



Department of Regional NSW

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Growing Regional Economies Fund

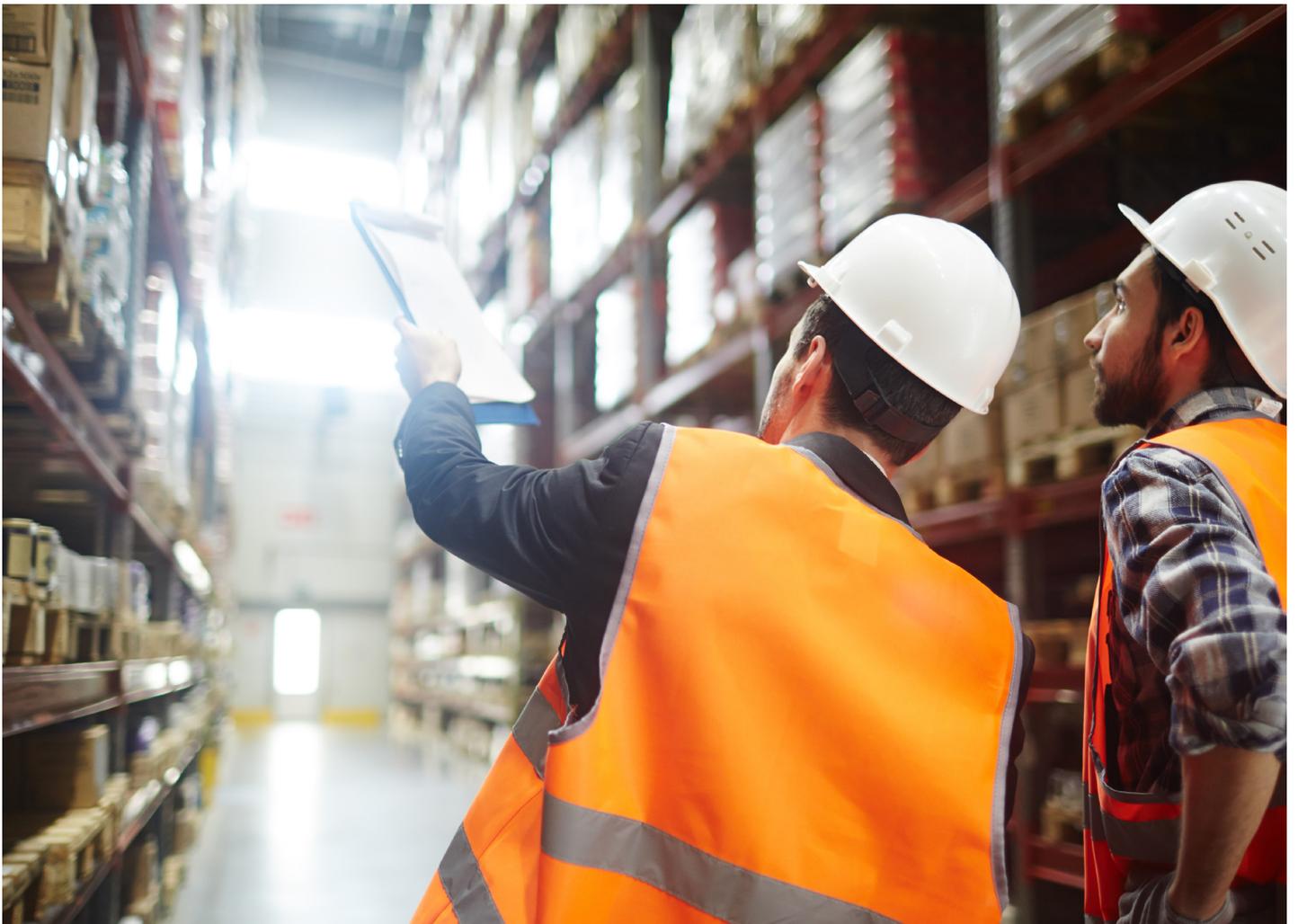
Program Guidelines



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Message from the Deputy Premier



Our regional NSW communities are growing and changing faster than ever before, and these changes are creating exciting opportunities for new infrastructure investment to improve our state's growth now and into the future.

