

Newcastle Mines Grouting Fund Grant Guidelines

1 March 2023



Newcastle Mines Grouting Fund

The Newcastle Mines Grouting initiative is designed to complement Government's wider city centre revitalisation program and helps mitigate risk associated with mine subsidence. It acts like an insurance policy that applies after the cost of grouting exceeds a certain threshold. This reduces uncertainty and risk associated with building in the city centre mine subsidence zone and encourages new multi-storey housing and commercial development.

In 2015 the NSW Government set up the Newcastle Mines Grouting Fund (the Fund) to address the issue of mine subsidence and its impact on property development in the Newcastle CBD.

NSW Government is funding this initiative and Hunter and Central Coast Development Corporation (HCCDC) is administering the Fund.

The Fund will help promote new investment by giving developers and investors financial certainty about the cost of mine remediation.

The Fund was reviewed in December 2022 and will be next reviewed by June 2026. The actual date of the review will be informed by how much of the Fund balance is drawn down over time.

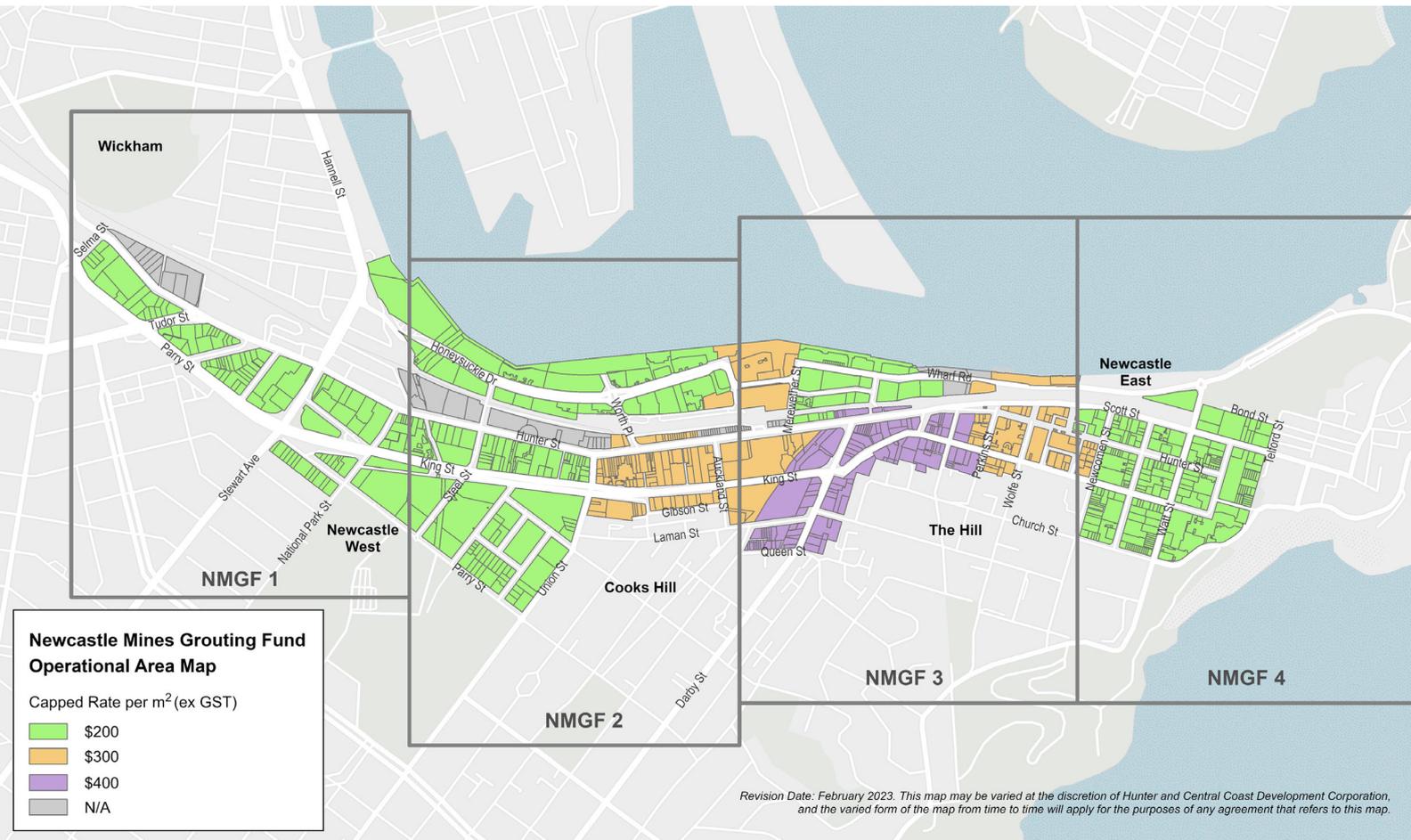
Purpose and objective

The objective of the Fund is to provide financial certainty to developers where there is a perceived risk in developing a site in a mine subsidence area. The Fund helps developers make an investment decision.

