

Department of Planning and Environment

Guidelines for the Regional Housing Strategic Planning Fund Round 2

August 2023

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Acknowledgement of Country

The Department of Planning and Environment acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land and 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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Introduction

The Regional Housing Strategic Planning Fund is available to all regional councils. The fund helps councils to deliver strategies, plans and studies that increase housing supply, affordability, diversity and resilience. The fund will support the regions to plan for future housing supply that meets the needs of regional communities and help unblock existing housing capacity.

The fund is a competitive, application-based, \$12 million grants program being run over 4 financial years from July 2022.¹

Up to \$3 million in funding is available in round 2, which is open from August 2023 to September 2023. The NSW Department of Planning and Environment administers the fund in accordance with the NSW Government Grants Administration Guide.

These revised guidelines set out:

- which councils and types of projects are eligible for the program
- the grant application and assessment process
- the responsibilities councils will have as grant recipients.

Supporting the delivery of homes in the regions

NSW is facing a housing supply crisis and regional communities are experiencing persistent and worsening affordability challenges. Poor housing outcomes have broad impacts on regional communities, including on social cohesion, health and economic productivity

Housing is a top priority for the NSW Government, and the NSW planning system plays a critical role in the delivery of homes.

Regional NSW will need approximately 122,000 dwellings to meet NSW's share of the National Housing Accord target of one million new, well-located homes over 5 years from 2024 to 2029.

The Regional Housing Strategic Planning Fund will help meet the target by unblocking existing housing capacity and will accelerate strategic planning for future housing supply that meets regional communities' needs.

¹ An additional \$1 million was provided by the department in round 1 to make up to \$4 million in funding available. There is \$9 million in grant funding remaining for current and future rounds.

Why we need to strategically plan for regional housing

It will take a long-term vision to deliver the homes that regional NSW needs. As regional communities grow, change and face new challenges, including climatic change, the types of housing they need will change. Today's new homes will house people for decades to come, so they must be built with communities' long-term interests, needs and aspirations in mind. Strategic planning is essential to ensure that this happens.

Strategic planning is the process of planning for future development and the creation of the framework of rules that determine where, what and how development occurs. It involves research, gathering evidence, analysis, community consultation, setting a vision and objectives and developing policies and planning rules to realise the community's vision.

Strategic planning is the first step in the housing supply pipeline. The housing supply pipeline is the process of turning a plan on a page into development on the ground. This can take several years and includes releasing and rezoning land, detailed master planning, funding, coordination and delivery of infrastructure and development approval and construction.

Robust and ongoing strategic planning informed by a sound evidence base makes the later stages of the development pipeline more efficient. It does this by increasing certainty about where and how development will happen. It also helps state and local governments and the development industry to coordinate resources and efforts to realise housing opportunities. When issues and challenges are not adequately addressed at the strategic stage, there are more delays further along the process, such as in the assessment stage.

The NSW planning system has been gradually reformed over the past decade to become a strategy-led system. Regional and local strategic planning play an important role in decision-making. The NSW Government wants to help regional councils to fully develop their strategic frameworks to help them enable housing supply, including housing that is affordable, diverse and resilient to natural hazards in alignment with the pillars of the NSW Housing Strategy, *Housing 2041*. It will also help councils increase the liveability, productivity and wellbeing of the regions.

Action on housing

The Regional Housing Strategic Planning Fund was announced in August 2022 in response to the recommendations of the Regional Housing Taskforce. The taskforce investigated planning system barriers to housing supply and affordability in regional NSW. It found that regional councils needed greater support to plan for and deliver housing that meets community needs and to give more certainty about where, when and what type of homes are being built.

The taskforce recommended that the NSW Government increase support and investment in regional councils' up-front strategic planning.

The grant program

Aim

The Regional Housing Strategic Planning Fund aims to enable and accelerate the delivery of strategic planning projects, technical studies and policies that support increased housing supply, affordability, diversity and resilience in regional NSW.

The fund has been established to help councils deliver key strategic planning projects and interventions that support the program aims and objectives. This may be through work such as local and subregional strategies, investigations and technical studies.

