

Safe and Secure Water Program

Grants program guidelines

March 2026





Acknowledgement of Country

The Department of Climate Change, Energy, the Environment and Water acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land and we show our respect for Elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

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Providing safe, secure and sustainable water and wastewater services to regional towns across the state.

Program overview

The Safe and Secure Water Program was established to address key risks to regional water safety and security in NSW by providing safe, secure and sustainable water and wastewater services to regional towns across the state.

The current version of the program was launched in 2018 and included three streams:

Stream 1 – supporting the development and delivery of projects addressing the highest risks and issues for regional NSW town water infrastructure

Stream 2 – supporting Local Water Utility (LWU) strategic planning. Stream 2 expressions of interest closed on 31 May 2024

Stream 3 – supporting the repair or decommissioning of high-risk dams. Stream 3 is now closed.

Up to \$1 billion in funding will be provided over the course of the program, primarily to support infrastructure solutions that improve water quality, water security and environmental outcomes.

The Department of Climate Change, Energy, the Environment and Water manages and administers the program.



Hay Sewerage Treatment Plant, NSW

Program objectives

The program has four primary objectives under its continuing streams.

Stream 1

Providing funding for high-priority projects in regional NSW that improve:

- town water **quality**
- town water **security**
- the **environment**.

It does this through funding projects that improve water supply, water treatment and wastewater treatment infrastructure.

Stream 2

Providing funding to allow local water utilities to complete strategic plans, which ensures regional town water supply and sewerage infrastructure is successfully developed and managed. Stream 2 expressions of interest closed on 31 May 2024.



Bundarra Sewerage Treatment Plant, NSW

Eligibility

The process for accessing funding offers starts with determining whether a proponent is eligible.

Eligible proponents

The following regionally based organisations are eligible to apply for Stream 1 funding:

- local councils, as identified under the *Local Government Act 1993* (providing water supply and/or sewerage services under Section 56)
- water supply authorities (as identified in the *Water Management Act 2000*)
- joint organisations (as defined by the Office of Local Government)
- NSW Government agencies.

The Hawkesbury City Council sewerage business is eligible for funding support under Stream 2 only.

Ineligible proponents

The following organisations are ineligible to apply for Stream 1 funding:

- metropolitan based organisations as defined by the department, including local councils, water supply authorities, agencies and joint organisations located in:
 - the Greater Sydney metropolitan area*
 - Greater Newcastle metropolitan area
 - Wollongong and surrounds.
- organisations seeking funding for projects exclusively located in Sydney Water and Hunter Water's areas of operation
- private water corporations
- organisations licensed (or who will be licensed) under the *Water Industry Competition Act 2006*
- community-owned water and/or sewerage and recycling systems.

* Excepting the Hawkesbury City Council sewerage business which was eligible for funding support under Stream 2 only.

Please refer to the [program website](#) for the full list of eligible proponents for Stream 1 and 2.

Co-contribution requirements

The program aims to achieve the best outcomes for regional communities by seeking co-investment from proponents and third parties.

Co-investment may include:

- financial co-contribution
- other contributions such as assets provided by proponents that are critical to project delivery.

The department will assess other contributions on a case-by-case basis.

The co-funding levels available to proponents are the same across Stream 1 and 2 and are calculated using the average annual revenue received by the proponent from water and/or sewerage across the previous three financial years.

The program has five funding bands. Each band specifies the maximum percentage of the estimated total project cost the proponent is nominally eligible to receive.

The maximum percentage of the estimated total project cost across the five funding bands is:

- **Band 1:** up to 90 per cent
- **Band 2:** up to 75 per cent
- **Band 3:** up to 60 per cent
- **Band 4:** up to 50 per cent
- **Band 5:** up to 25 per cent.

The actual grant amount awarded under each stream may be less than the percentage of the estimated total cost of the project from the applicable funding band. This is because not all components of a project are eligible for funding. Further details are provided below.

The revenue thresholds for each funding band, and the current funding bands for each eligible proponent, are available on the [program website](#). The revenue threshold for each funding band are reviewed periodically.

Key dates

The program is scheduled to run until 2028, or until all funds are contracted under funding deeds, and contracted projects are delivered.

Stream 1

Stream 1 opened in October 2018. Stream 1 funding offers will be made until funding is exhausted.

A funding offer is not a guarantee of funding to full resolution of a risk. Proponents must bring forward applications and enter funding deeds to secure funding.

