



Shoalhaven Council's  
Water Utility  
**WATER**

# Strategic Business Plan

2025–2030



# Acknowledgement of Country

Walawaani (welcome),

Shoalhaven City Council recognises the First Peoples of the Shoalhaven and their ongoing connection to culture and country. We acknowledge Aboriginal people as the Traditional Owners, Custodians and Lore Keepers of the world's oldest living culture and pay respects to their Elders past, present and emerging.

Walawaani njindiwan (safe journey to you all)

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# 1. Introduction

Shoalhaven City Council, through Shoalhaven Water, owns and maintains 4 water treatment plants and 13 wastewater schemes. This infrastructure provides water and sewerage services throughout the region from Berry and Kangaroo Valley in the north to Lake Tabourie in the south.

Our customers, a substantial proportion of whom are located within environmentally sensitive areas, include a growing population of more than 114,000 people, services connected to 54,000 residential and commercial properties and 2.7 million visitors each year.



“  
A place of natural beauty with  
compassionate, resilient and  
thriving communities.”

– Shoalhaven City Council's vision statement

# Shoalhaven City Council's *core values*

Council's core values guide our behaviour and help us live in balance with our unique environment and each other to fulfill our goals. We are committed to behaving and acting in ways that reflect these values.

## **Respect**

We are mindful of and care about the feelings, wishes and rights of others.

## **Integrity**

We are committed to maintaining high ethics and standards.

## **Adaptability**

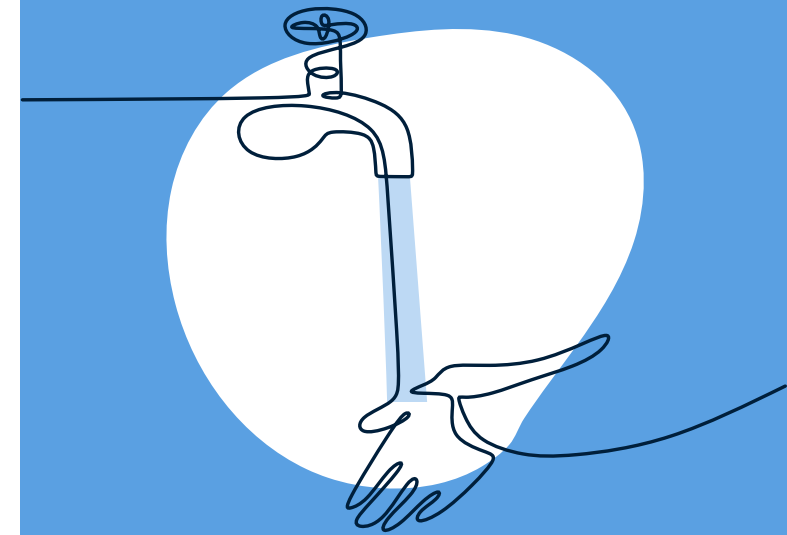
We are ready for change and willing to embrace a new situation.

## **Collaboration**

We enjoy working together to deliver for our community.

# Shoalhaven Water's *mission*

Deliver efficient, reliable and resilient water and wastewater services.





## Reconciliation *Action Plan*

Council's reconciliation journey is one step closer with its inaugural Reconciliation Action Plan (RAP).

The RAP sets out our actions and commitments to strengthen relationships, demonstrate respect and provide opportunities for Council to work more collaboratively with Aboriginal and Torres Strait Islander communities.

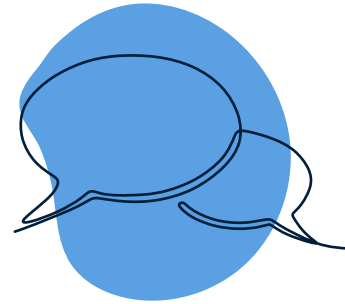
## The *RAP Framework*

Reconciliation Australia's RAP Framework provides organisations with a structured approach to advance reconciliation. There are four different types of RAP that an organisation can develop, and Council is beginning its RAP journey at the introductory Reflect level.

The Reflect level covers a 12–18 month period that prepares the organisation for future RAPs and reconciliation initiatives.

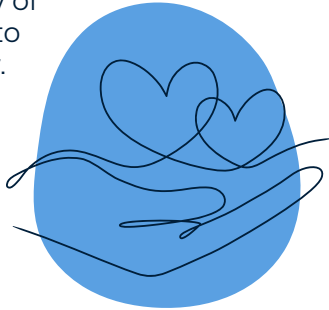
## Our Customer

Striving to understand and exceed customer expectation and satisfaction with an emphasis on quality service, consultation and continuous improvement.



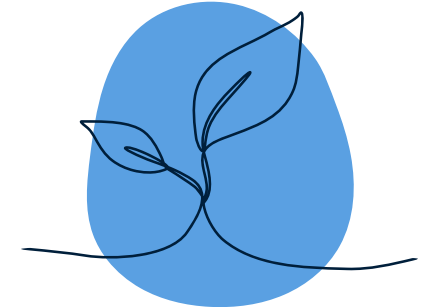
## Our Community

Ensuring quality of life and health to our community.