To help bring these opportunities to life, the NSW Government is launching the Growing Regional Economies Fund, which follows the success of two previous funds, Growing Local Economies under the Restart NSW Fund and the Business Case and Strategy Development Fund.

The \$175 million Growing Regional Economies Fund is part of the \$3.3 billion Regional Growth Fund, which shows the NSW Government's ongoing commitment to supporting our regions in practical and effective ways, to deliver economic growth and productivity across the state.

From key access roads and bridges to airport upgrades and research facilities – this fund will deliver major projects that make a difference to towns, cities and regions. The fund will also focus on building enabling infrastructure to drive the development of new housing projects so we can meet the growing needs created by growth in regional employment and economic activity.

Our aim is to help regional NSW communities deliver infrastructure initiatives that will have a positive and lasting impact by providing ongoing regional growth. We hope this fund will give much needed support to our regions and ensure regional NSW remains a great place to live, work, play and invest.

We want to work with you to make the most of the incredible investment the NSW Government is making in regional NSW. Together we can help develop plans for infrastructure that will shape and grow our resilient local communities.

I encourage all potential applicants from our regions to see if the Growing Regional Economies Fund could help you.

A handwritten signature in black ink that reads "Paul Toole". The signature is written in a cursive, flowing style.

The Hon. Paul Toole MP
Deputy Premier
Minister for Regional NSW,
Minister for Police

Overview

The \$175 million Growing Regional Economies Fund is part of the NSW Government's \$3.3 billion Regional Growth Fund and is designed to increase economic activity in regional NSW.

The Growing Regional Economies Fund will facilitate the delivery of the NSW Government's 20-year Economic Vision for Regional NSW by co-funding transformational projects that enable economic growth and prosperity in regional communities.

The Growing Regional Economies Fund will support projects that can demonstrate alignment with the Regional Economic Development Strategies and display potential to increase investment and economic activity within regional NSW's Functional Economic Regions.



Objectives

The key objectives of the Growing Regional Economies Fund are to:

- accelerate economic development and prosperity in regional NSW
- increase the appeal of investing in regional NSW
- support investment in major transformational projects that increase employment opportunities in regional areas
- ensure that regional communities have the infrastructure and services required for sustainable growth.



Timeline

Expressions of Interest open

8 February 2023

Expressions of Interest close

5pm AEDT, 23 May 2023

Invitations for Detailed Applications

11 July 2023

Detailed Applications close

17 October 2023

Notifications and announcements

Successful applicants will be notified confidentially from January 2024 or as soon as possible after a grant is approved, at the NSW Government's discretion.

Contracting

Contracting may commence once the successful applicant has signed and returned their Letter of Offer and Confidentiality Agreement

Project completion

Projects must be completed by 30 June 2026



Project types

Examples of eligible projects include:

- enabling infrastructure such as roads, bridges and services to develop investment precincts and housing that can be linked to economic growth and employment
- education, research and development facilities to drive innovation in engine industries
- airport upgrades and expansions
- enabling infrastructure that will support increased investment, land activation and employment opportunities.

Applications can include final planning and approvals such as detailed design or technical studies that are required to deliver the infrastructure. Funding for this component of the project can be up to a maximum of \$500,000, must be directly linked to the infrastructure project, must be completed within 6 months of being notified and the delivery of the infrastructure should not be dependent on the outcome of the final planning work.

Focus area

A focus area of the Growing Regional Economies Fund is to build enabling infrastructure that will support investment in regional housing projects to meet demand generated by growth in employment and economic activity.

Housing projects that are designed to meet short-to-medium term demand are eligible where the project can demonstrate it will deliver a long-term benefit for the community, such as utilising the enabling infrastructure to convert the development into permanent and affordable housing after the short-to-medium term demand is met.