Applications for funding that will result in a risk being resolved may be prioritised, to maximise outcomes of the program.

Stream 2

Stream 2 opened in October 2018.

Expressions of interest for Stream 2 funding closed on 31 May 2024. All current Stream 2 funding must be spent by 31 December 2026. If grantees are unable to expend funding by this date funding may be withdrawn.

Stream 3

Stream 3 opened in October 2018 and is now closed.



Hay Sewerage Treatment Plant, NSW

Stream 1

Supporting projects that resolve the most severe water quality, water security and environmental risks.

Stream 1 provides funding support to develop and deliver projects addressing the highest risks and issues for town water infrastructure in regional NSW.

Risks and issues

The department continually identifies and assesses risks and issues associated with regional NSW town water infrastructure across three types:

- **water security** – risks affecting current or future town water security, such as water availability, the pressures of climate variability and continuity of town water supply
- **water quality** – risks affecting the protection of public health in regional communities, such as the absence of filtration on surface water supplies or inadequately treated sewage
- **environment** – risks to human health or the environment from sewage management not satisfying community expectations or regulatory requirements.

A subject matter expert from the department's Water Utilities team, with input from NSW Health and the Environment Protection Authority, assesses each risk or issue using a prioritisation framework approved by the relevant Minister. Each risk or issue is given a risk rating (score based on criteria specific to the risk type).

The department considers the score, along with the socio-economic information on the community impacted by the risk or issue, to identify the highest priority risks and issues. The Prioritisation Review Panel then reviews the identified risks and issues, and the prioritisation framework, to ensure consistency and alignment with policy and program objectives.

Periodically, the department may approve additional funding allocations, within the original program funding commitment. The department prepares a list of risks and issues that are eligible for funding based on the highest priority risks and an estimate of the funding. The Panel then reviews the list and endorses projects that can be offered a commitment to proceed.

Once the Panel has provided a commitment to a risk or issue, the department informs the proponent they have a risk or issue that has been deemed a priority and that funding is available to support its resolution.

New risks and issues can be identified at any time over the course of the program. The department may identify new risks and issues based on discussions with eligible proponents and other stakeholders. Eligible proponents can inform the department of potential risks or issues directly, or can **lodge a query** about a risk score and / or request a risk (known or unknown) be reviewed.

Risk and issue identification does not automatically result in a risk or issue being eligible for funding. Rather, it must be prioritised using the prioritisation framework.

A funding offer is not a guarantee of funding to full resolution of a risk. Proponents must bring forward applications and enter funding deeds to secure funding.

Where a risk or issue has been deemed to be a priority, and the proponent has formally committed to resolve the risk, the risk or issue cannot be de-prioritised. A risk or issue may be de-prioritised, following departmental review, if the proponent has not formally committed to resolve the risk.



Brogo Bermagui Water Treatment Plant, NSW

Prioritisation Review Panel

A Prioritisation Review Panel provides advice to the Minister on the prioritisation framework, the current priority status of identified risks and the priority status of newly added risks.

The membership of the panel consists of senior representatives from the NSW Government and an independent probity advisor is present at all panel meetings. The panel meets at least quarterly or as required.

Grant administration

After being informed that funding is available to support the resolution of a priority risk or issue, the department will ask the proponent to submit a proposal for resolving the risk or issue.

The department can provide guidance on developing proposals.

A risk or issue may be resolved through a single project, several projects or a program of works. The framework is designed to ensure that funding is provided for the best-value, whole of life solution,

which means that the complete solution must be assessed at each gate. The framework is designed to make appropriate assessments at the different stages of risk-resolution development. Further detail is provided below.

Where reference is made in these guidelines to a 'project', this refers to the proponent's complete proposal for resolving a prioritised risk or issue, which may be a single project, several projects, or a program of works, as noted above.

A project intended to resolve a prioritised risk or issue can be funded at any stage of its lifecycle. Funding support is available for both developing and delivering projects to resolve a risk. However, if a proponent has already completed works as part of the project lifecycle, funding can only be provided for works not yet contracted. Funding cannot be provided retrospectively.

For example, a project where a concept design has already been completed would be eligible for funding for detailed design and implementation, provided a contract has not already been awarded.

Figure 1 (on page 10) depicts the project and program lifecycle, from risk prioritisation to grant acquittal.

