Smart Places Acceleration Program

Guideline

February 2022

Acknowledgement of Country

The NSW Government acknowledges and pays tribute to the unique cultural and spiritual relationship that Aboriginal communities have to the land and water known as New South Wales.

Disclaimer:

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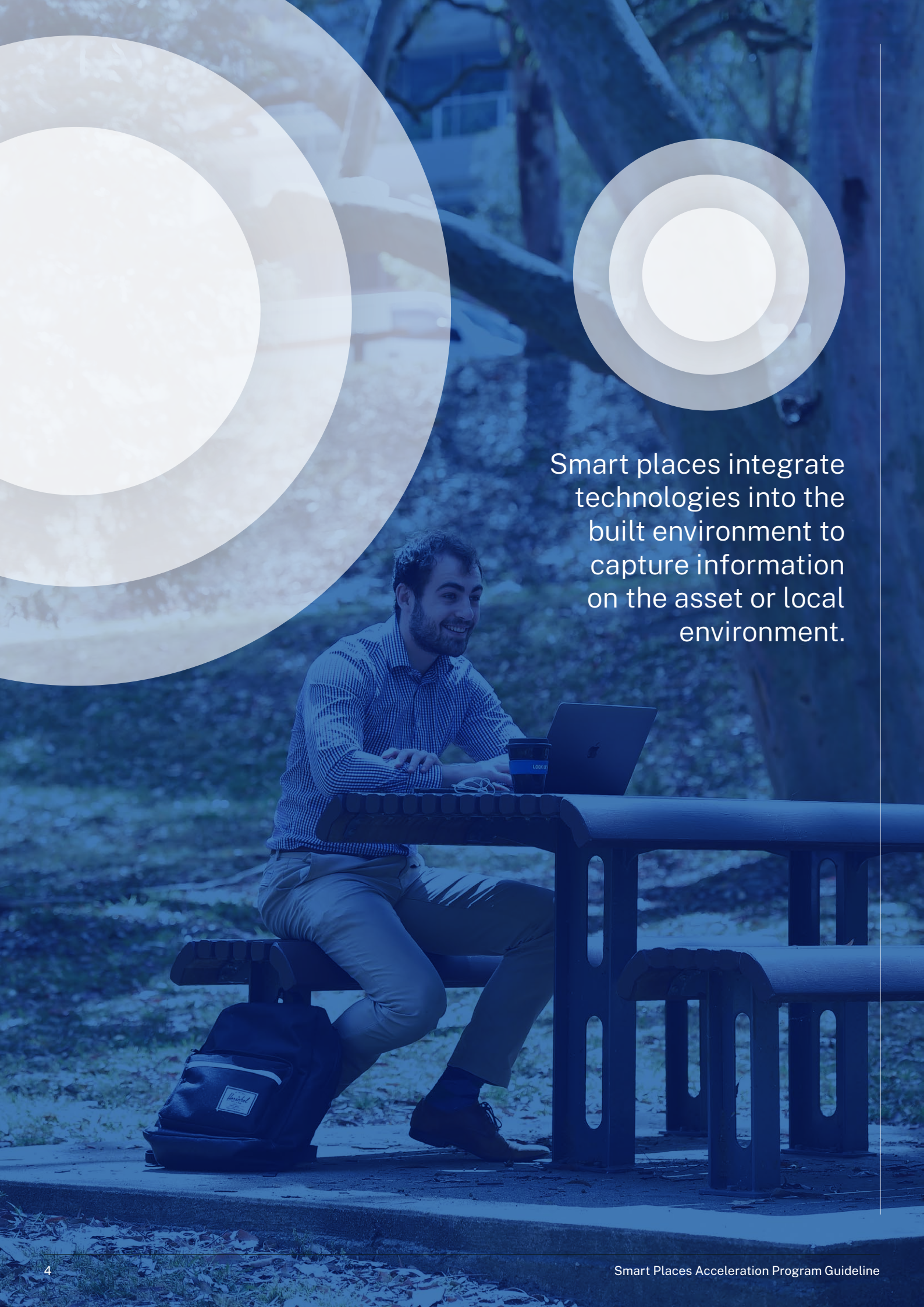
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Smart places integrate technologies into the built environment to capture information on the asset or local environment.