# Shoalhaven Water's *guiding principles*

Our strategic decisions and daily operations are shaped by a set of guiding principles; each aligned with the key focus areas outlined in this Strategic Business Plan. These principles ensure our actions are purposeful, consistent, and directed towards achieving our objectives.



## Our Environment

Managing Shoalhaven Water in an environmentally responsible and sustainable manner for the betterment of present and future generations.

## Our Team

Providing the Shoalhaven with efficient, dedicated and enthusiastic staff by working through trust, learning and communication.



## Our Business

Provision of efficient and effective water and wastewater services, to agreed levels of customer service and regulatory requirements, in an equitable and commercial manner.



# 2. Strategic *achievements*

Shoalhaven Water has consistently demonstrated leadership and innovation across multiple domains, reinforcing its commitment to excellence in water management and community service. A summary of these key strategic achievements include:

## Regulatory Leadership

- Pioneered collaboration with the NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW) in developing the new Regulatory Assurance Framework.
- One of the first Local Water Utilities to undertake assessment under the new regulatory assurance framework.
- Recipient of the Sam Samra Award for Excellence in Water Management (2023).

## Brand Recognition

- Awarded Best Tasting Tap Water in NSW/ACT in 2019 and 2022.
- A trusted, cost-effective leader in the water sector.

## Workforce Development

- Maintained a robust Traineeship Program.
- Addressed generational balance and skill retention.
- Collaborated with the University of Wollongong and Sydney University.
- Offered thesis opportunities including the Major Industrial Project Placement Scheme program to attract undergraduate and graduate talent.

## Staff Engagement and Communication

- Implemented the Shoalhaven Water Induction Program.
- Conducted network presentations and team days.
- Enhanced digital access via SharePoint.

## Strategic Partnerships

- Delivered operational and maintenance services through agreements with Jervis Bay Territory and major water users.

## Financial Sustainability

- Delivered a more robust and transparent 10-year Long-Term Financial Plan (LTFP).

## Project Governance

- Established a dedicated Project Management Office (PMO).
- Implemented formal governance for project prioritisation, lifecycle management, and performance monitoring.

## Customer Experience

- Improved access to online platforms and streamlined service request systems.

## Asset Management Excellence

- Formed the Shoalhaven Water Asset Management Steering Group.
- Developed comprehensive asset management systems, strategies, and servicing plans.
- Updated water and wastewater servicing strategies.

## Environmental Stewardship

- Developed a robust Drought Management plan to secure water supply for future demands.
- Expanded use of renewable energy through solar installations and the power purchase agreement.

## Recovery and Resilience

- Boosted community water supply with new reservoirs, trunk mains, and pressure zone upgrades.
- Upgraded telecommunications to ensure continuity during disasters.
- Expanded backup power fleet to 27 generators for greater operational reliability.

## Cultural Inclusion

- Advanced reconciliation efforts through the implementation of the Reconciliation Action Plan (RAP).

## Capital Works Delivery

- Bushfire Local Economic Recovery Fund (BLERF) funded Communication Towers resilience improvements and Kangaroo Valley Reservoir.
- North Nowra Surcharge Main Upgrade.
- Water and sewer infrastructure for Moss Vale Road, Culburra, and West Nowra Urban Release Areas.
- Renewal of St Anns and Lyrebird Rising Mains and Pumping Stations.
- Upgrade of Bomaderry and Nowra Sewer Treatment Plants (STPs) as part of the Reclaimed Water Management Scheme (REMS) expansion.
- Flinders Depot Extension to consolidate operational staff.



# 3. Operating context

## Governance

Shoalhaven City Council (Council) is responsible for providing water and wastewater services across the Shoalhaven Local Government area under the statutory framework of the *Local Government Act 1993*. Council meets these responsibilities through Shoalhaven Water, a Category 1 Business of Council.

Shoalhaven Water operates within a governance framework that includes both formal reporting and compliance certification under the NSW *Local Government Act*, along with the NSW Regulatory and Assurance Framework as a Local Water Utility.

Shoalhaven Water is responsible for the management of the water and sewerage business – including the development of pricing proposals to Council, infrastructure planning and delivery, operations, maintenance, billing, development assessment, and customer enquiries. Corporate support functions such as payroll, finance, information technology, and insurance are provided by Council and charged to Shoalhaven Water through overheads.