Housing projects that are designed to meet the needs of natural population growth are not a focus of the Growing Regional Economies Fund.

Strategic alignment

The objectives of the Growing Regional Economies Fund are aligned with the NSW Government's 20-year Economic Vision for Regional NSW. The fund provides pathways for projects and investment opportunities that will drive economic growth in regional NSW.

Projects that demonstrate a strong alignment with the relevant Regional Economic Development Strategy and support the growth of engine or emerging industries identified within their Functional Economic Region will be preferred.

Regional significance

Projects that can demonstrate they are regionally significant by delivering benefits to two or more Local Government Areas (LGAs) will be preferred, and collaboration between stakeholders within a Functional Economic Region is strongly encouraged.

Accessibility and inclusion

The NSW Government is committed to helping regional communities to future-proof infrastructure by funding projects that enable people with disability and accessibility requirements to function independently and with equity and dignity.

Applicants are encouraged to consider accessibility and inclusion as part of their project design to ensure it accommodates a wide range of needs and can be used efficiently and comfortably by everyone.

Grant amounts



Applications for funding can be for a minimum of \$2 million up to a maximum of \$30 million.

Co-contributions

Applications are required to have a financial co-contribution of at least 25 per cent of the total grant amount.

Co-contributions must be cash and cannot be made in-kind, and evidence of the cash co-contributions must be provided as part of the application.

Co-contributions towards projects cannot be made using funding received from the NSW Government.

Applicants can indicate that there are extenuating circumstances preventing them from making the required co-contribution, including if the project is dependent on co-contributions that have not yet been secured and these factors will be considered by the Assessment Panel.

Projects that maximise the co-contribution from the applicant, the Australian Government and/or the private sector will be preferred.





Eligibility Criteria



All applications will be assessed for eligibility and only eligible applications will be considered for funding. A maximum of one application can be submitted per applicant and must only include one project.

Applicants

Eligible applicants are:

- local councils
- Lord Howe Island Board (in its capacity as a service provider for an eligible location not covered by a local government entity)
- RDA Far West (in its capacity as a service provider for an eligible location not covered by a local government entity)
- joint organisations of councils, or regional organisations of councils
- Australian universities
- Local Aboriginal Land Councils.

Applicants must provide evidence that they are an incorporated entity by providing either an Australian Business Number (ABN) or an Australian Company Number (ACN). Eligible organisations that are unincorporated must provide evidence that they are registered with NSW Fair Trading under the Associations Incorporation Act 2009 or another Act.

Applicants must be financially viable and have at least \$20 million public liability insurance or be willing to secure the insurance before entering into a Funding Deed if the application is successful.

Eligible applicants are encouraged to work with private businesses and organisations to identify potential partnerships.

Public/private partnerships are eligible to apply where the lead applicant is an eligible entity and where clear public benefit can be demonstrated. If successful, the lead applicant will be solely responsible for the delivery of the project and must be willing to adhere to the terms and conditions outlined in the Funding Deed.

Projects that are developed and delivered in partnership with a NSW Government agency are eligible where the lead applicant meets all necessary eligibility requirements.

Project locations

Projects must be located in one or more of the 93 regional NSW LGAs, in the Unincorporated Far West region, or on Lord Howe Island. Projects located in the Greater Sydney metropolitan area, and the Newcastle and Wollongong LGAs are ineligible for funding.

A full list of the eligible LGAs and project locations can be found in the frequently asked questions section of the [Growing Regional Economies Fund webpage](#).