Introduction

The NSW Smart Places Acceleration Program will allow the NSW Government to partner with councils, government agencies, regional organisations and property owners across metropolitan and regional NSW to accelerate smart technologies and capabilities.

The program will:

- support economic and community recovery from the COVID-19 pandemic
- encourage partnerships with and co-investment from local councils and industry to deliver smart place initiatives
- support progress and implementation of the NSW Smart Places Strategy
- ensure NSW remains the leading state in implementing smart places initiatives.

Overview of the Smart Places Acceleration Program

Smart places integrate technologies into the built environment to capture information on the asset or local environment. Analysing this data helps communities and governments make better, evidence-based decisions about how to improve the productivity, liveability and resilience of cities, towns and communities.

The [NSW Smart Places Strategy](#) brings together the outcomes that the NSW Government seeks to achieve for metropolitan and regional infrastructure, the economy, land use and digital technology. The strategy will help the government improve the quality of life for communities across regional and metropolitan NSW.

As Action 8 of the Smart Places Strategy, the government has established the NSW Smart Places Acceleration Program with a $45-million reservation from the [Digital Restart Fund](#) over 3 years.

The purpose of the Smart Places Acceleration Program is for the NSW Government to partner with place owners to co-invest in smart place initiatives and solutions across metropolitan and regional NSW. The program will accelerate the adoption of smart technologies, Smart ICT and capabilities that can lead to better service delivery efficiencies and better customer outcomes across the state.

Place-owners may include NSW Government agencies, property owners, councils and regional organisations, who each play a significant role in developing and delivering these smart place initiatives.

The intention is that partnership models will drive smart place initiatives, where 2 or more partners will co-invest financially or contribute in-kind resources and share any project risks.

Investment categories for Smart Place initiatives

The Smart Places Acceleration Program will accelerate, embed and scale smart place deployments across the state. It will help realise outcomes from the Smart Places Strategy for the benefit of the NSW community.

The program seeks to deliver a range of smart place initiatives across 4 main investment categories:

- **Data innovation and value creation** – Increase data generation (including the use of IoT – Internet of Things – sensors[1]) and capture, share and use data across NSW and its communities

- **Capability development** – Establish programs or initiatives that increase smart place capability in the public sector

- **Communication of insights** — Increase sharing and communication of insights to improve customer outcomes (including the use of IoB – Internet of Behaviour[2])

- **Smart ICT[3]** – Smart places enabling technology and infrastructure that complements the proposal to drive innovation efforts and accelerate digital initiatives.

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1   Internet of Things - describes physical objects (or groups of such objects) with sensors, processing ability, software, and other technologies that connect and exchange data with other devices and systems over the Internet or other communications networks.
2   Internet of Behaviour - refers to the gathering of data (BI, Big Data, CDPs, etc.) that offers important information on client behaviours, interests, and preferences (IoB). From a behavioural psychology standpoint, the IoB tries to comprehend the data acquired from users' online activities.
3   Smart ICT - a holistic approach of ICT development, integration and implementation, where a range of emerging or innovative tools and techniques are used to maintain, improve or develop products, services or processes with the global objective to strengthen different societal, social, environmental and economic needs. It includes, through related interconnected ecosystems, advanced ICT such as Cloud Computing, Big Data and Analytics, Internet of Things, Artificial Intelligence, Robotic and new ways of gathering data, such as social media and crowdsourcing.

The funding reservation within the Digital Restart Fund can be accessed for digital, implementation and infrastructure components of smart place initiatives. This may include physical technology (devices and equipment), seed funding for hard infrastructure that enhances existing smart places solutions, or implementation costs to activate smart places initiatives eligible under Part 2, section 6 of the DRF Act.