## Regulatory frameworks and legislation requirements

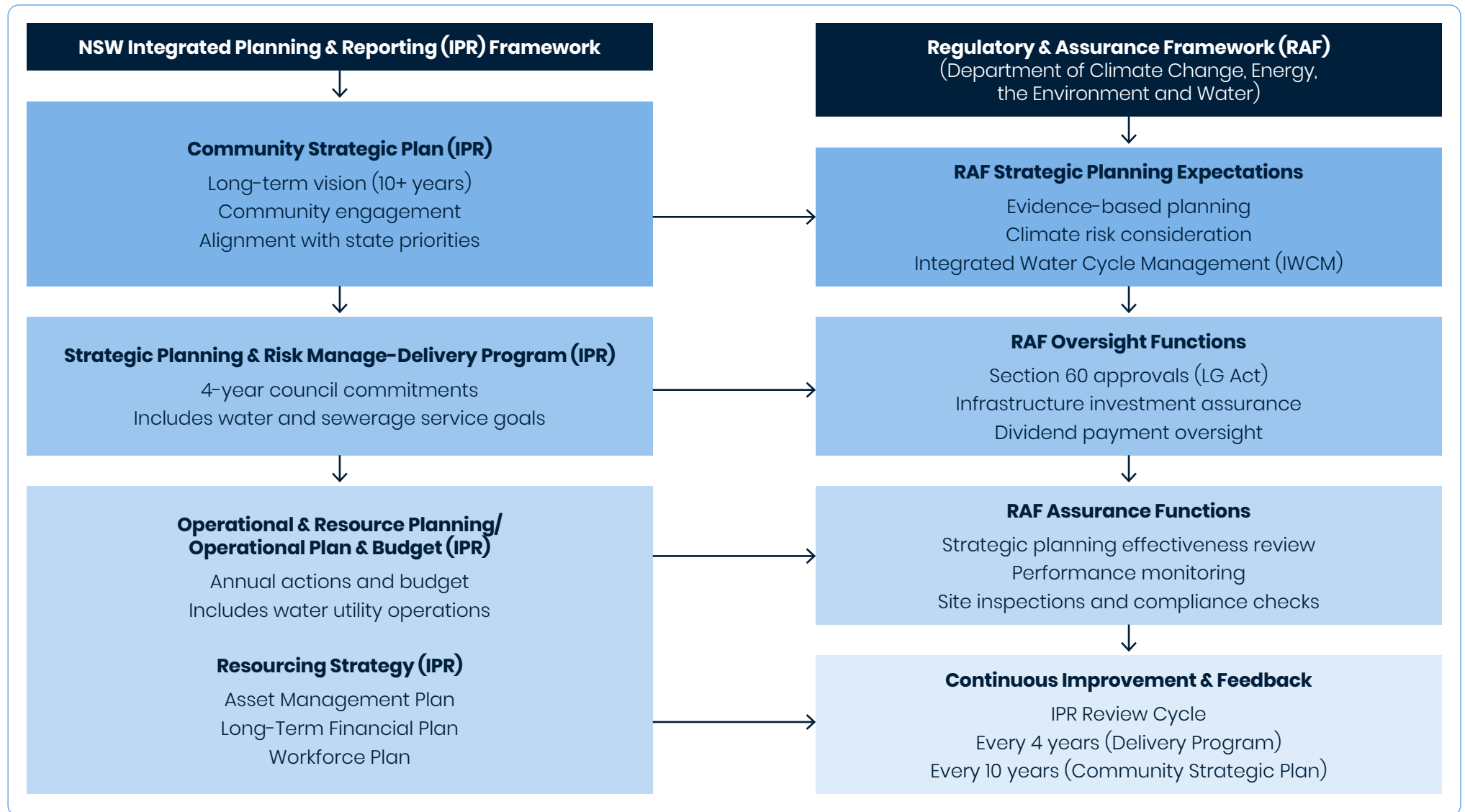
Shoalhaven Water operates as a regulated organisation under Shoalhaven City Council. As a local water utility, Shoalhaven Water is responsible for complying with Australian and NSW regulations governing the operation and maintenance of water and sewerage services within the Shoalhaven Local Government area. These legislative requirements are outlined in Appendix A.

In July 2022, the NSW Government, through the Department of Climate Change, Energy, the Environment and Water (DCCEEW) released the *Regulatory and Assurance Framework for Local Water Utilities*, replacing the *Best Practice Management Guidelines 2007*. In late 2022, DCCEEW then issued supporting guidance documents to assist utilities in achieving the framework's intended outcomes.

This updated regulatory approach is designed to help utilities and NSW Government regulators identify, manage and mitigate risks more effectively. It also empowers Shoalhaven Water to respond more efficiently to strategic challenges using locally developed plans and management systems. As a Category 1 (Class A) (annual gross operating income >\$2 million) Business of Council, Shoalhaven Water is also expected to maintain financial sustainability through its operations.

The Shoalhaven Water Strategic Business Plan 2025–2035 (this Plan) acts as a subsidiary planning document within this framework. It aligns with the Integrated Planning and Reporting (IPR) structure and complements other Shoalhaven Water planning documents (Figure 1). By providing a clear layer of implementation and integration detail, this Plan helps ensure the effective delivery of Council's strategic objectives.

**Figure 1. Integrated Strategic Planning framework**



# 4. Our challenges

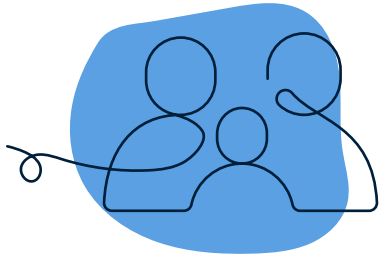
Effective water and wastewater management is essential to the wellbeing of our community. It supports everyday life, sustains local industries and agriculture, underpins business and tourism, and plays a vital role in protecting our natural environment.

Shoalhaven Water plays a critical role in providing essential services to more than 114,000 residents in the Shoalhaven region. We are responsible for maintaining a safe and reliable water supply, and for delivering effective wastewater and reclaimed water services.

