

Community-led planning and decision making

Shared responsibility for regional
water

Local Government NSW Water Management Conference

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Ballina | 2 September 2026

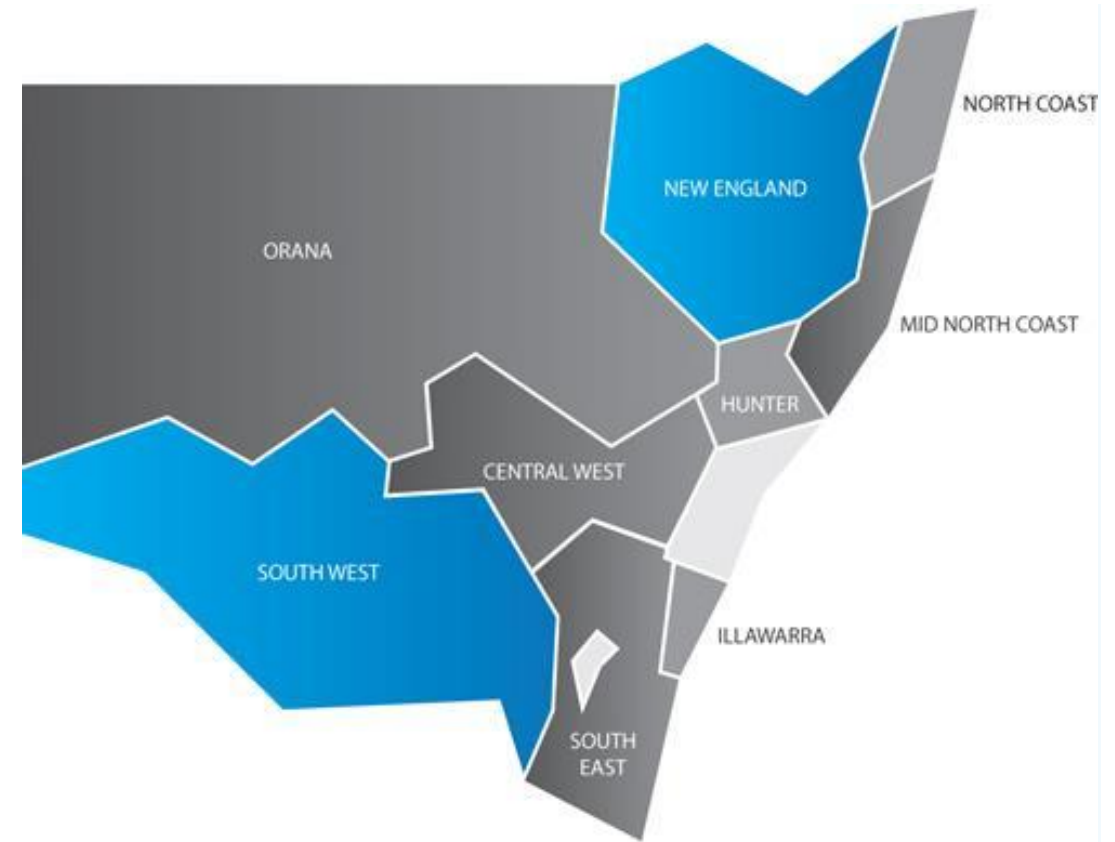


Overview

Water Directorate update	1	15 min
What does water mean to your community?	2	20 min
Roundtable - current risks – what's your Top 3?	3	20 min
Wrap up and next steps	4	5 min

About the Water Directorate

- ▶ A peak water industry body formed by regional NSW councils in 1999
- ▶ We represent 87/89 NSW local councils who deliver water & sewerage services (98% of regional NSW)
- ▶ Collectively, our members:
 - ▶ Manage 380 water supply schemes and 300 sewerage schemes
 - ▶ Serve **1.9 million people** across regional NSW
 - ▶ Own \$32 Billion in water and sewerage assets
 - ▶ Supply 312 GL/annum water
 - ▶ Treat 160 GL/annum sewage



Our relationships

Policy and advocacy



Regulatory



Technical



What we do

Our key roles:

- ▶ Advocate to State and Federal governments for improvements and better outcomes for local water services and regional communities
- ▶ Provide **technical advice and assistance to local water utilities** on water and wastewater treatment and reticulation to ensure consistent service delivery
- ▶ Host an **online learning platform** for safety and technical training and awareness raising
- ▶ **Develop technical publications** and best practice standards/guidelines (over 80 publications)
- ▶ **Provide a platform for networking/ information sharing**/collaboration across regional/rural water utilities





