



Issues paper:

# Planning for Water Directorate's Strategy 2030

May 2024



**WATER**  
DIRECTORATE

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Our new strategic plan will need to have regard for the scale, capacity and complexity of issues facing a Local Water Utility.



# Planning for Strategy 2030

Regional NSW has vast catchments and highly dispersed communities. Small, remote/ regional LWU's have to overcome challenges associated with both scale and capacity. The complex range of drivers for water utility performance includes the number of discreet schemes being managed, size of the area being managed, distance between towns, population density, climate variability, geography and topography, and asset life cycles for long lived water and sewerage assets.

This issues paper is a 'conversation starter' to engage with our member Local Water Utilities, associate members, regulating agencies, peer associations and other key stakeholders in the preparation of an updated Strategic Plan – Water Directorate's Strategy 2030.

One size doesn't fit all with regional NSW water utilities. Out of 82 LWU's that provide a water supply,<sup>1</sup> 26 LWU's serve in excess of 10,000 properties, 15 LWU's serve between 5,000 and 10,000 properties, whilst 41 LWU's serve less than 5,000 properties.

Our new strategic plan will need have regard for the scale, capacity and complexity of issues facing a Local Water Utility, and the flexibility to account for different operating contexts.

**Doing nothing is not an option** – asset condition is generally declining with water and sewerage infrastructure in regional NSW presenting risks to maintaining service levels. If we are to achieve our Vision we will need to pursue new approaches to water management.

1. The balance of 10 LWU's provide only sewerage services making up the total of 92 LWU's in regional NSW.

# Consultation process



Figure 1: Our consultation process



# Our history

1999

The *NSW Local Government Water Industry Directorate* was established to replace the technical resources and advice previously provided by NSW Department of Public Works.

2002

Water Directorate Incorporated was created to form an incorporated association.

2007

Within 5 years of incorporation, Local Water Utility membership grew to over 90% of eligible Local Water Utilities across regional NSW.

2019

On our 20th anniversary, after extensive consultation we published a comprehensive 5-year Strategic Plan 2019-2024.

2024

Water Directorate is 25 years old and ready to prepare an ambitious new 5-year strategic plan.



We are ready to prepare an ambitious new 5-year Strategic Plan.

# Our members

We represent 87 out of 90 local government owned water utilities (98% of regional NSW).  
Our member Local Water Utilities:



**Manage** 380 water supply schemes and 300 sewerage schemes and 49 recycled water schemes.



**Serve** 1.9 million people across regional NSW.



**Own** \$32 billion in water and sewerage assets.



**Employ** about 2,400 water operators and 500 engineers, managers and support staff.



**Supply** 312 GL/annum water and treat 160 GL/annum sewage.



## Associate members



NSW Public Works



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## Who we are

### Our mission

To provide independent technical advice to local water utilities to ensure they deliver high quality water supply and sewerage services to regional communities in NSW.

### Our vision

To work collaboratively with government and non-government organisations to support, advocate for and enable the needs of local water utilities in NSW.

### Question

Are our Mission and Vision still relevant?

### Our proposed NEW mission

To provide independent technical advice to local water utilities and collaborate with government and non-government for better outcomes.

### Our proposed NEW vision

To ensure LWU's deliver safe, secure and affordable water and sewerage services to regional NSW.

# What we do

## Key roles



Provide technical advice and assistance to local water utilities.



Develop technical publications and best practice standards/guidelines (over 80 publications).



Provide a platform for networking/information sharing/collaboration between regional/rural water utilities.



Advocate for improvements and better outcomes for local water utilities to NSW and Commonwealth governments as the peak body.

## Question

What strategic roles do you see the Water Directorate taking in the future?