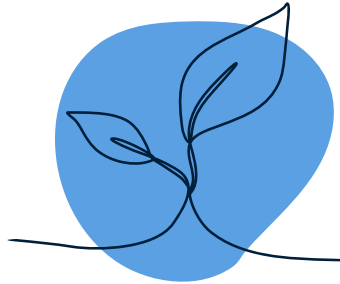
As global megatrends and regional changes accelerate, we face a complex set of challenges that will shape how we effectively deliver services into the future. This Strategic Business Plan 2025–2030 sets a clear roadmap for navigating these shifts and maintaining high-quality service delivery in an evolving landscape.



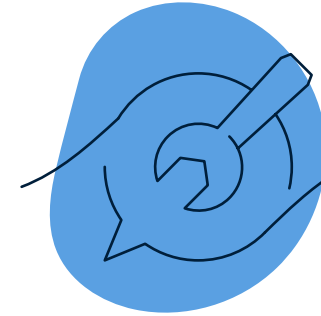
# Key challenges include:



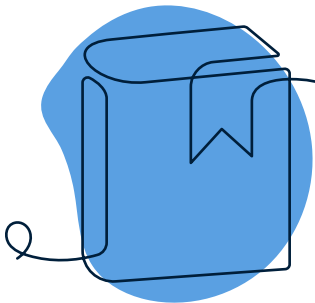
**Changing customer demographics and requirements**, alongside population and visitor growth in the Shoalhaven region.



**Evolving environmental obligations**, including emissions targets, environmental impact, testing and monitoring, and circular economy initiatives.



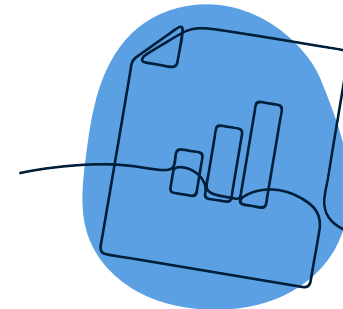
**The need to achieve > 80% asset renewal ratio target**, requiring significant investment in sustainable technologies.



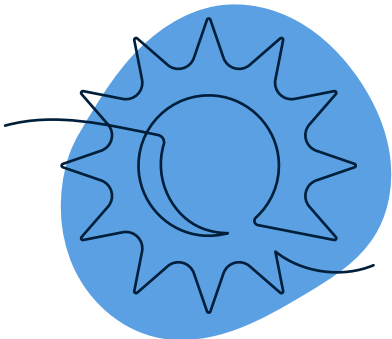
**Increasing regulatory obligations**, including the management of contaminants of emerging concern.



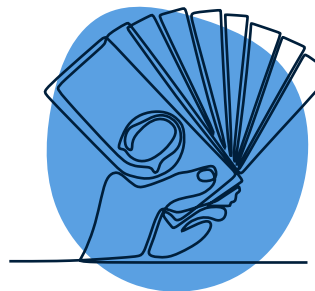
**Widespread talent shortages**, combined with Shoalhaven Water's high staff turnover and limited formal systems for onboarding and knowledge transfer.



**A growing need for data-driven decision-making**, integrated systems, and the adoption of new technologies to improve service delivery and efficiency.



**The growing impact of climate variability**, including risks to water security and infrastructure due to increased occurrence of natural disasters and droughts.



**Rising pressure for financial certainty** amid global economic instability and cost of living challenges on customers.



**A growing large and ageing asset base** requiring ongoing capital investment to maintain service standards.

# 5. Our Strategic Business Plan

## About this Plan

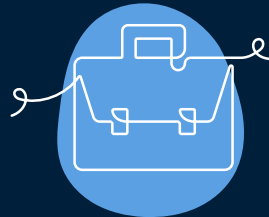
This Plan outlines how Shoalhaven Water will respond to emerging mega, regional, and industry trends, while continuing to deliver essential water and wastewater services to our community – now and into the future.

Our approach is guided by four key focus areas, identified through the 2020/2021 Strategic Business Plan Report and Strategic Planning Days. These focus areas ensure we meet regulatory obligations, align with Council's objectives, and deliver long-term value for our customers and community.

Each section of this Plan outlines the strategic context and priority actions required to meet objectives – aligned with Shoalhaven Water's mission and future direction.



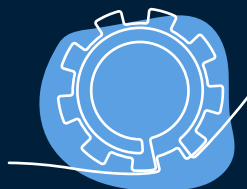
**Focus area 1: Service delivery** – Striving to understand and meet customer expectation and satisfaction with an emphasis on quality of service, consultation and continuous improvement.



**Focus area 2: Workforce planning** – Providing the Shoalhaven with efficient, dedicated and enthusiastic staff by working through trust, learning and communication.



**Focus area 3: Prudent financial planning** – Provision of efficient and effective water and wastewater services, to agreed levels of customer service and regulatory requirements, in an equitable and sustainable manner.



**Focus area 4: Sustainable asset management** – Leading the way towards a bold future by managing Shoalhaven Water in an environmentally responsible and sustainable manner for the betterment of present and future generations.

# Strategic Business Plan 2025–2030 – snapshot

## Focus area 1: Service delivery

Striving to understand and meet customer expectation and satisfaction with an emphasis on quality of service, consultation and continuous improvement.