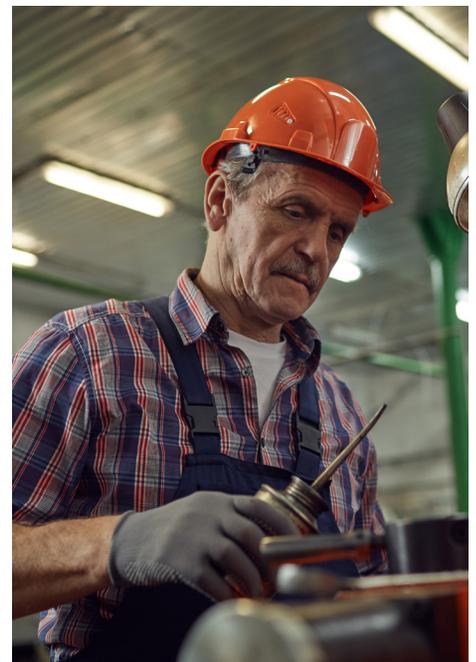
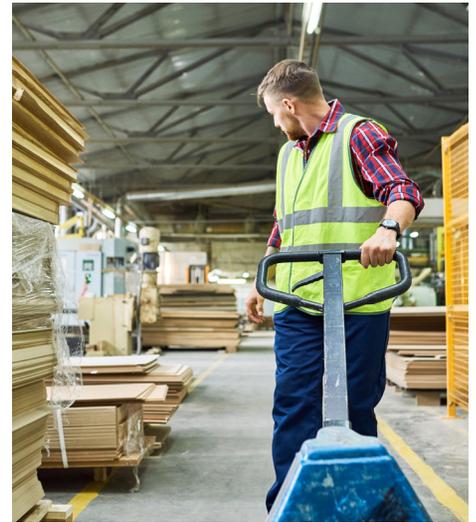
Applicants can submit a joint application and projects can be located in multiple eligible LGAs, but a lead applicant will need to be nominated. If the application is successful, the lead applicant will enter into the Funding Deed and will be responsible for delivering the project.

Projects can be located on publicly owned land or on private land where there is a clear public benefit. If the applicant is not the owner of the land where the project will be located, landowner's consent and access agreements will be required as part of the application.

Ineligible project types and costs

Project types and costs that are not eligible for funding include:

- costs that would be considered business-as-usual activities and operations
- projects or activities already funded or expecting to receive NSW Government funding, with the exception of new stages of a previously funded project or activity
- marketing, advertising, or product promotion including signage
- costs associated with recruiting employees, staff development and training
- activities, equipment or supplies that are already being supported through other sources
- financing costs, including interest and debt financing
- costs involved in the purchase or hire of software (including user licenses) and ICT equipment, with the exception of equipment and software specifically related to the project and essential to its success
- costs such as rent and utilities unless specifically related to the project
- insurance costs (applicants must hold and maintain adequate insurance coverage for any liability arising from their participation in funded activities)
- depreciation of plant and equipment beyond the life of the project
- opportunity costs relating to allocating resources to the agreed grant project
- projects that require ongoing grant funding from the NSW or Australian government
- projects that are likely to proceed without any NSW Government financial assistance
- buying or upgrading equipment that is not fixed to a particular site, with the exception of equipment specifically related to the project and essential to its success
- retrospective funding to cover any project component that is already complete before funding is announced.



How to apply

Applications must be submitted online through the [SmartyGrants portal](#). Applications will be assessed through a two-stage process.

Stage 1: Expressions of Interest

Applicants must submit an Expression of Interest that demonstrates the project's eligibility and outlines how it aligns with one or more of the Growing Regional Economies Fund's objectives.

To demonstrate the eligibility of a project, applicants will be required to submit a completed Expression of Interest form that includes:

- evidence that the applicant is an eligible entity
- evidence that the project will be in an eligible location
- evidence that the project is an eligible project type
- confirmation that the project will be delivered by 30 June 2026
- confirmation of the applicant's co-contribution towards the project, or an indication that there are extenuating circumstances preventing them from making the required co-contribution
- evidence of at least \$20 million in public liability insurance, or a commitment that the applicant is willing to secure at least \$20 million in public liability insurance if successful.

To demonstrate the project's alignment with the objectives of the Growing Regional Economies Fund, applicants will be required to provide:

- a detailed response that outlines how the project will help to achieve one or more of the Growing Regional Economies Fund's objectives.