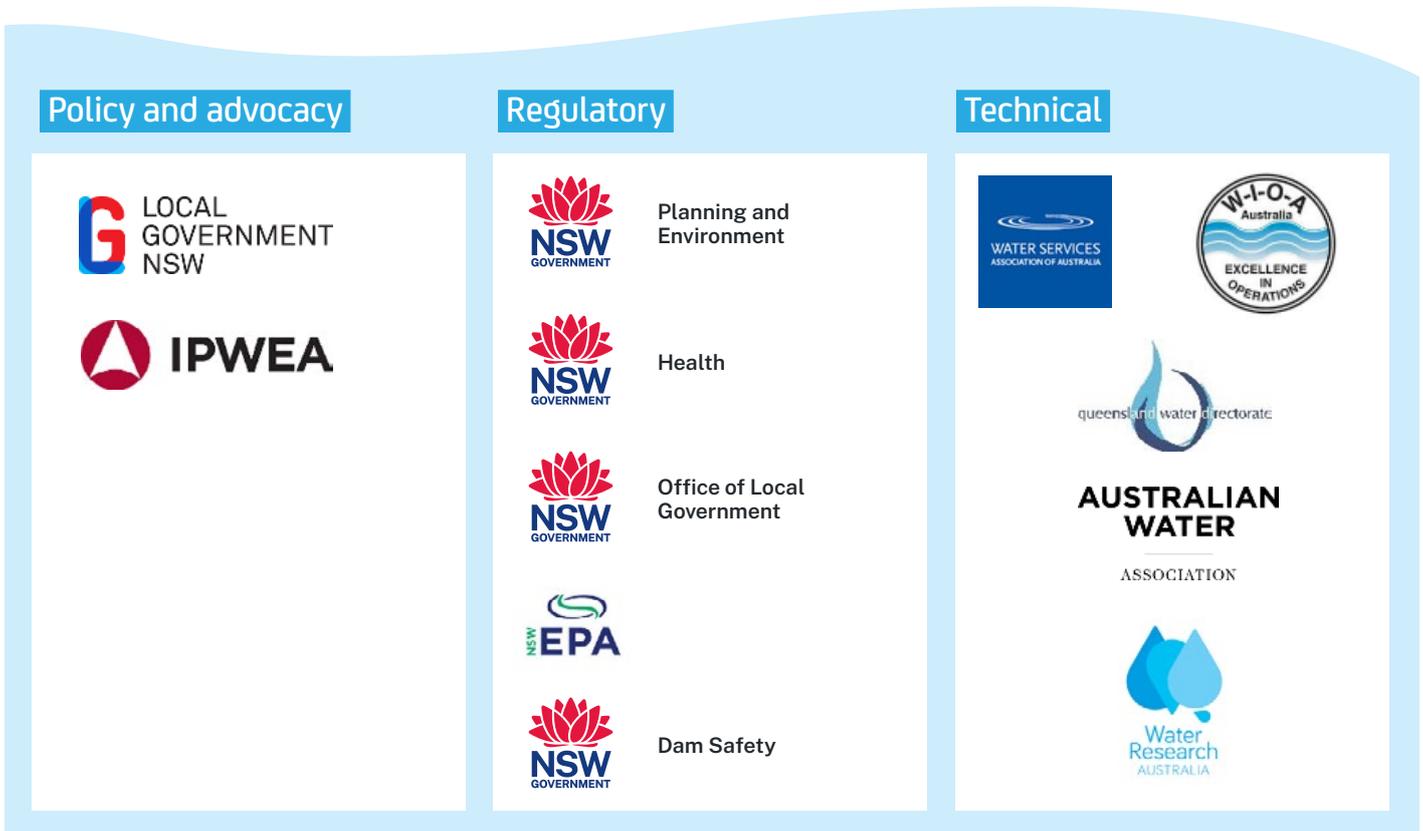
The shared vision for the Local Water Utility sector has been stated in DPE Water's *Regulatory and Assurance Framework*<sup>2</sup> as follows:



**Safe, secure, sustainable and affordable water and sewage services for healthy and resilient communities, businesses and the environment, now and into the future.**

