

## Accelerated Infrastructure Fund Round 3

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This document answers frequently asked questions about the extension of the Accelerated Infrastructure Fund to invest \$300 million to help applicants deliver critical home-enabling infrastructure projects.

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### What is the Accelerated Infrastructure Fund?

The Accelerated Infrastructure Fund (AIF) is a grant funding program established in 2020 to support delivery of local infrastructure to high-growth local government areas.

Since April 2020, the AIF has completed two funding rounds which included 38 projects to support the development of more than 100,000 homes, 685 hectares of employment land and more than 3,220 jobs.

### What is the Accelerated Infrastructure Fund Round 3?

An extension of the AIF program into a third, \$300 million round of funding was announced as part of the \$2.8 billion housing package within the 2022-2023 NSW Budget. It aims to build on the success of the first two rounds and support the delivery of local infrastructure in high-growth greenfield and brownfield areas of Metropolitan NSW and, for the first time, Regional NSW. The \$300 million funding will be split to allocate up to \$180 million to metropolitan projects and up to \$120 million for regional projects. The funding will be available for councils, state agencies and utilities to deliver roads, stormwater, electricity infrastructure, sewers and public open space projects to enable and support the construction of new homes and development of employment land.

### What are the program objectives for Accelerated Infrastructure Fund Round 3?

The objectives of the third round of the Accelerated Infrastructure Fund (AIF) are to:

1. Support housing supply in both Metropolitan and Regional NSW
2. All projects to commence construction within 2 years to accelerate housing delivery
3. Partner with councils and agencies to co-fund an expanded and accelerated infrastructure program
4. Deliver critical enabling infrastructure projects that will create new serviced development land
5. Deliver local development infrastructure projects that can accelerate housing supply and construction activity
6. Deliver social infrastructure that supports emerging populations and responds to current service shortfalls

### Who is eligible to apply for AIF funding?

The selected 18 metropolitan and 23 regional councils and the state agencies in the lists below are eligible to apply for AIF funding.

| Area                | Councils A to L   | Councils to M to Z   |
|---------------------|---|--|
| <b>Metropolitan</b> | <ul style="list-style-type: none"> <li>• Bayside Council</li> <li>• Blacktown City Council</li> <li>• Camden Council</li> <li>• Campbelltown City Council</li> <li>• Canterbury–Bankstown Council</li> <li>• Central Coast Council</li> <li>• Cumberland City Council</li> <li>• Fairfield City Council</li> <li>• The Hills Shire Council</li> <li>• Liverpool City Council</li> </ul>   | <ul style="list-style-type: none"> <li>• City of Newcastle Council</li> <li>• City of Parramatta Council</li> <li>• Penrith City Council</li> <li>• City of Ryde Council</li> <li>• City of Sydney Council</li> <li>• Sutherland Shire Council</li> <li>• Wollondilly Shire Council</li> <li>• Wollongong City Council</li> </ul>  |
| <b>Regional NSW</b> | <ul style="list-style-type: none"> <li>• Albury City Council</li> <li>• Ballina Shire Council</li> <li>• Bathurst Regional Council</li> <li>• Byron Shire Council</li> <li>• Cessnock City Council</li> <li>• Coffs Harbour City Council</li> <li>• Dubbo Regional Council</li> <li>• Eurobodalla Shire Council</li> <li>• Goulburn-Mulwaree Council</li> <li>• Kiama Council</li> <li>• Lake Macquarie City Council</li> </ul> | <ul style="list-style-type: none"> <li>• Maitland City Council</li> <li>• Mid-Coast Council</li> <li>• Orange City Council</li> <li>• Port Macquarie–Hastings Council</li> <li>• Port Stephens Council</li> <li>• Queanbeyan–Palerang Regional Council</li> <li>• Shellharbour City Council</li> <li>• Shoalhaven City Council</li> <li>• Tamworth Regional Council</li> <li>• Tweed Shire Council</li> <li>• Wagga Wagga City Council</li> <li>• Wingecarribee Shire Council</li> </ul> |

| Delivery agencies | Public utility providers   |
|-------------------|--|
| Transport for NSW | NSW state-owned corporations providing potable water (drinking water), wastewater (sewer), electricity |

### How are the eligible applicants selected?

Applicant eligibility has been determined based on a review of growth by LGA in the recently released 2022 NSW population projections. AIF3 focusses on the areas undergoing the highest growth across Metropolitan and Regional NSW.