Expressions of Interest that are assessed as eligible and demonstrating alignment with one or more of the Growing Regional Economies Fund's objectives will be invited to progress to Stage 2 and to submit a Detailed Application.

Stage 2: Detailed Applications

Detailed Applications will only be accepted and considered after the Expression of Interest has been assessed and the Department of Regional NSW has directly invited the applicant to progress to Stage 2.

Detailed Applications will be required to provide a completed application form that includes:

- a completed business case using the [NSW Government regional infrastructure project template](#)
- a completed data sheet (template to be provided) that will require information such as the forecast economic impact and employment outcomes following completion of the project
- a detailed project plan that outlines the project delivery timeline
- a detailed project budget and cost estimates
- evidence of experience delivering projects of similar size and scope, or demonstrated capability to deliver the project
- evidence that the project is ready to be delivered, including the status of development applications (if applicable), landowner's consent and construction approvals where required
- letters of support for the project.

Applicants at the Expression of Interest stage that indicated there are extenuating circumstances preventing them from making the required co-contribution will be required to provide further evidence as part of their Detailed Application.

The assessment process is competitive and applications with insufficient detail will be disadvantaged during the assessment process. Applicants should ensure they provide as much relevant information as possible with their application.

Assessment criteria



Detailed Applications that are submitted in Stage 2 of the process will be assessed against the following merit-based assessment criteria.

Criteria 1: Strategic alignment

Applications must demonstrate how:

- the project is aligned with the relevant Regional Economic Development Strategy and/or other NSW Government strategies and plans
- the project is of regional significance and has the potential to deliver benefits to two or more LGAs
- the project is strategically aligned with the needs of the local community and is supported by key stakeholders as demonstrated through letters of support.

Weighting: 35 per cent

Criteria 2: Economic outcomes

Applications must demonstrate how:

- the project supports the growth of engine or emerging industries identified within the relevant Functional Economic Region
- the project has the potential to support investment from the private sector that will lead to economic growth and development
- the project has the potential to contribute towards job creation over a 5-year period following completion.

Applicants are required to submit a data sheet to allow the Assessment Panel to evaluate the benefit to cost ratio for the project. Projects that are assessed as having a benefit to cost ratio greater than 1.0 will be preferred, however, it is not a requirement of the funding.

Weighting: 35 per cent

Criteria 3: Deliverability and affordability

Applicants will need to demonstrate that the project is financially viable and deliverable by providing:

- a detailed project budget and cost estimates, including: all margins and overheads; project management costs; and an appropriate amount of contingency for the project
- a detailed operating model including any ongoing governance arrangements for the infrastructure such as access agreements
- estimated maintenance costs and evidence that the asset owner has the capability and resources to meet these costs over the life of the asset.

Applicants may include up to 25 per cent of the total project cost for contingency and up to 10 per cent of the total project cost for project management and administration.

Applicants will need to demonstrate that they have the capacity and capability to deliver the project by providing:

- previous project management experience and the credentials of key personnel
- a detailed and realistic project management plan, including a risk assessment
- confirmation that all appropriate approvals are in place such as development applications, landowners' consent and environmental approvals, or confirmation that they can be secured within 6 months of being notified of the outcome.

Applicants that indicate there are extenuating circumstances preventing them from making the required co-contribution will be required to provide evidence to be assessed as part of the Deliverability and Affordability criteria. Evidence can include financial plans and delivery programs to outline the current position of the applicant and an explanation as to any external factors that are preventing the required co-contribution.

Weighting: 15 per cent

Criteria 4: Community impact

Applicants will need to demonstrate that the project contributes to the social and economic advancement of the community by providing:

- a project design that considers the impact on the environment and sustainability
- a project design that goes above and beyond the baseline compliance standards for accessibility and inclusion
- opportunities for disadvantaged members of the community to participate and benefit as an outcome of the project during construction and operation.