Figure 1 – Stream 1 grant lifecycle



Yass to Murrumbateman Water Transfer Pump Station, NSW (external Western wall)

Project eligibility

Eligible project elements

The department provides Stream 1 funding to develop and deliver a project that resolves the prioritised risk or issue the funding was offered for. This includes funding for infrastructure or non-infrastructure solutions.

Funding may be prioritised to applications that will achieve resolution of the risk, to maximise outcomes for the program.

Operation, maintenance and administrative costs may be considered where these costs feed into solutions that provide a more cost-effective way to resolve an eligible risk or issue.

Ineligible project elements

Proponents may include project elements which are not eligible for support under the program. This includes parts of the project that are able to be funded from other sources, such as developer contributions or operational budgets, that are considered necessary but are not eligible for grant funding.

Funding cannot be provided for works where a contract has already been awarded.

Examples of ineligible inclusions include (but are not limited to):

- flood mitigation works
- works focused on water recreation
- lead-in infrastructure for new developments, except where the NSW Government is the developer
- works that will primarily provide a commercial benefit to a private entity
- works primarily intended to support commercial growth
- building the capability of the proponent, such as changes to human resources, systems and/ or processes
- works to resolve a risk that has not been prioritised.

The department assesses a proponent's submission at each funding gate in the assessment framework to identify any ineligible project elements. The department will make a recommendation to fund eligible project costs. The delegated decision maker will decide the final grant amount awarded for eligible costs.

Assessment framework

The department awards Stream 1 funding in-line with an assessment framework that requires proponents to provide financial and technical evidence at important stages in the lifecycle of the project.

The framework consists of a series of funding and technical gates through which projects must pass and that require the project to be assessed against specific criteria before it can progress to the next stage.

The department establishes a funding agreement with a proponent once their project passes a funding gate. Proponents cannot proceed to an activity beyond a technical gate until the project has passed it, although funding support for the activity may already be in place as a result of passing an earlier funding gate.

Figure 1 includes the gates of the assessment framework and the different project activities occurring after each gate.

Assessment against the criteria for each gate is reviewed by the Gateway Review Panel (GRP), except for Pre-Gate 0, which is assessed by the department's financial delegate. For each gate assessment the department prepares a submission to the panel including information relevant to the assessment, which is provided by the proponent and other sources. The department assesses the project against the gate's assessment criteria and makes a recommendation to the GRP. Each criterion is rated as met/not met. All applicable criteria must be met for the GRP to endorse the project to pass the gate under consideration.

For funding gates, if the GRP agrees the project has met the criteria to pass the gate being considered, they will make a recommendation of funding to the decision maker for a specific amount. A project is considered to have passed a funding gate when the delegated decision-maker approves the funding.

For technical gates, if the GRP agrees the project has met the criteria to pass the gate being considered, the department will notify the proponent the project has passed the gate and provide any feedback from the panel.

For both funding and technical gates, if the GRP does not endorse the project as having met the criteria to pass the gate, the department will notify the proponent and provide feedback to help them to strengthen the project and attempt to pass the gate.

Assessment criteria

Pre-Gate 0

- Affordability
- Suitability of the scope of work.

Gate 0

- Strategic alignment
- Investment planning.

Gate 1

- Appropriateness of the investigations
- Option analysis
- Options selection
- Appropriateness of technology.

Gate 2a

- Appropriateness of the project design
- Affordability
- Deliverability.

Gate 2b

- Project readiness
- Co-funding eligibility.

Gate 3

- Completion of works
- Approval and handover of works
- Commercial close-out of the project.



Brogo Bermagui Water Treatment Plant, NSW

Gateway Review Panel

The department has established a GRP to oversee the assessment of proponents' submissions at each gate in the assessment framework, except Pre-Gate 0 which is assessed by the department's financial delegate.

Membership of the panel consists of senior representatives from the NSW Government. Representatives from the department provide advice.

An independent probity advisor is present at all panel meetings.

The panel meets every two months (at least six times a year), or as required.

Decision-making

If the GRP makes a funding recommendation, the decision-maker with appropriate delegation under the department's financial delegations will make the funding decision.

The appropriate decision-maker is based on the value of the recommended funding.

Funding agreements

Once funding is approved by the decision-maker at each of the Stream 1 funding gates the proponent will be required to enter into a funding agreement setting out the terms and conditions of funding. Proponents are expected to sign the funding agreement within six months of an offer of funding. If the funding agreement is not executed within this timeframe, the funding offer may be withdrawn.