2. DPE website, accessed at: [water.nsw.gov.au/\\_\\_data/assets/pdf\\_file/0004/518566/regulatory-and-assurance-framework-for-local-water-utilities.pdf](http://water.nsw.gov.au/__data/assets/pdf_file/0004/518566/regulatory-and-assurance-framework-for-local-water-utilities.pdf)

# Our key relationships



## Collaboration and engagement

DPE Water have numerous projects and programs to assist Local Water Utilities:

- > NSW Water Strategy.
- > 12 Regional Water Strategies.
- > Town Water Risk Reduction Program (Phase 2 - \$32.8 million).
- > Water Efficiency and Leakage Management Program (\$12.5 million over 3 years).
- > Safe and Secure Water Program (\$1 billion over 10 years).
- > Aboriginal Communities Water and Sewerage Program (\$200 million over 25 years).

### Question

How can Water Directorate best position itself as an industry association to collaborate and engage with DPE Water and other government agencies?

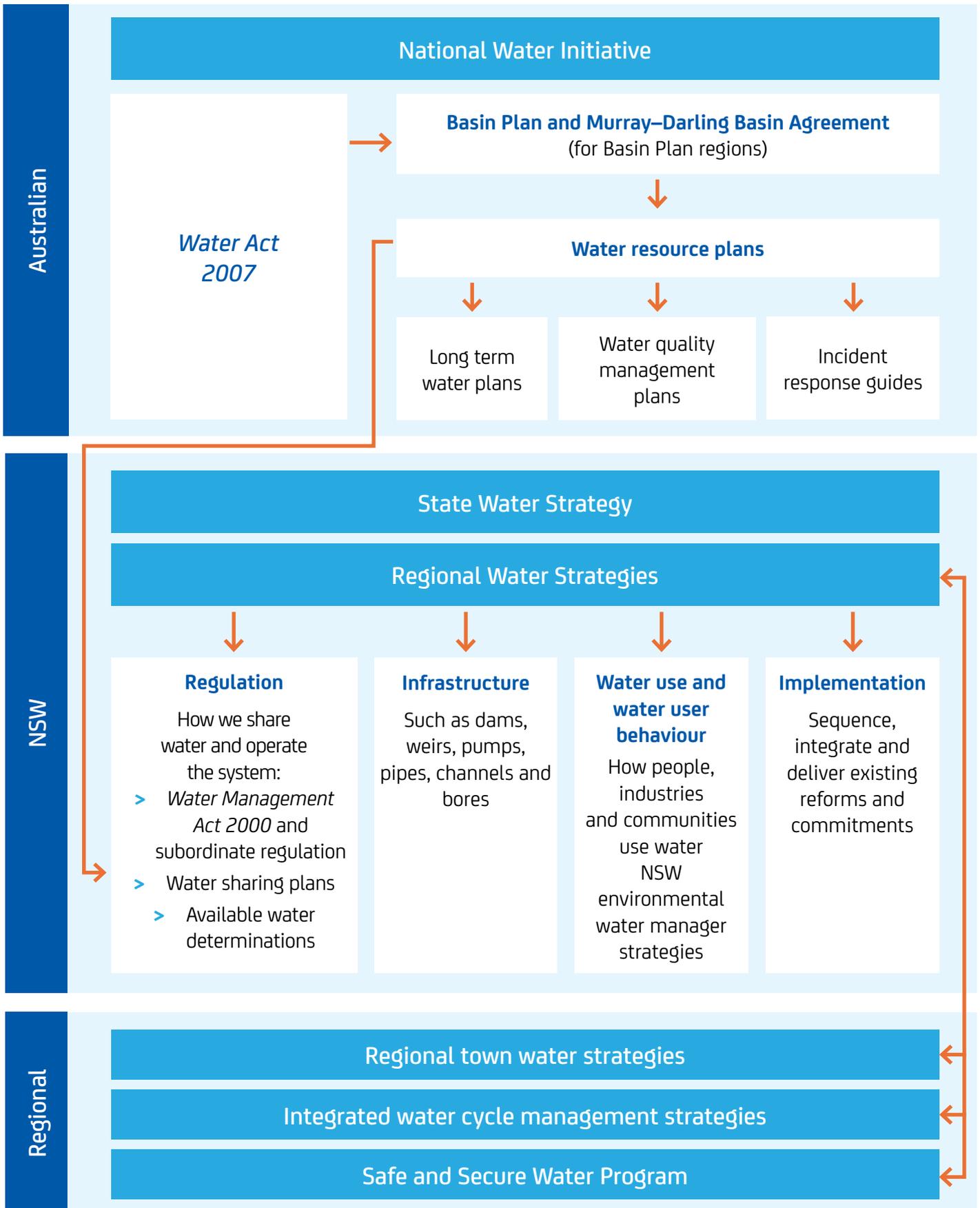
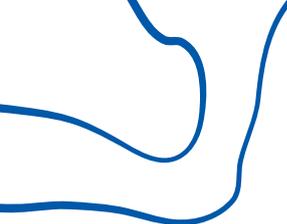