### Objectives

- Ensure the provision of safe and secure drinking water and effective sewerage services to protect public health and the environment, and support economic development and liveability.
- Provide services that meet the evolving needs, expectations, and preferences of our customers and communities.
- Operate and maintain infrastructure to consistently meet agreed 'Levels of Service' while ensuring full compliance with all regulatory requirements.
- Promote and support community initiatives that encourage water conservation and sustainable water use.
- Regularly review and adjust the scope and level of services to ensure alignment with community needs, operational capacity, and strategic goals.
- Identify advancements in technology to support the operations and customer experience.

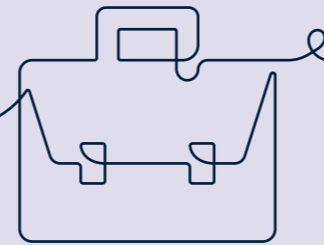


## Focus area 2: Workforce planning

Providing the Shoalhaven with efficient, dedicated and enthusiastic staff by working through trust, learning and communication.

### Objectives

- Attract, develop and retain a diverse and highly capable workforce that drives organisational success, with a focus on Indigenous employment opportunities.
- Ensure organisational continuity by implementing effective succession planning and leadership development strategies.
- Ensure the structure and composition of the Shoalhaven Water Directorate meets the levels of service and can respond to growing and changing demands of a local water utility.
- Establish Shoalhaven Water as an employer of choice within our industry and region.



## Focus area 3: Prudent financial planning

Provision of efficient and effective water and wastewater services, to agreed levels of customer service and regulatory requirements, in an equitable and sustainable manner.

### Objectives

- Develop and implement financial and environmental strategies to ensure the long-term sustainability of services and infrastructure.
- Enhance financial sustainability and customer value by actively securing external funding, optimising internal operations, and diversifying revenue streams.
- Reduce operational costs by managing water leaks and sewer infiltration to enhance network efficiency and asset longevity.
- Deliver an efficient and cost-effective Capital Works Program that supports strategic goals and enhances service delivery.
- Strengthen governance frameworks and enhance financial controls to ensure transparency, accountability, sustainable fiscal management prioritisation and decision making.
- Achieve and maintain a resilient financial position that proactively manages risk and uncertainty to support sustainable growth.
- Drive enhanced productivity and cost-efficiency in service delivery to maximise value.

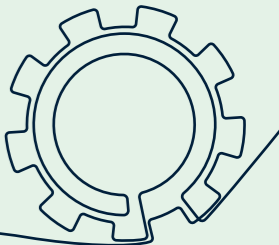


## Focus area 4: Sustainable asset management

Leading the way towards a bold future by managing Shoalhaven Water in an environmentally responsible and sustainable manner for the betterment of present and future generations.

### Objectives

- Proactively identify and mitigate risks to ensure the continuity, safety, and resilience of critical water supply and wastewater assets.
- Drive smart, data-driven sustainable investment to maximise service delivery, operational efficiency, and customer value over the lifecycle of our assets.
- Maintain a robust and contemporary asset management system.
- Maximise the use of asset data to strengthen asset management processes and decision-making.



## Focus area 1:

# Service *delivery*

Striving to understand and meet customer expectation and satisfaction with an emphasis on quality of service, consultation and continuous improvement.



# Overview

Shoalhaven Water manages essential and complex water supply and sewerage networks across the Shoalhaven region, spanning rural, residential, commercial, industrial, and environmentally sensitive areas. At the core of our operations is service delivery, ensuring safe, reliable drinking water and effective sewerage services that protect public health, safeguard the environment, and support the region's liveability and economic growth.

## To achieve this, we focus on five priorities:

1. Maintaining safe and secure services.
2. Meeting evolving customer expectations.
3. Operating infrastructure to agreed service levels.
4. Promoting water conservation.
5. Ensuring continuous improvement through oversight and accountability.

These commitments will be realised through comprehensive asset and maintenance planning, the development of contemporary servicing strategies, and ensuring infrastructure proactively evolves alongside population growth and increasing demand.

We remain dedicated to delivering drinking water that meets or surpasses national standards, maintaining wastewater services that satisfy both environmental requirements and community expectations, and pursuing sustainable asset renewal to ensure long-term reliability and resilience.

The implementation of the Technology-One system represents a significant step forward in tracking and demonstrating the progress of these plans and strategies. By enhancing transparency, enabling structured planning, supporting data-driven decision-making, and strengthening oversight and accountability, it underpins continuous improvement across all service areas.

Looking ahead, we are also focused on fostering a water-conscious community through proactive initiatives. This includes promoting programs that encourage sustainable water use, embedding permanent water-saving measures, and delivering water literacy education that empowers the community to understand, value, and protect water resources for the future.

Through these actions, Shoalhaven Water will continue to deliver future-ready water and sewerage services that meet community needs today and for generations to come.