Objectives

The objectives of the fund are to support eligible strategic planning projects that:

- enable and accelerate new housing capacity and the delivery of zoned and ‘development-ready’ residential land in regional NSW
 - support new housing capacity in regional NSW and enable future development by resolving issues and constraints
 - better align and coordinate housing and infrastructure delivery
 - support more housing choice and the availability of affordable and diverse housing in regional NSW
 - make housing in regional NSW more resilient to natural hazards and other potential shocks and stresses
 - empower and support local councils to plan strategically for future housing supply.
-

Applicant eligibility

All NSW councils outside of the ‘Six Cities region’ and councils in the Lower Hunter and Greater Newcastle, Central Coast and Illawarra–Shoalhaven cities are eligible for funding (see Appendix A – List of eligible councils). A single council or groups of 2 or more councils, such as joint organisations of councils, may apply. We encourage regional collaboration on projects that address shared strategic planning needs or regional or subregional planning issues.

Joint applications for funding must identify all councils involved and nominate a single council as the lead contact. Councils may also apply for funding for projects that will be delivered in partnership with other organisations if the councils agree to be responsible for project delivery in accordance with the funding agreement.

If you make a joint application, it should include as an attachment a declaration signed by the participating councils or other organisations. In the declaration, all the organisations involved must agree to the project and the proposed project management and governance arrangements and indicate the nature of their contribution to the funding and delivery of the project.

Project eligibility

Program funding will support strategic planning projects, investigations and technical studies that are consistent with the aim and objectives of the fund.

Eligible projects include:

- **subregional and local planning strategies** such as local housing strategies or growth management strategies to identify and sequence future housing investigation areas
- **affordable housing strategies** and affordable housing **contributions schemes**
- **technical studies** that help identify residential lands or that create greater certainty about land's suitability for residential development (such as flood, bushfire or biodiversity studies)
- **structure plans or precinct master plans** for lands with a significant residential component, including both urban renewal projects and new land releases
- **preparation of local environmental plan amendments** that facilitate a significant housing or affordable housing opportunity, such as the release of significant housing lands or an urban renewal precinct, in line with a regional strategy or plan or related to a local strategic land use project. This may include a comprehensive local environmental plan amendment
- **infrastructure needs analysis, servicing strategies, infrastructure contributions plans** or the **preparation of business cases** that will better align infrastructure and housing delivery
- **detailed planning and design guidelines** such as amendments to development control plans
- **projects that identify solutions to broader issues** that have implications for the location and delivery of future housing supply, such as projects that:
 - resolve constraints to future housing supply
 - address unmet housing needs
 - support the development of innovative housing models
 - enable adaptation or mitigation of housing to climate change effects.

The above list is not meant to be complete. We will consider projects not listed above if they align with the program aims and objectives.

Limits on projects

For each round of funding, there is a limit of one application and one project for each council or one joint application and one joint project for group projects. A council may apply for and receive funding for both an individual project and a joint project (whether as the project lead or not) within a single funding round if the projects are clearly distinct and there is no duplication.

A project may include multiple deliverables, but you must demonstrate that these deliverables are linked and contribute to the achievement of shared project outcomes.

A project can only receive funding once under this program.

A council or group of councils may receive funding across multiple rounds of the program for different projects. However, the assessment process will consider whether applicants have previously been awarded funding and how well previously funded projects were delivered in order to achieve an equitable and geographic spread of funding across rounds.

Project start date for round 2

To be eligible for funding in round 2, projects must begin by 15 February 2024 upon receipt of funding. The funding agreement will identify project start activities. Projects must be completed within 12 months from the project start date.

Ineligible projects

Projects that are not eligible for funding include:

- projects outside of NSW (except for cross-border planning projects)
- capital works projects
- projects related to the preparation and assessment of development applications
- projects that have already received development consent
- otherwise-eligible projects that have received funding under another program, unless the application can demonstrate how additional funding will complement and/or expand the scope or outcome of the project to increase the project's impact.