Figure 2: NSW Water Strategy



# Reviewing our strategic plan 2019-2024

- > Engage in a formal partnership with another water/infrastructure body or bodies.
- > Support LGNSW to advocate for the regional water sector.
- > Focus on capacity building for all LWU's, with a focus on smaller councils.
- > Re-think our governance arrangements.
- > Increase collaboration across the sector.
- > Improve reporting and benchmarking.
- > Explore options to raise our profile.
- > Explore options for increasing revenue.

## Question

Do you think there is any unfinished business in our last Strategic Plan? What do you think we should stop, start or continue doing?

# Additional strategic opportunities (2021)

- > Improving WHS performance in the water sector.
- > LWU Workforce Development Plan.
- > Attraction and retention of water professionals.
- > Digital water utilities program.
- > Research and innovation program.
- > Financial sustainability and CSO's.
- > Public confidence in drinking water.
- > Support LGNSW with water industry advocacy.
- > Develop new partnership models, especially water alliances (Q-WRAP model).
- > Review of LWU powers and duties in the Local Government Act.
- > Circular economy strategy for LWU's.
- > Net Zero Carbon Emissions strategy for LWU's.
- > Water utility twinning.
- > Reconciliation Action Plan for LWU's.
- > Diversity and inclusion in workforce planning.
- > Reporting on the Sustainable Development Goals.
- > Expand our reach with Associate Membership.

## Comment

Many of these additional strategic opportunities were subsequently taken up in the Town Water Risk Reduction Program – Phase 1 and Phase 2. Some opportunities remain outstanding and will be discussed below.

# Challenges and opportunities – setting future directions

Since we published our last strategic plan in 2019, climate events have led to more significant challenges than have ever been experienced. Our new plan aspires to provide the advocacy and capacity building activities that our member Local Water Utilities require to maintain and improve service levels and affordability of their community water and sewerage services.

**Drought** – In 2019 conditions were drier and hotter than in any other NSW drought in the last 120 years. From January 2017 to December 2019, rainfall was the lowest on record. The 2017-2020 calendar years were among the warmest on record. Emergency relief for regional town water supplies amounted to \$275 million in drought investment.

**Bushfire, floods and water quality challenges** – The presence of algal blooms and increased concentrations of other contaminants triggered significant water quality issues during the drought. Furthermore, the 2019-20 summer was the worst bushfire season on record, with 5.4 million hectares of land burnt in NSW. Impacts to catchments from the bushfire season and subsequent erosion have had long lasting effects on water quality.

The drought broke with multiple La Nina events that drove some significant flooding in northern and central NSW. Bushfires and flooding challenged the physical integrity of critical infrastructure as well as the performance of water and wastewater treatment systems. More than 50 precautionary boil water alerts were issued by LWU's over these years.

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Our new plan aspires to provide advocacy and capacity building activities.