Current focus

- ▶ Ensuring councils' voices are heard in the response to the Productivity Commissioner's report
- ▶ Advocating for **increased funding** for essential capital works and ongoing operational costs (CSO)
- ▶ Working with the **NSW Reconstruction Authority** to help build resilience in regional water supplies
- ▶ Exploring **new technologies** and supporting digital water management for regional communities.
- ▶ **Building capabilities** through pilot Water Alliances in western NSW
- ▶ Supporting local water utilities to **address emerging risks** to regional water supplies, including PFAS monitoring

Current challenges

- ▶ **Escalating infrastructure costs** - Costs of infrastructure delivery have doubled in the past five years – beyond council resources and borrowing capacity
- ▶ **Declining capital investment** – Safe & Secure is fully committed – no new capital funding – What next?
- ▶ **Increasing lead-times** and delivery delays – s.60 'stop the clock' and withdrawals
- ▶ **Escalating operational costs** – increasing costs for fuel and materials are pushing water pricing beyond the community's capacity to pay



\$5 Billion backlog

...the **Safe and Secure Water Program (SSWP)** provides funding for water security, water quality and environmental infrastructure solutions by addressing key risks across regional NSW. Each risk is based on a prioritisation assessment.

In 2022, the Program estimated that to address the **540 priority risks** detailed in the Safe and Secure Water Program, the asset replacement cost **~\$4.83 billion** (real \$ 2022). It should be noted that the SSWP will have invested \$1 billion by 2028 with councils investing up to twice this amount.

Department of Planning & Environment – Water, 19 January 2024

Answers to supplementary questions, Joint Select Committee on Protecting
Local Water Utilities from Privatisation

Available at: <https://www.parliament.nsw.gov.au/parliamentary-business/committees/inquiry-details?committeeInquiryId=3003>

After 5 years of regulatory reform and a \$91m State spend on strategic planning for water. . .



► We still have no clear vision of town water security challenges across regional NSW

We still don't know how much it will cost to address our water supply risks - \$5 billion is just the beginning

We still take twice as long as other states to deliver infrastructure

We still have no strategic plan for regional water sector priorities in NSW

► And we still have no reliable funding source for future capital investment

And we don't need to have another drought to remind us. . .

It's time to get on with the job of
delivering what our communities need

Advocacy in Action

We work closely with LGNSW and have also partnered with our other peer Associations including the Water Services Association of Australia, the Australian Water Association to advocate to our Minister, Shadow Minister and a number of Parliamentary Inquiries to:

- ▶ Renew and continue capital grants funding for regional water services
- ▶ Reduce or remove prescriptive regulation in preference to outcomes-focused regulation
- ▶ Recognise that many LWU's cannot recover the costs of providing their water and sewerage services. A Community Service Obligation is required to meet essential funding needs.
- ▶ Incentivise collaboration between LWU's
- ▶ Address skills shortages in the regional water sector

LGNSW supported by Water Directorate will have more to announce on Friday...

What does
water mean
to your
community's
future?

2

Why are we here?

A strange and unpredictable
place . . .

Fit for purpose is better than perfect

One size fits none

Communities know what they want

Councils know how to listen – we live here too!