Proponents are advised not to make financial commitments for funded activities until funding agreements have been signed by both parties, as any financial commitment made before the agreement is signed by both parties may not be covered. Funding can only be provided for works not yet contracted. Funding cannot be provided retrospectively.

The department will pay grants through the terms and conditions set out in the funding agreement.

The department will work with proponents to set appropriate and clear milestone timing and requirements in consideration of the details of the project.

Proponents will be responsible for complying with the funding agreements during the project and will be required to submit regular activity reports.

Funding agreement templates are available on the [**program website**](#).



Bores in Trangie, NSW.

Stream 2

Supporting local water utility strategic planning.

Stream 2 is providing funding support to eligible proponents for strategic planning.

Strategic planning is critical to successfully developing and managing water supply and sewerage infrastructure, as well as delivering essential services to water utility customers.

Guidance for local water utilities on strategic planning is available on the [department's website](#).

Eligibility

Proponents that have submitted an expression of interest prior to 31 May 2024 may still be considered for funding.

The department will confirm if the proponent is eligible under the stream, then invite the proponent to submit a strategic planning project plan for consideration.

The department can provide guidance on developing strategic planning project plans.

Funding cannot be provided where a contract has already been awarded to a service provider.

Assessment

Assessment criteria

Strategic Planning Project plans will be assessed by the department against these criteria:

- achievement of outcomes
- cost and value for public money
- the proponent or their service provider demonstrates experience.

Further detail on each assessment criterion are available on the [program website](#).

Assessment process

An assessor(s) from the department will review the project plan against the assessment criteria to determine whether to make a funding recommendation to the delegated decision-maker. All criteria must be met for the assessor to make a funding recommendation.

If a project plan does not meet all the assessment criteria, the department will notify the proponent in writing, and the proponent will be asked to submit an amended plan for reconsideration. Proponents will be notified in writing of the outcome of each assessment and will be offered feedback.

As submissions are assessed upon receipt – all other matters being equal – funding under Stream 2 may be affected by the order in which the department receives the submissions.

If the assessor recommends funding be offered, the funding decision will be made by the decision-maker with appropriate delegation under the department's financial delegations, based on the value of the recommended funding.

Funding agreements

If the department's financial delegate approves funding support for a proponent's project under Stream 2, the proponent will be required to enter into a funding agreement setting out the terms and conditions of funding.

Proponents are expected to sign the funding agreement within six months of an offer of funding. If the funding agreement is not executed within this timeframe, the funding offer may be withdrawn.

Proponents are advised not to make financial commitments for funded activities until funding agreements have been signed by both parties, as any financial commitment made before the agreement is signed may not be covered. Funding can only be provided for works not yet contracted. Funding cannot be provided retrospectively.

The department will pay grants through the terms and conditions set out in the funding agreement.

The department will work with proponents to set appropriate and clear milestone timing and requirements in consideration of the details of project.