# Our philosophy

## Water Directorate will:



Be a trusted independent source of water industry knowledge.



Access and distill decades of regional water sector experience into accessible shared knowledge for LWU's.



Recognise and support the wide spectrum of size, capability and operating environment with our member LWU's across regional NSW.



Acknowledge that local government is best placed to manage regional water utilities.



Collaborate, co-design at all levels – local, regional, state and national.



Share wherever possible to achieve our goals, and won't compete with other associations or agencies or duplicate what's already available.



Assess gaps in the regional water sector and develop strategies to address Local Water Utilities needs.



Represent the regional water sector to ensure regional issues are considered by the Australian water sector.



Ask questions and challenge the status quo in the spirit of continuous improvement.



Prioritise the greatest benefit with our limited resources.

# Strategic issues and opportunities

Options for strategic activity have been grouped into issues and themes on the following pages. We ask that our valued member LWU's and stakeholders review them and comment on:

- > Highest priorities from your perspective.
- > Have we missed any issues or opportunities?



## Internal capability of the Water Directorate

Issue/opportunity	Options for strategic action
Financial capacity	<ul style="list-style-type: none"><li>&gt; Further develop our Associate Membership model.</li><li>&gt; Develop a sponsorship model.</li><li>&gt; Develop an advertising model.</li><li>&gt; Advocate for government financial support for the Water Directorate.</li></ul>
Business continuity	<ul style="list-style-type: none"><li>&gt; Expand staff roles and responsibilities.</li><li>&gt; Implement a governance framework (policy book) and an operations manual.</li></ul>
Business efficiency	<ul style="list-style-type: none"><li>&gt; Implement an <b>internal</b> IT and Knowledge Management improvement strategy.</li><li>&gt; Increase capacity to deliver projects internally.</li><li>&gt; Consider the use of AI to increase our outputs.</li><li>&gt; Consider the use of Chatbots for quicker response to LWU information requests.</li><li>&gt; Consider the use of data analysis tools to assist LWU's with performance insights.</li></ul>

## Collaboration, communication and advocacy

Issue/opportunity	Options for strategic action
Subcommittees and working groups	<ul style="list-style-type: none"> <li>&gt; Develop and align Water Directorate subcommittees with state agency working groups.</li> <li>&gt; Develop a Special Interests Groups platform for LWU's, potentially enabling HR, Finance, IT, Customer Service to consider water utility matters.</li> </ul>
Associations and agencies	<ul style="list-style-type: none"> <li>&gt; Continue to work closely with LGNSW on LWU advocacy.</li> <li>&gt; Continue to collaborate with metropolitan water utilities, interstate and national associations and agencies for the benefit of LWU's.</li> <li>&gt; Monitor the opportunity for engineering accreditation through IPWEA and Engineers Australia.</li> </ul>
Improve communications	<ul style="list-style-type: none"> <li>&gt; Implement a Communications Strategy.</li> <li>&gt; Expand events and networking.</li> <li>&gt; Support peer to peer networks.</li> <li>&gt; Expand social media for short term time sensitive messaging.</li> <li>&gt; Network in partnership with other industry bodies.</li> </ul>
LWU capacity to engage strategically	<ul style="list-style-type: none"> <li>&gt; Promote regional alliances and advocate for more resources and financial support, with reference to Queensland's QWRAP model.</li> <li>&gt; Support joint organisations, county councils and water utility alliances.</li> <li>&gt; Promote and facilitate LWU to LWU assistance.</li> </ul>
Promote leadership and good decision making in water	<ul style="list-style-type: none"> <li>&gt; Promote LWU risk awareness for decision makers (support training for councillors).</li> <li>&gt; Promote LWU matters to key regulators.</li> <li>&gt; Promote putting the customer and community engagement at the centre of decision making in water through Customer Service plans.</li> </ul>
All agencies approach	<ul style="list-style-type: none"> <li>&gt; Continue to share project and operational issues with the relevant regulators to promote an all-agencies approach to LWU matters.</li> </ul>

## Questions

- > Are you currently collaborating with LWU's in your region?
- > Are there any hurdles impeding good collaboration?