**Table 1. Service delivery strategic plan**

Objectives	Actions	Measures of success
Ensure the provision of safe and secure drinking water and effective sewerage services to protect public health and the environment, and support economic development and liveability.	1.1. Develop and maintain comprehensive Maintenance Plans, Asset Management Plans and Critical Asset Management Plans within the Technology-One system.	Plans and processes are fully implemented and reviewed annually, with 100% compliance with safe drinking water and wastewater standards and target ratios.
	1.2. Develop contemporary development plans and servicing strategies.	
	1.3. Develop effective asset management systems and planning processes.	
	1.4. Implement proactive plans to accommodate future growth and increasing demand for water and wastewater services.	
	1.5. Provide potable water supply that meets or exceeds the Australian Drinking Water Guidelines.	
	1.6. Deliver wastewater services in compliance with environmental protection licences and aligned with community expectations.	
	1.7. Implement strategies to ensure the target renewal ratios are achieved.	
Provide services that meet the evolving needs, expectations, and preferences of our customers and communities.	1.8. Conduct a comprehensive audit of the Customer Service Plan at the start of each new Council term.	Improvement in customer satisfaction scores and feedback year-on-year.
	1.9. Participate in the National Performance Reporting each year.	
	1.10. Actively promote Shoalhaven Water's services, initiatives, and achievements to the community.	
Operate and maintain infrastructure to consistently meet agreed 'Levels of Service' while ensuring full compliance with all regulatory requirements.	1.11. Implement initiatives to reduce the number of dry weather sewage overflow events.	Consistent achievement of agreed 'Levels of Service' as demonstrated by performance metrics.
	1.12. Investigate inflow and infiltration within the wastewater network.	
	1.13. Continuously develop and refine hydraulic modelling.	

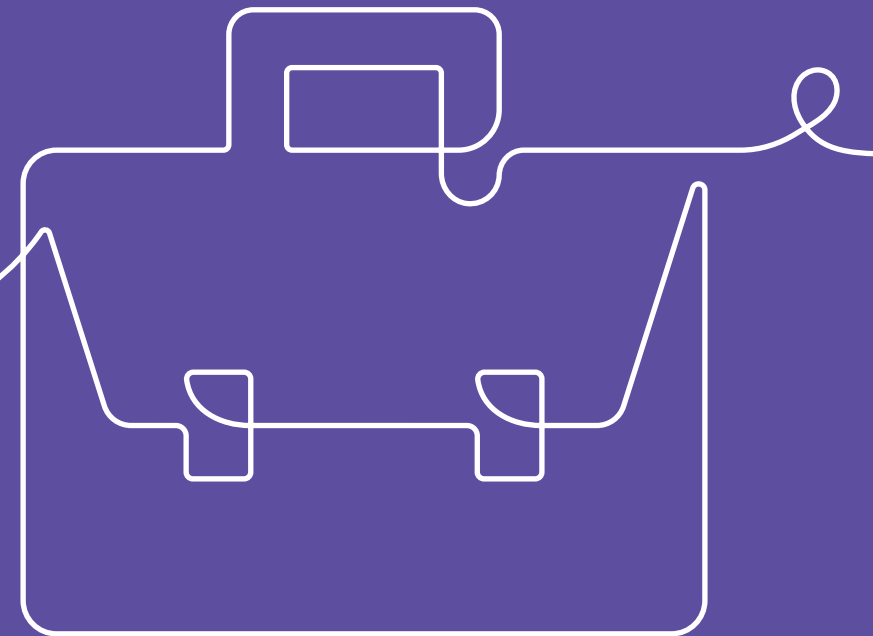
**Table 1. Service delivery strategic plan (continued)**

Objectives	Actions	Measures of success
<p><b>Promote and support community initiatives that encourage water conservation and sustainable water use.</b></p>	<p>1.14. Implement and maintain permanent water-saving initiatives.</p>	<p>Increased community participation in water conservation programs and initiatives, and measurable reductions in water consumption.</p>
	<p>1.15. Develop and deliver water literacy programs to educate the community on sustainable water use and the value of water resources.</p>	
	<p>1.16. Develop and implement a comprehensive Drought Management Plan.</p>	
	<p>1.17. Conduct ongoing community engagement through forums such as DPOP, Community and Development industry presentations, and development industry stakeholder groups.</p>	
<p><b>Regularly review and adjust the scope and level of services to ensure alignment with community needs, operational capacity, and strategic goals.</b></p>	<p>1.18. Develop and establish policies that define and support optimal service levels.</p>	<p>Completion of scheduled reviews, oversight and monitoring, with measurable service improvements.</p>
	<p>1.19. Review operations and make informed regulatory decisions to ensure compliance and service quality.</p>	
	<p>1.20. Provide oversight and assurance to ensure accountability, compliance, and continuous improvement.</p>	
	<p>1.21. Continuously monitor and report on performance to drive transparency and support data-informed decision-making.</p>	
<p><b>Identify advancements in technology to support the operations and customer experience.</b></p>	<p>1.22. Contribute to the ongoing forward planning for Council's enterprise architecture relevant to the Shoalhaven Water.</p>	<p>Early identification and rigorous assessment of emerging technology.</p>
	<p>1.23. Regular engagement with industry and vendors to identify and assess opportunities from new technology and solutions that can deliver a net benefit to our customers.</p>	

**Focus area 2:**

# Workforce *planning*

Providing the Shoalhaven with efficient, dedicated and enthusiastic staff by working through trust, learning and communication.