How the Fund works

Grant type	The Newcastle Mines Grouting Fund is a non-competitive, demand driven fund. Applicants that satisfy stated eligibility criteria are approved, up to the limit of the available funding.
Grant criteria	Eligible applicants must: <ul style="list-style-type: none"> • have a development that lies within the Newcastle Mines Grouting Fund Operational Area Map • have a development with works not yet commenced • provide a mine grouting plan approved by Subsidence Advisory NSW (SANSW) • provide a development consent for works • provide a delivery plan and timing of works • provide anticipated quantities of works • provide a schedule of prices • agree to Procurement Guidelines • agree to Funding Deed and Deed of Release.
Application outcome date	No fixed date, case by case basis.
Grant program value	\$11 million
Grant value	Grouting costs above the specified capped limit, paid upon completion of works.
Grant publishing	The details of your entry into the Fund will be published on www.nsw.gov.au/grants-and-funding within 45 days of entering the funding deed. This will include expected grant value and timing. Once the works are complete, the listing shall be updated to reflect actual grant value.
Monitoring and acquitting grants	The applicant shall agree to all terms under the funding deed. The grants administrator will complete surveillance during the works. Assessment of final claims and validation of works will be required to receive grant funding.
Review date	The Fund will next be reviewed by June 2026. The actual review date will be informed by the rate of draw down on the Fund.
Fund approver	Hunter and Central Coast Development Corporation, Chief Executive (CE)

Operational Area Map



The Fund applies to a defined area of the Newcastle CBD, as shown above and via this link: www.hccdc.nsw.gov.au/NMGF

Developers can apply to have their project included in the Fund if it falls within the defined area. It is voluntary for developers to apply to the fund.

If the application is approved, developers will pay the full cost of grouting up to a capped cost. If the actual cost of grouting exceeds the cap, the Fund will pay extra approved costs, after the works have been completed and validated by Subsidence Advisory NSW (SANSW).

Applicants for approved projects will be required to execute the Newcastle Mines Grouting Fund Contribution Deed (the Deed).

The Deed sets out the terms and conditions for contributions under the Fund, and should be read in conjunction with the Application Form. A list of Fund approved cost items is provided in *Schedule Two: Reference Schedule (Item 4: NMGF Approved Costs)* of the Contribution Deed.

A snapshot of the process is shown in the work flow chart on the following page.

Capped cost calculation

The capped cost is based on the size of the site, multiplied by the square metre rate (defined by the site location on the Fund map).

If approved grouting costs are more than the capped cost, the Fund will pay the amount over the capped cost.

Example:

A 1,000m² site, located in a **green** area of the map will have approved capped costs of \$200,000.

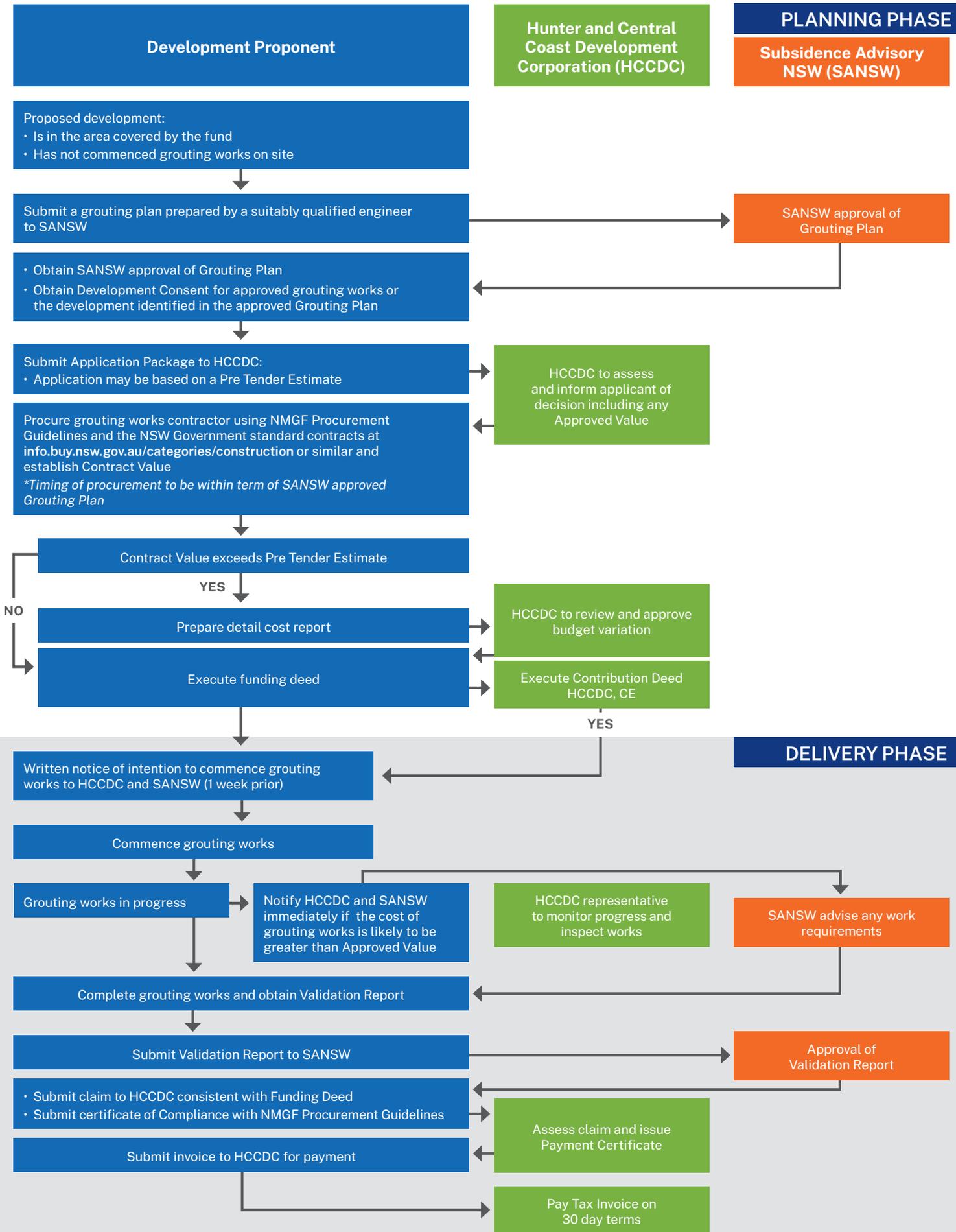
If actual approved grouting costs do not exceed this cap, the Fund makes no payment.