As part of their application, applicants must disclose if any aspect of their project has:

- received funding through another NSW Government funding program
- received funding through an Australian Government funding program
- received funding through another state or territory funding program (for cross-border planning projects)
- been included in a funding application for another NSW Government, Australian Government or state or territory government funding program that is currently under consideration or is being considered for funding by a federal or state government agency through any other means.

Eligible project costs

Funding of up to \$3 million is available for Regional Housing Strategic Planning Fund round 2. Funding of up to \$250,000 excluding GST is available for each project. The minimum grant amount is \$20,000, excluding GST.

We encourage council co-funding of projects through cash contribution towards any of the eligible direct project costs listed below. During assessment, we will consider the extent to which projects demonstrate good value for money in the context of the available funding.

Funding may be used towards the direct project costs such as:

- engagement of third-party professional services for the approved project
- procurements for the approved project, such as relevant data and evidence
- staff salaries directly for the approved project
- community consultation costs for the approved project
- reasonable project management costs for the approved project (no greater than 10% of total project value)
- any other costs the department determines to be eligible.

Funding may not be used for:

- costs incurred before the approved project start date
- staff training or education
- statutory fees and charges
- legal advice
- financial advice
- administrative or operational advice
- ongoing council costs such as administration, operation and maintenance
- remuneration of employees for work not directly on the approved project
- overhead charges for internal council costs
- infrastructure or other capital works
- any other costs the department determines to be ineligible.

The above lists identify examples of eligible and ineligible project costs and are not meant to be complete. If you have any questions about eligible project costs, please contact us by email at regional.housing@dpe.nsw.gov.au.

Application and assessment process

How to apply

Councils wishing to apply for funding under the program should:

1. visit the [program website](#) for resources to support the application
2. complete and submit their application through the [SmartyGrants portal](#) by the deadline of **12 pm noon Friday 29 September 2023**.

We will not accept late applications unless we consider the circumstances to be exceptional.

Projects must be scoped appropriately and supported by enough detail. This includes:

- giving all information requested
- addressing all eligibility and assessment criteria
- giving all necessary attachments and evidence to support the application, such as quotes for any consultant work

We will announce successful applications by December 2023.

Assessment process

We will review each application we receive to ensure it meets all eligibility criteria and includes the information needed for the assessment panel to consider the project. We may seek further information about applicants and their applications from applicants directly and from sources not nominated in the application form to ensure that the information given is accurate and complete. We will also provide written advice to the assessment panel on the proposed projects' strategic alignment and impact for their consideration. If an application does not meet eligibility criteria, we will not consider it further. We will notify the applicant in these cases.

An expert panel made up of independent third-party panellists and a departmental subject matter expert will assess all eligible applications against the program objectives and the criteria outlined in the 'Assessment criteria' section of these guidelines.

The panel will make recommendations to an interagency committee made up of NSW Government representatives for endorsement. The committee will include representatives from:

- the Department of Planning and Environment
- the Department of Regional NSW
- NSW Treasury.

The Minister for Planning and Public Spaces will make the final decision on the recommendation from the expert panel and interagency committee to award the grant funding. An independent probity adviser will oversee the program.

Round 2 timeframes

Table 1. Timetable for the Regional Housing Strategic Planning Fund (round 2)

Activity	Date
Applications open	8 August 2023
Applications close	12 pm noon 29 September 2023
Independent panel assesses grant applications	by November 2023
Department announces successful applicants	by December 2023
Department issues funding agreements	by December 2023
Councils return signed funding agreements to department	by 31 January 2024
Department pays grant funding	by 14 February 2024
Project must start	15 February 2024 upon receipt of funding
Project must be completed	by 15 February 2025

Advice

For more resources to support your application, visit the [program website](#). The site has answers to frequently asked questions and an application guide to help you complete your application and address the assessment criteria.

If you are having difficulty with your application on the [SmartyGrants portal](#), check out the help guide for applicants on the SmartyGrants website.

To contact SmartyGrants:

- email service@smartygrants.com.au
- telephone 03 9320 6888 (support desk hours are 9:00 am to 5:00 pm AEST, Mon to Fri)
- visit the SmartyGrants [applicant help website](#)

When you attach files to support the application, we strongly recommend you keep files under 5 megabytes and use concise and descriptive file names.

