballina Shire Council Bathurst Regional Council Byron Shire Council Cessnock City Council Coffs Harbour City Council Dubbo Regional Council Eurobodalla Shire Council Goulburn-Mulwaree Council Kiama Council Lake Macquarie City Council	Maitland City Council Mid-Coast Council Orange City Council Port Macquarie–Hastings Council Port Stephens Council Queanbeyan–Palerang Regional Council Shellharbour City Council Shoalhaven City Council Tamworth Regional Council Tweed Shire Council Wagga Wagga City Council Wingecarribee Shire Council

Table 2. State agencies eligible to apply for funding in round 3

Agency type	Eligible agencies
Delivery agencies	Transport for NSW
Public utility providers	NSW state-owned corporations providing drinking water, wastewater (sewerage), electricity

How was applicant eligibility determined?

We determined the eligibility of applicants based on the 2022 NSW population projections by local government area. We focussed round 3 funding on the areas undergoing the highest growth across metropolitan and regional NSW. The 41 local government areas eligible for round 3 funding will account for 94% of NSW's total population growth over the next 10 years, according to the 2022 NSW population projections.

What types of projects were eligible for funding?

The Accelerated Infrastructure Fund targets critical housing-enabling infrastructure projects in the water, sewerage and electrical categories. It also funds infrastructure projects like roads, public and active transport, stormwater and drainage and social infrastructure, including open space projects and community facilities.

For funding under round 3, project applicants had to:

- deliver a piece of infrastructure
- demonstrate how the project supports housing
- co-fund a minimum of 25% of the total project cost
- be able to begin construction by 1 July 2025.
- already own or have committed to acquire the site before applying
- request funding of between \$500,000 and \$25 million.

Projects had to have formal written executive co-funding approval to be considered.

How were the projects assessed and evaluated?

We assessed the projects in 4 stages. The first stage was an eligibility review to ensure the projects met the mandatory criteria. We then assessed projects using a multi-criteria analysis to generate a shortlist.

Shortlisted projects underwent an independent technical assessment by a third-party consultant and were also assessed by a departmental strategic review panel. The feedback from these 2 assessments was consolidated to generate a final list of selected projects that was approved.

What was the purpose of the independent technical review in assessing projects?

The independent third-party review focussed on verifying the technical details of the projects such as the cost estimates, concepts and design, risks and interdependencies and the project delivery and management. The review also critiqued the applicant's capacity to deliver the project, the milestones and proposed start and end dates for the milestones.

What was the role of the strategic review panel in assessing projects?

The strategic review panel included representatives from Regional NSW and the Department of Planning and Environment.

The panel considered the strategic alignment of the projects with the relevant planning documents and policies. It assessed how well a proposal supported housing supply and looked at the scope of

works, funding strategy, proposed project benefits and potential risks and issues associated with investing in the project.

How will the department measure the performance of round 3 funding?

The success of round 3 will be evaluated on the total housing growth benefits realised from the projects selected for investment. Applicants need to estimate the level of housing supply the project will support over time.

If the project is funded through the Accelerated Infrastructure Fund, the applicant needs to measure the actual level of housing supply supported after the project is completed. Applicants must budget for benefits-realisation reporting within their applications.

What happens after a project has been accepted to receive funding?

Our Accelerated Infrastructure Fund team has contacted the successful applicants. We will issue the funding agreement for execution by the applicant and it will be signed by the appropriate departmental representative. After the funding agreement is executed, the applicant will need to submit a tax invoice to the department for payment.

When will funding be available for successful projects?

We are working with the successful applicants to execute the funding agreements as soon as possible. The sooner the agreement is executed, the sooner the applicant can receive funding to support the project.

How many projects are being funded through round 3?

Some \$295 million is being provided to 41 projects, with \$116 million already allocated towards 10 Regional NSW projects. You can find details of the supported projects on our [program website](#).

How many new homes will the round 3 funding help create?

The selected projects will support the delivery of up to almost 160,000 new dwellings.

When will the round 3 projects be completed?

Many projects are due for completion within the next 2 years. We are confident that work will be completed on all projects by 30 June 2026.

What is the status of the projects funded in rounds 1 and 2?

In round 1, Blacktown City Council received \$45 million and The Hills Shire Council \$30.96 million to co-fund and accelerate the delivery of 14 community infrastructure projects worth \$145.99 million. Of those projects, 8 have been completed, with the remainder under construction and progressing well.

Under round 2, high-growth areas of western Sydney received \$139 million to co-fund and accelerate the delivery of 14 infrastructure projects worth \$521 million. We executed funding agreements and released the round 2 program funding to successful councils by June 2022. All the projects are progressing well.

Why were some applications unsuccessful in securing funding for round 3?

Round 3 of the Accelerated Infrastructure Fund generated a lot of interest. We received 92 applications to fund projects. This far exceeded the available funding. Because of this, the selection process was highly competitive.

An independent technical consultant and the strategic review panel rigorously assessed all applications. We then selected the projects that received the highest score against the criteria provided in the program guidelines.

Some projects were not selected because they:

- did not meeting mandatory criteria (for example, projects that still required land acquisition or could not meet the 25% co-contribution threshold)
- had significant risks that did not have a demonstrated mitigation strategy in place (for example, they were subject to a flood inquiry)
- could not sufficiently demonstrate direct support for housing.

The Accelerated Infrastructure Fund team has been in contact directly with all the successful and unsuccessful applicants. Unsuccessful applicants can contact the team to request further feedback on their applications.

How do I find out more information?

For more information, visit the [program website](#).

You can also contact the Accelerated Infrastructure Fund team at accelerated.infrastructurefund3@dpie.nsw.gov.au