Co-investment model

The Smart Places Acceleration Program follows a co-investment model. Any initiative put forward under the program must support the interests and overarching goals of both the state government and local council or place-owner partners, with the expected outcomes of the initiative benefitting all co-investment partners and the community.

To ensure broad accessibility and to make the submissions process fair, contributions can be both:

- **financial** – for example, acquiring equipment, implementation costs, services or people to deliver parts of the pilot

- **in-kind** – for example, providing access to assets (physical or digital), information, data, systems, or existing resources; and multiple partners can be engaged.

This reflects the different levels of financial, knowledge and delivery capability of potential co-investment partners.

To ensure compliance with Digital Restart Fund criteria and guidelines:

- a NSW Government agency must always be included in a proposal

- each proposal will need to be clear about what each partner is providing, the work they will do and who will own the assets developed (including any intellectual property) from then on.

Smart Places Advisory Council

The Smart Places Advisory Council was established to support implementation of the NSW Smart Places agenda by:

- providing insights to shape delivery of the Smart Places Strategy Action Plan

- helping to assess and appraise projects considered for funding as part of the Smart Places Acceleration Program

- advising the NSW Government, including the Minister for Customer Service.

Dr Ian Oppermann, NSW Chief Data Scientist and Adjunct Professor at the University of Technology, Sydney, chairs the Smart Places Advisory Council. The Smart Places Advisory Council includes representatives from industry, research and academia, local government and community or consumer advocacy organisations.
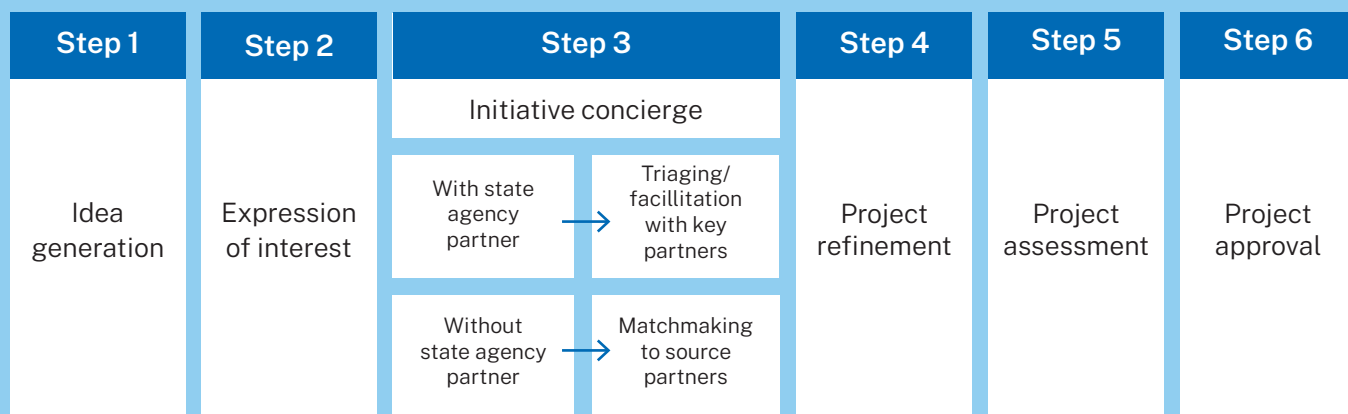
Process for the Smart Places Acceleration Program

The Smart Places Acceleration Program involves parties expressing an interest, strong collaboration led by the NSW Department of Planning and Environment's Smart Places Team, and an approval process that aligns with Digital Restart Fund processes.

Figure 1. Summary of the 6 main stages in the process

Step 1	Step 2	Step 3			Step 4	Step 5	Step 6
		Initiative concierge					
Idea generation	Expression of interest	With state agency partner	→	Triaging/ facillitation with key partners	Project refinement	Project assessment	Project approval
		Without state agency partner	→	Matchmaking to source partners			

There are no set deadlines and the intake of initiatives will occur on a rolling basis. There will be an expression of interest process for the intake of initiatives.

The department's Smart Places Team will take on a concierge role to help connect interested parties. This will ensure applicants follow the co-investment approach and that project ideas progress to suitable initiatives.