We can help you interpret these guidelines, including the types of projects eligible for funding. Please contact the team by email at regional.housing@dpe.nsw.gov.au.

Assessment framework

Assessment criteria

The expert panel will assess projects against the below criteria and give them a weighted score out of 100.

Program aims and objectives (weighting 20%)

The panel will consider the project's alignment to program aim and objectives, including:

- whether the project furthers one or more of the program objectives
- the extent to which the funding will enable the project or accelerate the delivery of the project

Strategic alignment (weighting 20%)

The panel will consider:

- the strategic need for the proposed project
- alignment to the existing strategic planning framework, including:
 - relevant regional plan/s
 - NSW Housing Strategy, *Housing 2041*
 - local strategic planning statements
 - other local plans and strategies such as community strategic plans
 - other relevant government policies and programs such as regional economic development strategies, transport and infrastructure plans and strategies, and the regional housing delivery plan program.

Project impact (30%)

The panel will consider the impact of the proposed project, including:

- the direct and indirect benefits that the project is expected to produce
- the significance of the project in the local, subregional and/or regional context
- the potential effect of the project in:
 - creating new housing capacity and the scale of impact, including justified estimates of the number of homes the project will enable, accelerate or support
 - enabling housing that addresses unmet community needs, such as diverse and affordable housing and housing of different sizes, types and tenures, including justified estimates of

the number and type of affordable and diverse dwellings that the project will enable, accelerate or support

- increasing the resilience of regional housing stock
- improving infrastructure planning to support new housing delivery including justified estimates of the number of dwellings the project will enable, accelerate or support.

Project scoping requirements (weighting 20%)

The panel will consider how well the proposed project has been scoped, including if the application meets the subcriteria below. The score for each subcriteria will be added together to calculate the total score for project scoping requirements.

Table 2 Project scoping requirements subcriteria

Subcriteria	Detail	Weighting
Project scope	<p>The panel will consider whether the application:</p> <ul style="list-style-type: none"> • is appropriately detailed in all sections • clearly defines the project aim, scope and outputs • includes appropriate evidence and supporting documentation • gives a complete breakdown of costs, including attachments with relevant quotes. 	5%
Delivery timeframe	<p>The panel will consider whether the application:</p> <ul style="list-style-type: none"> • includes a detailed list of project tasks and milestones • includes appropriate and realistic timeframes for the delivery of project milestones. 	5%
Capability to deliver	<p>The panel will consider whether the application:</p> <ul style="list-style-type: none"> • demonstrates that the applicant has sufficient capacity and resources to deliver the project • demonstrates the capability of the applicant to deliver the project within the timeframe identified and to a high standard. 	5%
Governance and risk management	<p>The panel will consider whether the application:</p> <ul style="list-style-type: none"> • has appropriate governance and developed risk management framework • for joint applications, has developed shared governance arrangements. 	5%

Value for money (weighting 10%)

The panel will consider:

- how the project will achieve value for money in the context of the available grant funding, including through applicant contributions
- the positive effect the grant will have on the scope, timing or benefits of the project
- the likelihood of the project proceeding without the grant and the capacity of applicants to self-fund the project.

Note: To ensure an equitable and geographic spread of program funding, councils which have not already received funding under the program may be prioritised by the assessment panel.

Program management

Project management

Successful applicants must enter into a funding agreement with the department. The funding agreement will set out:

- the obligations of the grant recipient
- the schedule of project milestones
- agreement on project governance arrangements
- mandatory progress and financial reporting to the department.

For successful joint applications, co-applicants may be requested to be a party to the funding agreement on a case-by-case basis.

Approvals

Councils must get any necessary project approvals to authorise the application before applying for funding.

Project milestones

Grant recipients must supply a project plan to be included in the funding agreement. This will set out the project deliverables, costs and schedule.

Grant recipients will be responsible for meeting project milestones and delivering the project within the timeframes and terms of the agreement.

