

Department of Planning, Housing and Infrastructure

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Guidelines for the Regional Housing Strategic Planning Fund Round 3

October 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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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 helps 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 3, which is open from October 2024 to November 2024. The NSW Department of Planning, Housing and Infrastructure 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.

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 climate 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 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

¹ An additional \$1 million was provided by the Department in round 1 to make up to \$4 million in funding available. There is \$6 million in grant funding remaining.

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.

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 Greater Sydney, including 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. The Department encourages 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 and meet the assessment criteria.

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. Failure to adequately demonstrate this may lead to the assessment panel deciding that while an applicant should receive funding, it may only be a portion of what the applicant has requested.

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 panel 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.

If an applicant has previously received funding, the panel will consider whether the funded project met specified timeframes, budget and scope requirements, and whether any project delays from previous rounds will affect the delivery of a project applied for in this round.

Project start date for round 3

To be eligible for funding in round 3, projects must begin by 10 June 2025. The funding agreement will identify the activities that will denote the formal start of the project. Projects must be completed within 12 months of 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 3. Funding of up to \$250,000 exclusive of GST is available for each project. The minimum grant amount is \$20,000 exclusive of 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 to support the project
- 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 program team 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 **12pm, Friday 22 November 2024**.

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:

- providing all information requested
- addressing all eligibility and assessment criteria
- providing all necessary attachments and evidence to support the application, such as quotes for any consultant work, detail and costings of expected staff activities and hours towards the project, and relevant strategies or frameworks that the project aligns with.

Applications that do not provide all relevant information will be deemed ineligible.

We will announce successful applications by April 2025.

Assessment process

The Department 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 any other source the Department deems appropriate to ensure the information given is accurate and complete.

The Department will also provide written advice to the assessment panel on the proposed projects' strategic alignment and impact, as well as information on population growth forecasts and housing targets 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, with experience in grant programs, strategic planning, and governance and risk management, and a Departmental subject matter expert such as the Director, Regional Strategic Planning, 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, Housing and Infrastructure
- the Department of Primary Industries and Regional Development
- NSW Treasury.

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

Round 3 timeframes

Table 1. Timetable for the Regional Housing Strategic Planning Fund (round 3)

Activity	Date
Applications open	3 October 2024
Applications close	12pm, 22 November 2024
Independent panel and interagency assessment	by March 2025
Department announces successful applicants	by April 2025
Department issues funding agreements	by April 2025
Councils return signed funding agreements to Department	by 28 April 2025
Department pays grant funding	by 6 June 2025
Projects must start	10 June 2025 upon receipt of funding
Projects must be completed	by 10 June 2026

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 9:00am to 5:00pm AEDT, 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 program 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
 - 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%

Subcriteria	Detail	Weighting
Governance and risk management	<p>The panel will consider whether the application:</p> <ul style="list-style-type: none"> • has appropriate governance and a 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 that have not already received funding under the program may be prioritised by the assessment panel. The panel will also consider how well previously funded projects met specified timeframes, budget and scoping requirements, and whether any project delays from previous rounds will affect the delivery of a project applied for in this round.

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 obtain any necessary project approvals to authorise the application before applying for funding.

Project milestones

Grant recipients must supply a project plan as part of their application 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 funding agreement.

The planned delivery of milestones should be realistic and within the applicant's capacity. For example, if applicants anticipate resourcing issues that may impact project delivery, then a draft housing strategy may be the final project deliverable rather than a final strategy that is adopted by the elected council.

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.

Councils must complete a variation request after discussion with the Grants and Delivery team, who will take the request to a Departmental executive committee for review and decision.

Fund recipients will be responsible for funding and managing any cost overruns to deliver the project and comply with the funding agreement.

Payment of grants

The Department 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 funding 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:

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

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

Reporting to the Department on projects, including during regular project meetings between the Department and councils, is the sole responsibility of councils as grant recipients and not any consultants they may engage to help deliver the project.

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 and the Department 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.

The Department may be required by law to disclose information provided by an applicant, including but not limited to under the *Government Information (Public Access) Act 2009 (NSW)*

or in response to a request by a House or a Committee of the Parliament of New South Wales or the Commonwealth of Australia.

Appendix A: List of eligible councils

Table 3. Councils eligible for funding in round 3

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	