In consultation with all relevant parties, we will further refine suitable initiatives to clarify roles and responsibilities, finalise funding requirements, and help to develop a lean business case consistent with the Digital Restart Fund processes.

The department will assess qualified initiatives under the evaluation framework for the Smart Places Acceleration Program. We will take these initiatives on a regular basis to the Smart Places Advisory Council meetings, which will align to Digital Restart Fund assessment processes.

Projects that are not selected for funding may be selected for further development with support from program partners. This will build the pipeline of potential projects over the life of the program.

Applicants can lodge multiple expressions of interest so long as each is for a different initiative.

Where initiatives are part of an overall proposal, you should submit these as one expression of interest.

We will implement and manage successful projects according to the requirements set out under the Digital Restart Fund.

Evaluation framework for the Smart Places Acceleration Program

The department has developed an evaluation framework for the Smart Places Acceleration Program to assess eligible initiatives. We will determine the priority of eligible initiatives and apply a reason test. As part of this process, initiatives will need to demonstrate how they can meet and apply the foundational requirements outlined in the NSW Smart Places Strategy.

Eligibility requirements

To be eligible for the Smart Places Acceleration Program, your initiative must pass the eligibility criteria as outlined below:

Eligible Initiative

- Uses or enables use of digital and 'smart' technology in NSW

- Aligns with the NSW Smart Places Strategy

- Participates in delivering one or more of the following:

  – Data innovation and value creation — Increase data generation (including through IoT sensors) and capture, share and use data across NSW and its communities

  – Capability development programs — Establish projects and initiatives that increase smart place capability in the public sector

  – Communication of insights — Increase sharing and communication of insights to improve customer outcomes

  – Smart ICT — Smart places enabling infrastructure that complements the proposal to drive innovation efforts and accelerate digital initiatives.

- Participates in delivering one or more of the following:

  – Replicability – the possibility of applying the same solution/technology to achieve the same objective in a different place or geographical area

  – Interoperability – open and interoperable engineering architecture for smart city and framework to guide sustainable and scalable implementation and deployment

  – Data availability on NSW Government data platforms (for example, NSW Spatial Digital Twin, Data.NSW, Transport for NSW Open Data Hub)

  – Support for NSW Government foundational policy (for example, NSW IoT Policy, Smart Infrastructure Policy, Infrastructure Data Management Framework)

- Co-delivery partner/s must include at least one agency in the General Government sector as listed in NSW Budget Paper No. 1.

- Provided multi-year reservation (business case) or lean business case, including Chief Financial Officer (or delegate) sign-off on a commitment to project-level savings.

Ineligible Initiative

- Local government initiatives that do not align with the co-delivery or shared models outlined by the Smart Places Acceleration Program

- Business-as-usual and ongoing technology run costs

- Initiatives already funded fully by other sources, such as the Australian Government and existing agency capital allocations.

Expenditure of funds

Any expenditure of funds in a co-contribtuion arrangement will be subject to agreement on a project by project basis.

Funding received by state agencies under the Acceleration Program, like all NSW Government funding, is subject to the NSW Procurement Policy Framework and Direct Dealing Guidelines. While vendors with unique and innovative solutions are encouraged to work with state agencies to submit an expression of interest, vendors should be aware that the state agency partner may need to demonstrate that the proposed solution is unique and provides value for money in order to procure a solution directly, and may otherwise need to approach an open market to satisfy procurement requirements.

Applicants are encouraged to include information in their EOIs about the uniqueness of a solution, or evidence that it cannot be provided by other vendors in the market, to inform procurement processes if the application is successful.

State agency partners should seek advice about suitable procurement approaches for their project. For open market approaches, we encourage the use of outcomes-based specifications (such as a Request for Proposal) to cast a wide net for potential solutions that enables fair competition and innovation while protecting any intellectual property generated in early collaboration with vendors.