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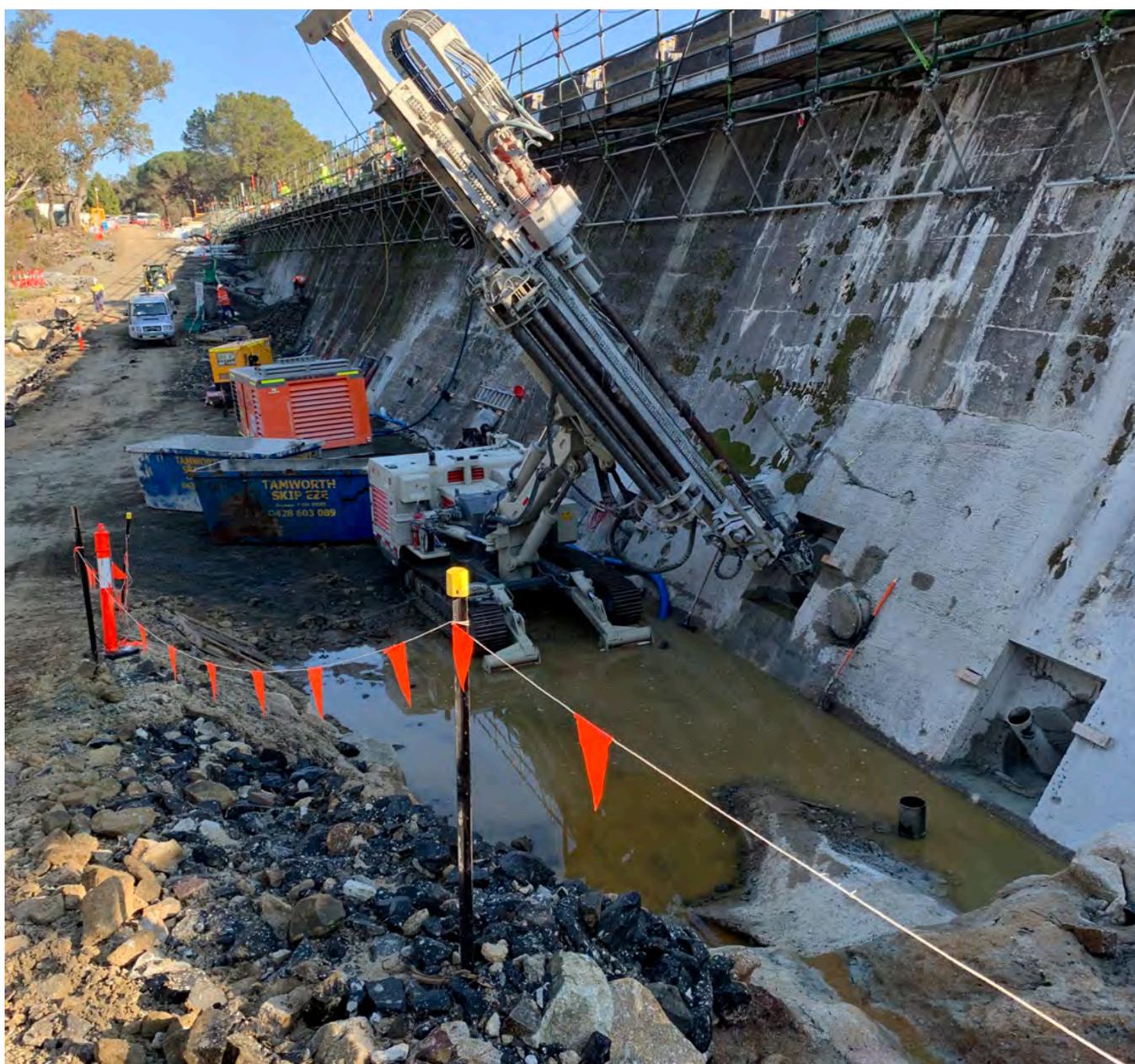


Yass to Murrumbateman Water Transfer Pump Station, NSW

Stream 3

Supporting the repair or decommissioning of high-risk dams

Stream 3 is now closed. The department administers existing projects in line with existing funding agreements and assessment frameworks.



Dumaresq Dam, NSW

Probity advice

Independent probity advisors provide guidance to the program on any issues concerning integrity, fairness and accountability that might arise, from prioritising risks and issues, assessing submissions, awarding grants and administering funding agreements. This will ensure decisions are made with integrity, fairness and accountability, while delivering value for money for NSW.

Marketing and communications

The Minister for Water or their nominated representative may publicly announce the award of a grant under any stream of the program.

Following execution of the funding agreement, the department will publicly disclose details of the grant on the NSW Government grants and funding finder website.

Proponents must acknowledge when they have received funding under the program. Funding acknowledgement requirements are detailed on the NSW Government website via [nsw.gov.au website](https://www.nsw.gov.au).

Departmental support

Eligible proponents who require assistance with developing proposals under Stream 1 or 2, or with managing a funded project should contact the department to enquire about possible support.

Contact

The department can be contacted by:

- emailing water.enquiries@dpie.nsw.gov.au
- phoning 1300 081 047.

Complaints

The NSW Government is committed to ensuring the process for providing funding under the program is transparent and in accordance with published guidelines, and the [Grants Administration Guide \(2024\)](#).

Concerns about the program or individual applications should be submitted in writing to water.enquiries@dpie.nsw.gov.au. Concerns will be managed in accordance with the department's complaints handling policy, which may include an independent review if required. If proponents do not agree with the way the department has handled the issue, they may wish to contact the NSW Ombudsman via [ombo.nsw.gov.au](https://www.ombo.nsw.gov.au)

Government Information (Public Access) Act 2009

Proponents should be aware information submitted in applications and all related correspondence, attachments and other documents may be made publicly available if required to do so under the *Government Information (Public Access) Act 2009 (NSW)*. Information 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.

Department of Climate Change, Energy, the Environment and Water

water.nsw.gov.au/safe-and-secure-water-program



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