Housing projects that are designed to meet short-to-medium term demand will be required to demonstrate that the project will create a positive legacy and will be a long-term asset for the local community.

Weighting: 15 per cent

Available support

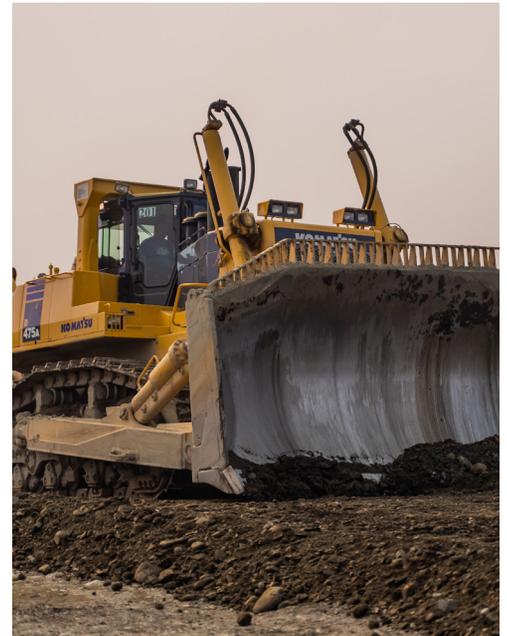
To help applicants prepare their application, additional information and resources will be available on the [Growing Regional Economies Fund webpage](#), including templates and frequently asked questions.

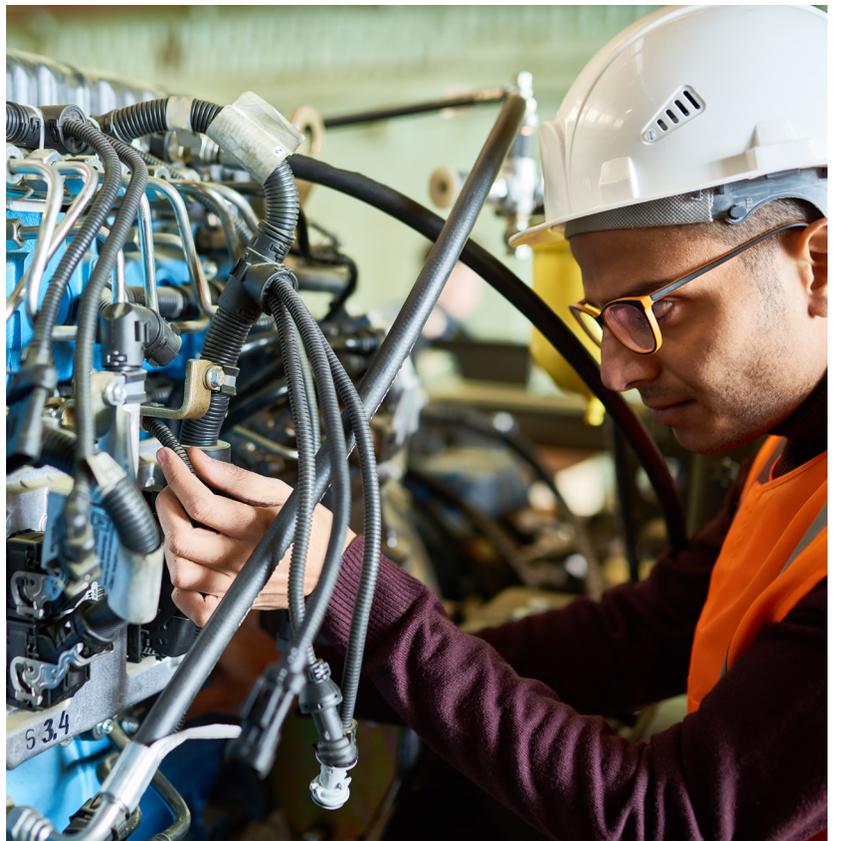
An online information session will be held shortly after the Expressions of Interest period opens. The information session will cover the program guidelines in detail and allow participants to ask questions.