# Overview

Shoalhaven Water will strategically plan and manage its human resources to build and sustain a resilient, agile, and diverse workforce, ensuring the delivery of safe and effective water and sewer services that meet or exceed expected service levels.

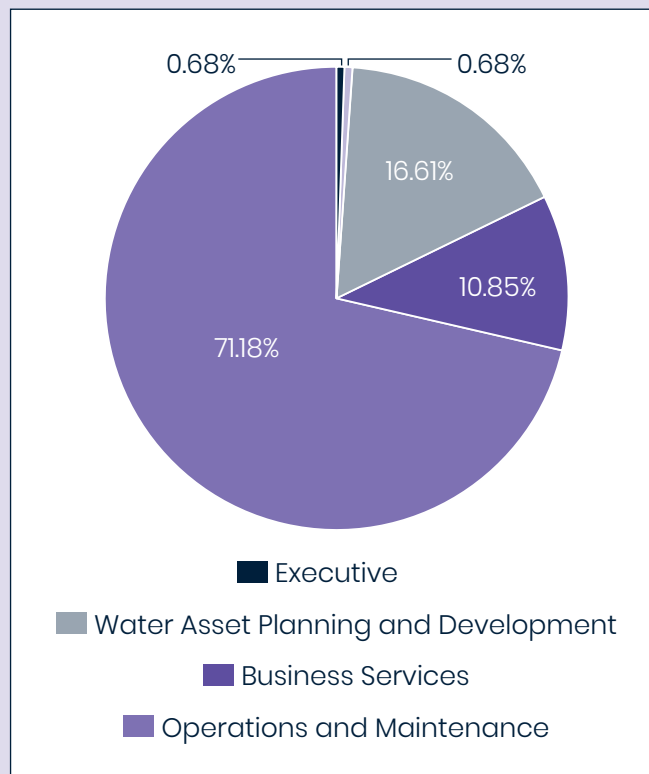
We will also continue to develop and expand our trainee program, alongside delivering targeted engagement initiatives with local high schools. These initiatives aim to showcase the wide range of career opportunities within our organisation, inspiring students to consider Shoalhaven Water as a potential employer of choice within our industry and region.

Employment data from July 2025 shows that Shoalhaven Water employed 295 staff across five key business functions (Figure 2). The majority of employees (71.18%) were concentrated in Operations and Maintenance. The remainder of the workforce was distributed across Water Asset Planning and Development (16.61%), Business Services (10.85%), and a small representation in Executive roles (0.68%).

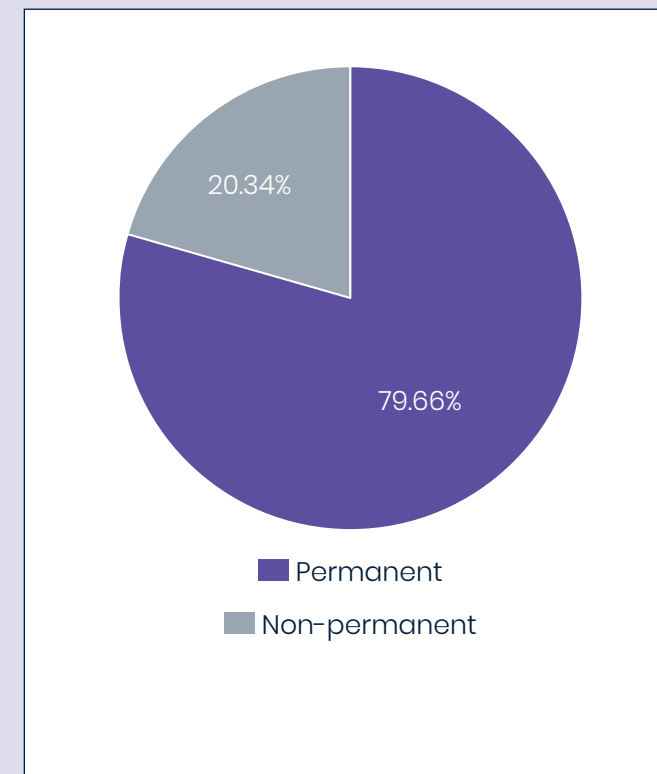
When looking at employment type (Figure 3), almost 80% of positions were permanent, with the largest share again located in Operations and Maintenance (72%).

It's important to note that this data excludes contract workers and consultants and therefore does not fully reflect the organisation's total capability, capacity, or workforce gaps.

