

Department of Planning and Environment

# Guidelines for the Regional Housing Strategic Planning Fund

August 2022

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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 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

<b>Introduction.....</b>	<b>4</b>
Why regional housing needs strategic planning.....	4
Action on housing.....	5
<b>The grant program.....</b>	<b>6</b>
Aim.....	6
Objectives.....	6
Applicant eligibility.....	6
Project eligibility.....	7
Eligible project costs.....	9
<b>Application and assessment process.....</b>	<b>10</b>
How to apply.....	10
Process.....	10
Timeframes.....	11
Advice.....	11
<b>Assessment framework.....</b>	<b>12</b>
Assessment criteria.....	12
Contextual assessment.....	13
<b>Program management.....</b>	<b>14</b>
Project management.....	14
Approvals.....	14
Project milestones.....	14
Project variations.....	14
Payment of grants.....	14
Monitoring, reporting and evaluation.....	15
Project responsibility.....	15
Acknowledgement of funding.....	15
Complaints procedure.....	15
Privacy policy.....	16
<b>Appendix A – List of eligible councils.....</b>	<b>17</b>

# Introduction

The Regional Housing Strategic Planning Fund is available to support councils in planning for new housing. This includes delivering strategies, plans and studies that support housing supply, affordability, diversity, and resilience.

The fund is a competitive, application-based, \$12-million grants program that will operate over 4 financial years from July 2022. For round one, up to \$3 million in funding is available.

The NSW Department of Planning and Environment (the department) is administering the fund.

These guidelines set out:

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

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## Why regional housing needs strategic planning

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. To ensure that this happens, strategic planning is essential.

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 development pipeline. The development pipeline is the process of turning a plan on the page into development on the ground. This can take several years and includes releasing and rezoning land; detailed master planning; the funding, coordination, and delivery of infrastructure to support new housing; 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. It will also help councils increase the liveability, productivity, and wellbeing of the regions.

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## Action on housing

The NSW Government is working to improve housing supply, affordability and resilience. It has recently announced a whole-of-government 2022–23 Housing Package program that includes initiatives to address housing supply and affordability pressures across NSW. These initiatives will give more people in NSW the access and choice to afford a suitable home.

The Regional Housing Strategic Planning Fund is being launched as part of the 2022–23 Housing Package. The program responds to the findings and recommendations of the Regional Housing Taskforce, which the NSW Government mobilised in 2021. The taskforce investigated planning system barriers to housing supply and affordability in the regions.

One of the taskforce's recommendations was to bolster investment in up-front strategic planning and increase NSW Government support for regional councils. Councils need support to plan for and deliver housing that meets community needs and gives more certainty about where, when, and what types of homes will be built.

The department is implementing the Regional Housing Strategic Planning Fund to directly address these recommendations. We will do this by funding strategic planning projects that will support the delivery of homes and meet the needs of regional communities.

# The grant program

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## 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.

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## 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.
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## Applicant eligibility

All regional councils, meaning all NSW councils outside of the Greater Sydney region as identified in the Greater Sydney Region Plan, are eligible for funding (see Appendix A for the 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, but you must nominate a single organisation as the lead contact. If you make a joint application, it should include as an attachment a declaration signed by the participating councils. In the declaration, all the councils involved must agree to the project and the proposed project management and governance arrangements.

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Councils may also apply for funding for projects that will be delivered in partnership with other organisations if councils agree to be responsible for project delivery in accordance with the funding agreement.

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## 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 (LEP) amendments** that facilitate a significant housing or affordable housing opportunity, such as 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 LEP 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 (DCPs)
- **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, or
  - 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 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. In future rounds, we will consider any funding previously awarded and equitable distribution of funding during assessment.

## Project start date for round one

To be eligible for funding in round one, projects must begin by 31 January 2023. 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
- 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 participation agreement (Program Outline Plan) for the Regional Housing Fund
- or
- been included in a funding application for another NSW Government, Australian Government or another state or territory government funding program that is currently under consideration.



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## Eligible project costs

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

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 the department at [regional.housing@dpe.nsw.gov.au](mailto:regional.housing@dpe.nsw.gov.au).

# Application and assessment process

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## 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 5pm Friday 30 September 2022.

The department 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

The department will announce successful applications in December 2022.

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## Process

An independent panel will assess all applications against the program objectives and assessment criteria. The independent assessment panel will make recommendations to an interagency committee made up of NSW Government representatives for endorsement. The Minister for Planning and Homes will make the final decision to award the grant funding.