Applicants are encouraged to consult with representatives from their local Regional Development Team within the Department of Regional NSW, who can provide support during the Expression of Interest and Detailed Application process. Please contact regionalnsw.business@regional.nsw.gov.au or call 1300 679 673 for a referral to your Regional Development team.

Please check with the Department of Regional NSW prior to submitting if you are unclear about any part of the application.

Applicants are encouraged to seek advice from their legal, business and financial advisors to determine the suitability of the funding before applying.





Assessment process



The Department of Regional NSW will coordinate the assessment process.

An Assessment Panel will be convened to consider Expressions of Interest received through Stage 1 of the application process and to determine the projects that will be invited to submit a Detailed Application in Stage 2.

The Assessment Panel will be reconvened to consider the Detailed Applications received through Stage 2 of the application process and to determine the suitability of each project for funding.

The Assessment Panel may recommend partial funding for projects if there is insufficient funding available for the whole project, or where only a component of the project is considered suitable and eligible.

The Assessment Panel may recommend funding for projects that do not have the required co-contribution based on extenuating circumstances outlined by the applicant.

The Assessment Panel may recommend projects for conditional approval if the project is assessed as suitable, but it is dependent on other factors that are yet to be confirmed, such as co-contributions that are in the process of being secured. The conditional approval period will be limited to 6 months from the date of notification.

Broader factors that may be considered during the assessment process include the following:

- total amount of funding available
- importance of a project to the local economy and community
- geographical distribution of projects across regional NSW
- suitability of a project for other government funding opportunities
- alignment with existing NSW Government policies and strategies.

During the assessment process, the Department of Regional NSW may ask applicants to provide additional information to assist in the assessment process. Advice may be sought from other NSW Government agencies or other sources to assist in the assessment of projects. Confidentiality will be maintained throughout the process.

The Department of Regional NSW, at its sole discretion, can take other factors into account that may make an application ineligible for funding, such as any person, business or organisation that could cause reputational or other risk to the NSW Government.

All projects may be referred to other NSW or Australian Government funding programs for consideration.

Decision making

The Department of Regional NSW will provide the Assessment Panel's advice and recommendations to the Deputy Premier for consideration and final approval.

Probity advice

Independent probity advisors will provide guidance and advice to the Department of Regional NSW and the Assessment Panel throughout the application, assessment, and decision-making process. This will ensure decisions are made with integrity, fairness and accountability, while delivering value for money for NSW.

Successful Applicants



Notification

Successful applicants will be notified confidentially from January 2024 or as soon as possible after an application is approved, at the NSW Government's discretion. Applicants may be requested to keep the grant confidential for a period if an announcement is likely to be made by the NSW Government.

Funding Deed

Successful applicants will be required to enter into a Funding Deed with the NSW Government.

The NSW Government makes no binding funding commitment to an applicant unless and until both parties sign a Funding Deed.

The process to enter into a Funding Deed will require the successful applicant to provide a copy of all relevant insurances, project approvals (for example development approvals and/or landowner's consent) and other supporting documentation relevant to the project or as requested by the Department of Regional NSW.

Grants will be paid as set out in the Funding Deed. Timing and requirements will vary at NSW Government's discretion, depending on the scope and risk of the project.

For applicants registered for GST and where it is payable, successful applicants will be paid the approved grant amount plus 10 per cent by the Department of Regional NSW, with the exception of local councils as they are not eligible to claim GST. Where an applicant is not registered for GST, it is not payable on grant amounts. Applicants not registered for GST must incorporate any GST paid by them to third parties into their application.

Successful applicants will be required to submit project progress reports to the NSW Government as outlined in the Funding Deed. Examples of measures to be included in the report are the completion of project activities, the number of full-time equivalent positions created as a result of the project, construction jobs created through the delivery of the project, and employment outcomes for young people, Aboriginal communities and people with disability.