## Address regulatory challenges and promote innovation

Issue/opportunity	Options for strategic action
Adopting the Regulatory and Assurance Framework	<ul style="list-style-type: none"> <li>&gt; Contribute to continuous improvement of the RAF guidance, tools and techniques through co-design.</li> <li>&gt; Promote the use of the local government Integrated Planning &amp; Reporting framework for LWU strategic planning.</li> </ul>
Strategic planning, IWCM and IP&R	<ul style="list-style-type: none"> <li>&gt; Review pilot strategic planning projects and contribute to continuous improvement and LWU adoption.</li> <li>&gt; Water security modelling by the NSW government.</li> <li>&gt; Blue green – liveable cities and towns.</li> </ul>
Regulatory reform	<ul style="list-style-type: none"> <li>&gt; Promote reform and improvement of LWU powers and duties under the Local Government Act.</li> </ul>
Safe and Secure Water Program	<ul style="list-style-type: none"> <li>&gt; Contribute to a review of the SSWP funding guidelines.</li> <li>&gt; Address the overlap in approvals between the SSWP Gateway review process and the Section 60 process.</li> <li>&gt; Contribute to improving the Eligible Risks and Issues List (ERIL) methodology and application.</li> </ul>
Safe and healthy drinking water	<ul style="list-style-type: none"> <li>&gt; Identify and share best practices for meeting Health Based Targets.</li> <li>&gt; Implement an awareness program to promote customer confidence in drinking water.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>&gt; Develop a Circular Economy strategy for LWU's.</li> <li>&gt; Advocate for a NSW Biosolids Management Strategy, covering the EPA guidelines and the NEMP for PFAS.</li> <li>&gt; Raise awareness of chemicals of concern in water and atmosphere affecting LWU functions.</li> </ul>
Dam safety	<ul style="list-style-type: none"> <li>&gt; Promote efficient, fit-for-purpose regulation for LWU owned dams.</li> </ul>
LWU innovation	<ul style="list-style-type: none"> <li>&gt; Promote Research and Development for regional and remote water systems.</li> <li>&gt; Promote innovation in technologies applied by LWU's.</li> </ul>

## Knowledge sharing and knowledge management

Issue/opportunity	Options for strategic action
Digital water utilities	<ul style="list-style-type: none"> <li>&gt; Promote a LWU digital maturity model.</li> <li>&gt; Prepare a digital water utilities strategy for LWU's.</li> <li>&gt; Prepare and support a cybersecurity awareness plan for LWU's.</li> </ul>
Performance monitoring, reporting and benchmarking	<ul style="list-style-type: none"> <li>&gt; Consider the use of AI to reduce LWU staff time in data analysis.</li> </ul>
Emergency and incident management	<ul style="list-style-type: none"> <li>&gt; Promote and facilitate After Action Reviews for incidents impacting services or people.</li> <li>&gt; Promote an all-hazards and all-agency approach to LWU incident management.</li> </ul>
WHS improvement	<ul style="list-style-type: none"> <li>&gt; Promote the implementation of a WHS improvement program for LWU's.</li> </ul>
Knowledge management	<ul style="list-style-type: none"> <li>&gt; Consolidate and maintain our Publications Library.</li> <li>&gt; Knowledge and information management strategy.</li> <li>&gt; Expand our member publications library to include SOP templates and knowledge frameworks.</li> <li>&gt; Develop a video library of webinars and water professionals.</li> </ul>
Online learning and micro credentials	<ul style="list-style-type: none"> <li>&gt; Develop an online, on demand learning platform to complement our publication library.</li> <li>&gt; Develop an online learning strategy to prioritise and implement learning products.</li> </ul>