### What are the type of projects eligible for AIF funding?

The AIF funding will be available for critical enabling infrastructure projects in water, sewer and electrical categories. It will also fund development infrastructure projects like roads, public and active transport, stormwater and drainage; and social infrastructure including open space projects and community facilities.

To be eligible for funding under AIF 3, the projects must also meet the following mandatory criteria:

1. Project must deliver a piece of infrastructure
2. Project must demonstrate how it supports housing
3. Applicant must finance (co-fund) a minimum of 25% of the total project cost
4. Project construction must begin by 1 July 2025
5. Project infrastructure must be completed by 30 June 2026
6. Project sites must already be owned or committed for acquisition before provision of AIF funding
7. Project funding requests must fall within the range of \$0.5m - \$25m
8. Projects must have executive approval to be co-funded (letter provided) through the AIF 3 program

### How are the projects assessed and evaluated for funding under the AIF program?

The project assessment will be conducted in four stages starting with the eligibility review to ensure that the projects meet all the mandatory criteria. The projects will then be assessed through multi-criteria analysis to generate a shortlist of projects for further evaluation. The shortlist of projects will then be subject to two assessments - an independent technical assessment by a third-party consultant and a DPE strategic review panel. The feedback from these two assessments will be consolidated to generate a final list of selected projects and a reserve list to be approved by the Minister of Planning and the Minister of Homes.

### What is the role of the Independent Technical Review in the assessment of projects?

The independent third-party review will be focussed on verifying the technical details of the projects like the cost estimates, concepts and the design, risks and interdependencies, and the aspects of the project delivery and management. The consultant will critique the land and other valuations provided and check the project catchment areas and the numbers of houses benefitting from the project, as outlined in the nomination. The review will also consider the applicant's capacity to deliver the projects, the milestones and the proposed start and end dates for the milestones.

### What is the role of the Strategic Review panel in the assessment of the projects?

The Strategic Review panel will include representatives from Regional NSW and the Department of Planning and Environment. The review will consider the strategic alignment of the projects with the relevant planning documents and policies. It will also review how the project demonstrates it will support housing

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

### How can we apply to seek funding for eligible projects under the AIF program?

The eligible applicants can apply through an online project nomination portal called Smarty Grants available at the link below. The portal will guide the applicant through the various stages of application and provide the templates to support the nomination. It is recommended to develop the project plan first to guide the project nomination using the template provided at the engagement stage on the Department's website.

**Smartygrants portal:** <https://aif.smartygrants.com.au/round3>

### How will the Department measure performance for AIF3?

The success of AIF3 will be evaluated on the total housing growth benefits realised from the projects selected for investment. Applicants will need to estimate the level of housing supply the project will support over time. This is included in the project application form.

If the project is funded through AIF3, the applicant will then need to measure the actual level of housing supply supported over time after the project is completed. Applicants should include and budget for benefits realisation reporting within their application.

### What are the next steps after a project has been accepted to receive funding from AIF program?

Once the project has been selected and approved by the Minister, the AIF team will be in contact with the successful applicant to progress the next stages for execution of funding agreements and release of funds. The Department will issue the funding agreement for execution by the applicant, and it will be then signed by the appropriate Department representative. After the execution, the applicant will need to submit a tax invoice issued with the Department's details for payment.

### When will funding be available for successful projects?

The Department will collaborate with the successful applicants to execute the funding agreements as soon as possible following the Minister's approval of all AIF3 projects. This stage is expected to commence in January 2023. The sooner the agreement is executed, the sooner the applicant agency can receive funding to support the project.