An independent probity advisor will oversee the program.

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## Round one timeframes

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

Activity	Date
Applications open	25 August 2022
Applications close	30 September 2022, 5pm
Independent panel assesses grant applications	by November 2022
Department announces successful applicants	by December 2022
Department issues funding agreements	by December 2022
Councils return signed funding agreements to department	20 January 2023
Department pays grant funding	When the department executes the funding agreement
Project must start	by 31 January 2023
Project must be completed	by 31 January 2024

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## Advice

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

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](mailto:service@smartygrants.com.au)
- telephone 03 9320 6888 (support desk hours are 9:00 am to 5:00 pm AEST, Mon to Fri)
- visit [www.help.smartygrants.com.au](http://www.help.smartygrants.com.au)

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

The department can give you information on how to interpret these guidelines, including the types of projects eligible for funding.

Please contact the team by email at [regional.housing@dpe.nsw.gov.au](mailto:regional.housing@dpe.nsw.gov.au).

# Assessment framework

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## Assessment criteria

The independent 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 aims and objectives.

### 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 such as Premier's Priorities, regional economic development strategies and transport and infrastructure plans and strategies.

### Project impact (30%)

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

- 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:

- is appropriately detailed in all sections
- defines the project aim, scope and outputs
- develops an outline of project tasks and milestones
- has achievable project milestones
- has enough background detail, evidence and supporting documentation
- gives a complete breakdown of costs, including attachments with relevant quotes
- demonstrates the capacity of the applicant/s to deliver the project, including in the timeframe identified
- has a developed risk management framework
- for joint applications, has developed governance arrangements.

## 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.

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## Contextual assessment

After assessing applications against all the criteria, the panel will evaluate them contextually before making recommendations. This assessment will consider:

- geographic and equitable spread of projects for each funding round
- (in future funding rounds) funding awarded previously
- (in future funding rounds) how well previous projects that received funding were delivered, and whether they met their objectives in keeping with the funding agreement.

# Program management

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## 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.

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## Approvals

Councils must get the necessary project approvals before applying for funding.

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## Project milestones

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

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

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## 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.

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## Payment of grants

The department will pay the full grant amount up-front when the department and the council/s have signed the funding agreement.

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.

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## 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.

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## 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).

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## Acknowledgement of funding

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

The department 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.

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## 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](mailto:regional.housing@dpe.nsw.gov.au).

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

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## Privacy policy

The department must comply with the *Privacy and Personal Information Protection Act 1988*. The department collects the minimum personal information you give voluntarily to allow it to contact an 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 with applications are aware that the department is receiving this information and how the department will use this information.



# Appendix A – List of eligible councils

- Albury City
- Armidale Regional
- Ballina
- Balranald Shire
- Bathurst Regional
- Bega Valley
- Bellingen
- Berrigan
- Bland
- Blayney
- Bogan
- Bourke
- Brewarrina
- Broken Hill
- Byron
- Cabonne
- Carrathool Shire
- Central Coast
- Central Darling
- Cessnock
- Clarence Valley
- Cobar
- Coffs Harbour
- Coolamon
- Coonamble
- Cootamundra-Gundagai Regional
- Cowra
- Dubbo Regional
- Dungog
- Edward River
- Eurobodalla
- Federation
- Forbes
- Gilgandra Shire
- Glen Innes Severn
- Goulburn Mulwaree
- Greater Hume
- Griffith
- Gunnedah
- Gwydir Shire
- Hay Shire
- Hilltops
- Inverell
- Junee
- Kempsey
- Kiama
- Kyogle
- Lachlan
- Lake Macquarie
- Leeton
- Lismore
- Lithgow City
- Liverpool Plains
- Lockhart
- Maitland
- Mid-Coast
- Mid-Western Regional
- Moree Plains
- Murray River
- Murrumbidgee
- Muswellbrook
- Nambucca Valley
- Narrabri
- Narrandera
- Narromine
- Newcastle
- Oberon
- Orange
- Parkes
- Port Macquarie-Hastings
- Port Stephens
- Queanbeyan-Palerang Regional
- Richmond Valley
- Shellharbour
- Shoalhaven
- Singleton
- Snowy Monaro Regional
- Snowy Valleys
- Tamworth Regional

- Temora
- Tenterfield
- Tweed
- Upper Hunter
- Upper Lachlan Shire
- Uralla
- Wagga Wagga
- Walcha
- Walgett
- Warren
- Warrumbungle
- Weddin
- Wentworth
- Wingecarribee
- Wollongong
- Yass Valley