Project variations

Extensions of time to deliver funded projects, variations to the scope of funded projects or variations to the project budget within the awarded grant amount will be subject to the approval of the department.

Fund recipients will be responsible for funding and managing any cost overruns.

Payment of grants

We will pay the full grant amount up-front when we and the council/s have signed the funding agreement. GST will not be applicable to the funding amount.

Funding is to be used only for eligible project costs, in keeping with the terms and conditions of the agreement. If the recipient does not comply with the terms of the funding agreement, the recipient may have to repay monies to the department. Complying with the terms includes using the funding for eligible purposes, meeting project milestones and delivering project outputs.

Monitoring, reporting and evaluation

Grant recipients must:

- give regular project milestone reports and a final acquittal report through SmartyGrants at the completion of the project
- agree to participate in and give information for ongoing program evaluation and activities that appraise benefits.

The funding agreement will specify the agreed project milestones and the schedule for reporting.

Project responsibility

Grant recipients must acknowledge and agree that they are solely responsible for delivering and completing the project in keeping with the terms and conditions of the funding agreement. The grant recipient is still responsible even if a third party is involved (for example, consultants or partners).

Acknowledgement of funding

Grant recipients must acknowledge the grant in any public statements related to a project funded under the program.

We will give grant recipients a communication pack with approved key messages, branding, logos and multimedia to help promote the project and acknowledge the funding contribution.

Complaints procedure

Any complaints about a grant process must be made in writing.

If you have any questions about grant decisions for this program, please send them to regional.housing@dpe.nsw.gov.au.

If you do not agree with how we have handled your complaint, you may raise the issue with the NSW Ombudsman. The Ombudsman will not usually investigate a complaint unless you have already raised the matter directly with the relevant department. Visit the NSW Ombudsman at <https://www.ombo.nsw.gov.au>.

Privacy policy

The department must comply with the NSW *Privacy and Personal Information Protection Act 1988*. We collect the minimum personal information given voluntarily to allow us to contact the organisation and to assess the merits of an application.

Any information you give will be stored on a database that will only be accessed by authorised personnel and is subject to privacy restrictions. The information will only be used for the purpose for which it was collected. Applicants must ensure that people whose personal details are supplied in applications are aware that the department is receiving this information and how the department will use this information.

Appendix A – List of eligible councils

Table 3. Councils eligible for funding in round 2

Councils A to F	Councils G to N	Councils O to Z
Albury City	Gilgandra Shire	Oberon
Armidale Regional	Glen Innes Severn	Orange
Ballina	Goulburn Mulwaree	Parkes
Balranald Shire	Greater Hume	Port Macquarie–Hastings
Bathurst Regional	Griffith	Port Stephens
Bega Valley	Gunnedah	Queanbeyan–Palerang Regional
Bellingen	Gwydir Shire	Richmond Valley
Berrigan	Hay Shire	Shellharbour
Bland	Hilltops	Shoalhaven
Blayney	Inverell	Singleton
Bogan	Junee	Snowy Monaro Regional
Bourke	Kempsey	Snowy Valleys
Brewarrina	Kiama	Tamworth Regional
Broken Hill	Kyogle	Temora
Byron	Lachlan	Tenterfield
Cabonne	Lake Macquarie	Tweed
Carrathool Shire	Leeton	Upper Hunter
Central Coast	Lismore	Upper Lachlan Shire
Central Darling	Lithgow City	Uralla
Cessnock	Liverpool Plains	Wagga Wagga
Clarence Valley	Lockhart	Walcha
Cobar	Maitland	Walgett
Coffs Harbour	Mid-Coast	Warren
Coolamon	Mid-Western Regional	Warrumbungle
Coonamble	Moree Plains	Weddin
Cootamundra-Gundagai Regional	Murray River	Wentworth
Cowra	Murrumbidgee	Wingecarribee
Dubbo Regional	Muswellbrook	Wollongong
Dungog	Nambucca Valley	Yass Valley
Edward River	Narrabri	
Eurobodalla	Narrandera	
Federation	Narromine	
Forbes	Newcastle	