Unsuccessful Applicants

Unsuccessful applicants will be notified in writing of the outcome of their application and will be offered a feedback session.

Important terms and conditions

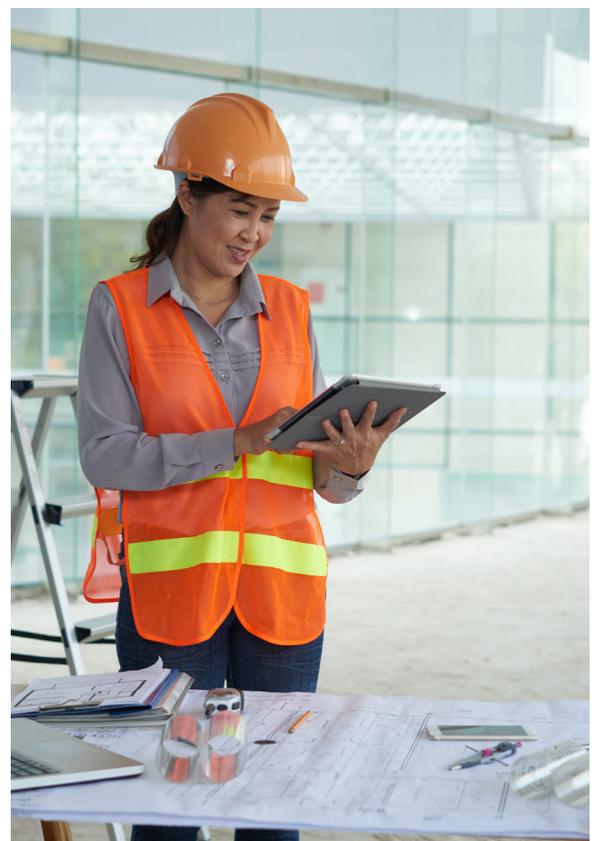
Applicants should note:

- the NSW Government may choose to publicly announce funding for individual applications, including the amount of funding and the expected jobs created. It may also use information provided in the application to develop case studies
- requests for variations or changes to the project will only be considered in limited circumstances
- successful applicants will be required to pay back unspent funds, or any funds not spent in accordance with the Funding Deed
- successful applicants will be required to participate in a program evaluation after the project has commenced. The evaluation will require applicants to provide evidence of how projects have resulted in measurable benefits consistent with the Growing Regional Economies Fund objectives, focusing on employment and benefits to regional economies and communities
- all recipients of NSW Government funding should acknowledge this financial support as per the requirements outlined at the [Sponsorship and Funding Acknowledgement webpage](#) and the terms outlined in the Funding Deed
- grants are assessable income for taxation purposes, unless exempted by taxation law.

It is recommended applicants seek independent professional advice about taxation obligations or seek assistance from the Australian Taxation Office.

The NSW Government does not provide advice on individual taxation circumstances.

The Department of Regional NSW reserves the right to undertake an audit of grant funding within seven years of the Funding Deed ending.



Complaints

Any concerns about the Growing Regional Economies Fund or individual applications should be submitted in writing to regionalnsw.business@regional.nsw.gov.au. If you do not agree with the way the Department of Regional NSW handled the issue, you may wish to contact the NSW Ombudsman via ombo.nsw.gov.au.

Government Information (Public Access) Act 2009 (NSW)

Applicants should be aware that information submitted in applications and all related correspondence, attachments and other documents may be made publicly available under the Government Information (Public Access) Act 2009 (NSW). Information that is deemed to be commercially sensitive will be withheld.

The Government Information (Public Access) Act 2009 (NSW) makes government information accessible to the public by:

- requiring government agencies to make certain sorts of information freely available
- encouraging government agencies to release as much other information as possible
- giving the public an enforceable right to make access applications for government information
- restricting access to information only when there is an overriding public interest against disclosure.

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The guidelines are subject to change at any time at the sole discretion of the Department of Regional NSW.

Department of Regional NSW

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