We also recommend, where possible, that procurement and design of solutions take place in multiple stages that include a period of trial and/or co-design before fully committing to a solution. This approach will increase the chances of a successful outcome and reduce the financial risk to both the agency and the vendor. In the case of trials or proof of concept, the expectation should be set with the market when releasing initial tender documents that solutions may be scaled up in the future or discontinued after a pilot or co-design stage.

The government uses procurement to support small and medium sized businesses, Aboriginal businesses, regional businesses, disability employment organisations and social enterprises. Under some circumstances, exemptions from the requirement to approach an open market apply for these types of businesses. These exemptions are listed in the NSW Procurement Policy Framework.

Priority of initiatives

The department has developed a process for ranking initiatives in the pipeline. We will assess initiatives against four key factors, which are linked to the Digital Restart Fund criteria.

For each factor, there is a range of prioritisation criteria, with each criterion resulting in a score. We will use these scores to calculate a total for each initiative and use these to assess the priority.

Strategic alignment (30%)	Desirability (30%)	Viability (20%)	Feasibility (20%)
• NSW Smart Places Strategy • Premier's Priorities • Triple bottom line benefits across productivity, sustainability and inclusivity • Sustrainability outcome/s align with one or more of the following: NSW Smart Place Strategy Environmental Quality Outcome, Net Zero Plan Stage 1: 2020- 30, NSW Circular Economic Policy • Statement (2019), or 20-Year Waste Strategy for NSW	• Solves a key place-based challenge or genuine citizen problem using novel solutions • Directly benefits communities in NSW, including positive effects for regional, disabled or Aboriginal communities	• Initiative involves government agency collaboration • Value of intended benefits, including financial benefits, jobs created and timing of value be realised • The project has multi-layered effects across productivity, sustainability and inclusivity • The project complies with Australian Smart Cities Standards Roadmap • The project contributes to or applies one or more of the smart place foundations	• Delivery risk and effect of not achieving funding requirements • Operational budget in place to ensure ongoing resourcing of initiative

Reason test

After the department assesses the priority of the initiative, we will sense-check the allocation by using questions and assessing the evidence available to answer them. This reason test is a quantitative and qualitative assessment of evidence. The evidence should be credible and quantify the risk or opportunity where possible.

The reason test is an assessment of the evidence given for an initiative and asks questions such as:

• Is the funding allocation distributed across each of the four investment categories?

• Is the funding allocation equitable on a geographic basis? This reflects government commitment to investing in regional NSW.

• Is there no other NSW Government funding to support the funding initiative?

• Is the initiative investment essential to unlock future smart place potential after 2023?

• Is the initiative accelerating a significant economic growth opportunity?

• Is the initiative significantly underspent (consider for future portfolio review allocation)?

• Does it align to the intent of the Digital Restart Fund Act (2020)?

Your smart place initiative

How to apply

Visit the website dpie.nsw.gov.au/smartplacesacceleration Read the information about the program to determine if you are eligible.

Read the Smart Places Acceleration Program guidelines to familiarise yourself with the requirements.

Complete and submit an expression of interest.

Advice for applicants

The department's Smart Places team can advise potential applicants about how to interpret these guidelines. This includes information about the types of initiatives that are eligible for funding and finding appropriate co-investment partners. Please email us at smartplaces@planning.nsw.gov.au

Complaints procedure

If you have a complaint about the process you must write to us. Send any questions about decisions for the NSW Smart Places Acceleration Program to smartplaces@planning.nsw.gov.au

If you do not agree with the way the Department of Planning and Environment has handled your complaint, you may contact the NSW Ombudsman. The Ombudsman will not usually look into a complaint unless the matter has first been raised directly with the relevant department. Visit the NSW Ombudsman at www.ombo.nsw.gov.au

Privacy policy

The NSW Department of Planning and Environment is required to comply with the Privacy and Personal Information Protection Act 1988. The department collects the minimum personal information you voluntarily provide to enable it to contact an organisation and to assess the merits of an application. Any information provided by you 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 being supplied with this information and how this information will be used.

Disclaimer

If you submit an expression of interest this does not guarantee funding. The applicant will bear the costs of preparing an expression of interest.