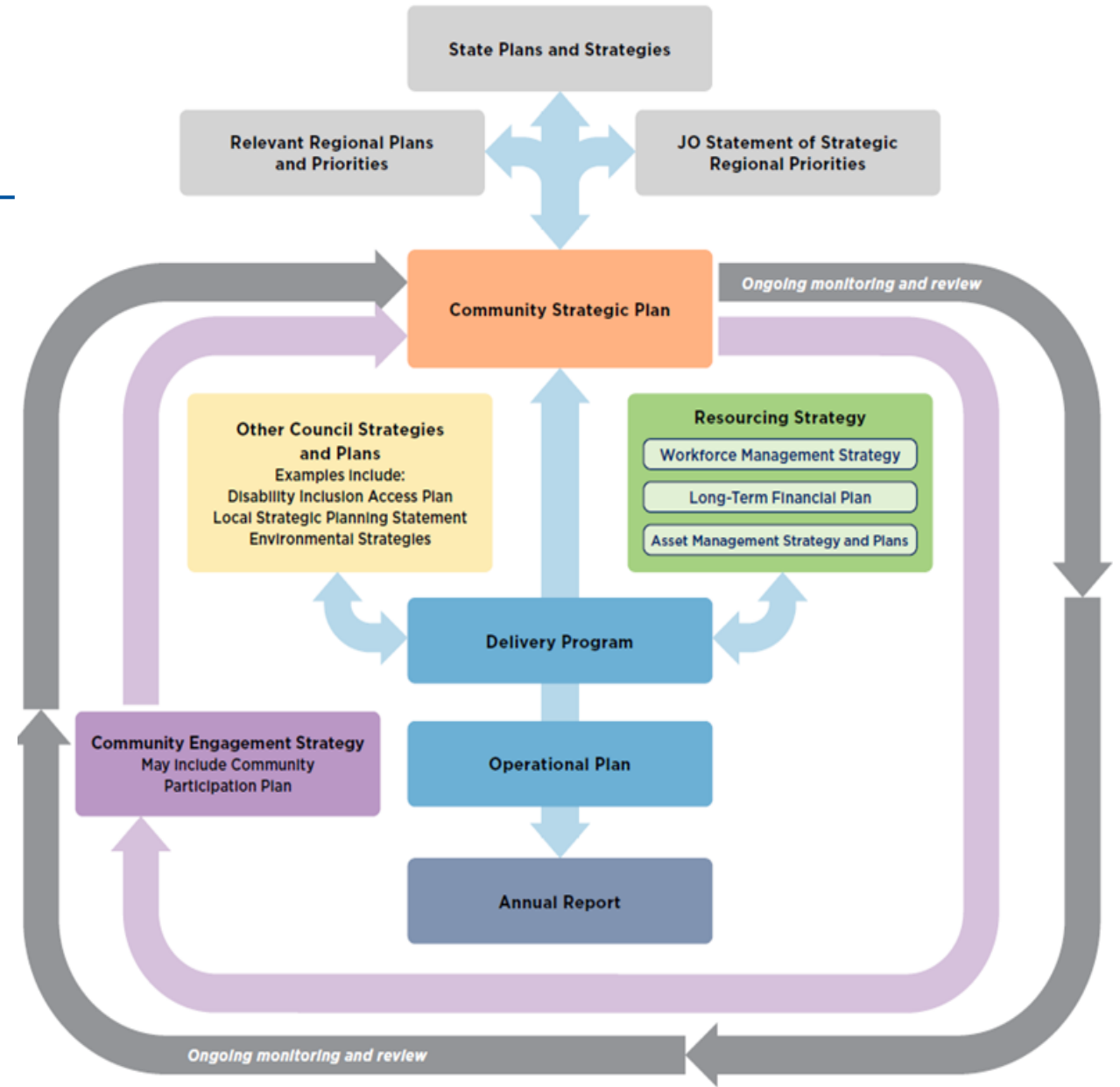
We have enough tools to deliver what they want

Keep it simple!

Water and the IP&R framework

Planning for water in regional NSW is not a regulatory process - it's a community process led by councils, using the tools the LG Act provides.

Our shared responsibility



The assurance that matters –
getting the job done!

It's time to listen and tell our community's story . . .

Water security – What does it mean to regional towns?

Sustainability – What does it mean to regional economies?

Supporting growth – What does it mean to the future of Regional NSW?



Roundtable – your current risks

3



What are your Top 3 risks?

- ▶ Water security
- ▶ Drinking water quality
- ▶ Environment (PFAS?)
- ▶ Financial sustainability and customer affordability
- ▶ Workforce (Including Work Health and Safety)
- ▶ Asset performance and asset integrity (climate risks to physical infrastructure)
- ▶ Growth – enabling infrastructure for economic development

Benefits

Improving essential water and sewerage services

- ▶ Support affordable housing and economic development in regional NSW
- ▶ Unblock the infrastructure pipeline
- ▶ Innovation to reduce operating costs
- ▶ Allow small LWU's to focus on essential operations and maintenance
- ▶ An outcomes focus avoids unnecessary prescription



Over to you!



Wrap up and
next steps

4

Don't miss out!



From Insights to Action: Digital Water in Practice

Water Directorate Annual Forum 2026

 Friday 30 October 2026

 9.00am to 7.00pm

 The Aerial UTS Function Centre, Ultimo



Thank you

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