Should actual approved grouting costs total \$300,000 the cap is exceeded and the Fund pays the difference of \$100,000.

Site size	x	Capped rate per m ²	=	Capped cost (ex GST)
1,000m ²	x	\$200	=	\$200,000

Actual grouting cost	-	Capped cost	=	Fund contribution (ex GST)
\$300,000	-	\$200,000	=	\$100,000

Application and work flow chart





Fund operations do not replace Subsidence Advisory NSW (SANSW) processes and approvals.

The Fund follows the SANSW project delivery process, responding to three remediation milestones:

- **Design:**

The Fund relies on a mine grouting plan that is approved by SANSW. The developer must make sure this strategy optimises costs and outcomes.

- **Delivery:**

The [NSW Industrial Relations Guidelines: Building and Construction Procurement July 2013 \(updated September 2017\)](#), as updated from time to time, must be followed when appointing contractors and consultants for approved works covered under the Fund.

The Fund can independently monitor grouting works and progress costs.

- **Validation:**

When the project ends, SANSW must agree that the works have been completed successfully.

SANSW must review and endorse a validation report before any Fund claim is considered.

Developments the Fund covers

To be covered by the Fund developments must:

- 1 be in an area included in the Newcastle Mines Grouting Fund Operational Area Map
- 2 have development approval for the relevant works, which must include the mine remediation works
- 3 have SANSW approval for the mine remediation works, and
- 4 not have commenced the mine remediation works.

Application process

To apply to be covered by the Fund download the Newcastle Mines Grouting Fund Application Form and draft Deed from: www.hccdc.nsw.gov.au/NMGF

Completed applications and supporting documents should be emailed to: info@hccdc.nsw.gov.au



Project approval and assessment

Assessment process

The Fund will assess projects that meet the criteria when the developer applies. Each criterion is essential.

If a project meets the criteria and the developer includes all needed information, assessment should take four weeks.

Approval duration

Grouting works are required to be completed by a specific sunset date. This date will be developed based on your works program and planning approvals.

Do projects have to take part?

No. Developers can decide if they want to apply to participate in the Fund.

Project delivery

Generally, the developer's contractor will do the work. The developer's technical consultant will validate the work in line with the SANSW approval.

The contractor doing the remediation must have grouting experience and be able to show they can undertake the work efficiently.

As the Fund administrator, HCCDC appoints a representative to monitor the project and be an observer at critical milestone site inspections.

Payment timing

If actual approved costs exceed the cap cost, the Fund will pay a valid claim when SANSW has endorsed a validation report for the completed work and all conditions of the funding deed have been met.

The Fund does not cover investigation and consultancy costs, including:

- specialist consultants
- exploratory drilling
- design
- modelling
- project management
- establishment and similar costs.

Disclaimer

The NSW Government reserves the right to terminate or suspend the Fund for its convenience or change the Grant program value. The NSW Government also reserves the right to vary the Newcastle Mines Grouting Fund Operational Area Map, the capped rate per m² or its template contribution deed available on www.hccdc.nsw.gov.au/NMGF. All successful applicants are required to sign and comply with the Fund's contribution deed to receive money from the Fund. This brochure provides a high-level summary of how the Fund works and further detail is set out in the application form and contribution deed.