## Local Water Utility risk and resilience

Issue/opportunity	Options for strategic action
Risk management	<ul style="list-style-type: none"> <li>&gt; Promote analysis and approaches that identify and mitigate long term service level risks to water security, water quality and asset integrity.</li> <li>&gt; Support the development of risk reduction approaches that align with ISO 31000.</li> <li>&gt; Promote asset resilience assessments for climate risk (XDI).</li> <li>&gt; Develop a register of emerging risks for LWU's and promote awareness.</li> </ul>
Asset management	<ul style="list-style-type: none"> <li>&gt; Promote the implementation of non-asset solutions to improve LWU performance and reduce risk.</li> <li>&gt; Promote adoption of ISO 55000 in LWU's through an Asset Management Improvement strategy, linked to the Integrated Planning and Reporting framework.</li> <li>&gt; Focus on whole-of-life costs for infrastructure, plant and equipment.</li> <li>&gt; Identify critical and essential infrastructure for business continuity.</li> <li>&gt; Identify and share leading planned maintenance and renewal programs and practices.</li> </ul>
Drought and water security	<ul style="list-style-type: none"> <li>&gt; Improve the connection between town water security analysis and the state's Regional Water Strategies.</li> <li>&gt; Promote climate independent solutions including water recycling and desalination.</li> <li>&gt; Review and update Drought Management guidance based on experience with the last drought.</li> </ul>
Water quality	<ul style="list-style-type: none"> <li>&gt; Promote catchment based water quality warning systems for reliable drinking water quality.</li> </ul>
Financial risk and affordability	<ul style="list-style-type: none"> <li>&gt; Promote financial sustainability and effective governance.</li> <li>&gt; Promote a Community Service Obligation for Local Water Utilities.</li> <li>&gt; Raise awareness of Long Term Financial Planning and pricing principles for LWU's.</li> <li>&gt; Promote equity in financial hardship assistance between metropolitan and regional water utilities.</li> </ul>

## Workforce development – skills, knowledge and training

Issue/opportunity	Options for strategic action
Workforce development planning	<ul style="list-style-type: none"> <li>&gt; Prepare a workforce development plan/strategy for regional NSW to set direction and prioritise action, assigning roles and responsibilities.</li> <li>&gt; Promote workforce diversity and inclusion.</li> <li>&gt; Develop a toolkit and network to support council HR professionals and water managers to understand water operator training needs.</li> </ul>
Shortages of water operators	<ul style="list-style-type: none"> <li>&gt; Consider pre-employment training programs including School Based Apprenticeships and traineeships.</li> <li>&gt; Support the development of regional water operator training brokers.</li> <li>&gt; Support the development of regional water training centres.</li> <li>&gt; Support a migrant worker strategy for LWU's.</li> </ul>
Shortages of trainers in water operations	<ul style="list-style-type: none"> <li>&gt; Develop a peer support network to support trainers through the Water Trainers and Assessors Network (WTAN) and reduce barriers to maintaining accreditation.</li> </ul>
Access to high quality, fit-for-purpose training	<ul style="list-style-type: none"> <li>&gt; Promote a minimum standard for water operator training.</li> <li>&gt; Develop support materials that contextualise training to regional NSW.</li> <li>&gt; Develop online and on-demand training materials where appropriate.</li> <li>&gt; Consider a complementary micro-credentials approach for specific skills to complement formal accredited vocational training.</li> </ul>
Water skills shortages in Aboriginal communities	<ul style="list-style-type: none"> <li>&gt; Work with the Aboriginal Communities Water and Sewerage Program to address skills shortages in Aboriginal communities.</li> </ul>

# Where to from here?

## Respond

Respond to this Issues Paper via our Stakeholder Survey or request a one-on-one meeting.

## Prepare

Water Directorate will prepare a Consultation Draft of Strategy 2030 by May 2024 based on your feedback to our Issues Paper.

## Publish

We plan to publish the Strategy 2030 by July 2024.





**WATER**  
DIRECTORATE

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