**Figure 2. Shoalhaven Water workforce by business function**



**Figure 3. Shoalhaven Water workforce by employment type**



**Table 2. Workforce planning strategic plan**

Objectives	Actions	Measures of success
Attract, develop and retain a diverse and highly capable workforce that drives organisational success, with a focus on Indigenous employment opportunities.	2.1. Develop and implement a comprehensive onboarding and induction program.	Key talent acquisition and improved employee retention rates.
	2.2. Develop and implement a professional development and training program.	
	2.3. Define and offer flexible working arrangements.	
	2.4. Implement strategies to encourage active and effective two-way communication with employees.	
	2.5. Establish and manage an employee recognition program.	
	2.6. Actively encourage Indigenous employment.	
Ensure organisational continuity by implementing effective succession planning and leadership development strategies.	2.7. Develop a formal knowledge-sharing process.	Completion rate of knowledge-sharing process and development plans.
	2.8. Identify and design tailored development plans for potential successors who could progress into leadership or specialist roles.	
Ensure the structure and composition of the Shoalhaven Water Directorate meets the levels of service and can respond to growing and changing demands of a local Water utility.	2.9. Regularly review the Directorate structure and identify and implement changes to the structure and composition of the workforce to meet levels of service and compliance shortfalls.	Annual review of structure and workforce.
	2.10. Identify the future workforce needs to maintain the high level of customer service with growing demands and regulatory requirements.	
Establish Shoalhaven Water as an employer of choice within our industry and region.	2.11. Actively participate in the Reconciliation Action Plan (RAP).	Higher applicant and retention rates for key and specialist roles, and increased employee satisfaction.
	2.12. Develop and expand the trainee program to build future workforce capability.	
	2.13. Deliver a targeted engagement program with local high schools.	

## Focus area 3:

# Prudent *financial planning*

Provision of efficient and effective water and wastewater services, to agreed levels of customer service and regulatory requirements, in an equitable and sustainable manner.



# Overview

Shoalhaven Water is committed to strong financial stewardship to ensure the long-term sustainability of our water and wastewater services. We undertake detailed short-term budgeting alongside medium- and long-term financial forecasting to meet community expectations and deliver agreed levels of service at the lowest sustainable cost, in line with industry best practice. These projections are supported by our Water and Sewerage Strategies and Development Servicing Plans, which help fund infrastructure to meet growth and renewal needs.

Under the *Local Government Act 1993*, income raised from water and sewer charges must be used exclusively for these activities. As a Category 1 Business Unit, our Water and Sewer Funds operate under competitive neutrality guidelines. Council may, at its discretion, deduct funds as a return on capital investment. Income is primarily derived from annual and usage-based customer charges, as well as developer contributions (Section 64 income).

## Key financial planning considerations include:

1. Variable consumption patterns influenced by weather and climate.
2. Changing environmental and regulatory conditions.
3. Inflation and real wage growth.
4. Rising material and equipment costs and a growing asset base.
5. Ageing infrastructure, particularly across wastewater treatment facilities.
6. Increased risks associated with contracting works.
7. Ongoing infrastructure rationalisation to ensure long-term efficiency.

Shoalhaven Water maintains a robust 10-year Long Term Financial Plan, in accordance with the Office of Local Government's requirements, incorporating both detailed short-term budgets from the operational plan, and estimates from the delivery program. Moving forward, greater emphasis will be placed on 10–20 year projections to strengthen long-term budget sustainability.

We also acknowledge the growing impact of climate variability and the need to plan for future shocks – environmental, social, economic, and political. Our financial planning will continue to build resilience in response to these pressures, ensuring ongoing service continuity.

With over \$2 billion in assets under management, Shoalhaven Water is targeting minimum reserves of \$20 million across both the Water and Sewer Funds and maintaining asset renewal ratios of >80%. Contemporary Development Servicing Plans and strategies will continue to support growth and asset renewal, while also enabling dividend to be paid to Council where financially viable.

**Table 3. Prudent financial planning strategic plan**

Objectives	Actions	Measures of success
<p><b>Develop and implement financial and environmental strategies to ensure the long-term sustainability of services and infrastructure.</b></p>	<p>3.1. Develop and implement a robust and accurate long-term financial plan that also supports environmental sustainability.</p>	<p>Implementation and ongoing review of a robust long-term financial plan that is adaptable to changing economic conditions.</p>
	<p>3.2. Undertake rationalisation of Water and Wastewater Treatment Plants.</p>	
	<p>3.3. Assess and manage increasing contract and consultant costs.</p>	
	<p>3.4. Drive informed, strategic decision-making through the Investment Review Committee and Portfolio and Project Management (PPM).</p>	
	<p>3.5. Continue to develop alternate funding opportunities such as Jervis Bay Territory servicing.</p>	
	<p>3.6. Maintain a minimum unallocated reserve of \$20 million in both Water and Sewer Funds.</p>	
<p><b>Enhance financial sustainability and customer value by actively securing external funding, optimising internal operations, and diversifying revenue streams.</b></p>	<p>3.7. Proactively pursue grants and external funding opportunities to support capital projects and minimise cost impacts on customers.</p>	<p>Increased proportion of capital project funding sourced from grants or alternative revenues, alongside year-on-year improvement in operational efficiency and reduced reliance on customer charges.</p>
	<p>3.8. Implement continuous business improvement strategies and explore alternative revenue streams.</p>	
<p><b>Reduce operational costs by managing water leaks and sewer infiltration to enhance network efficiency and asset longevity.</b></p>	<p>3.9. Ongoing improvement of the use of System Control and Data Acquisition (SCADA).</p>	<p>Decrease in water leakage and sewer infiltration associated costs.</p>
	<p>3.10. Implement smart technologies to efficiently detect, monitor, and reduce water leaks and sewer infiltration across the network.</p>	
	<p>3.11. Continuously monitor and optimise water pressure levels.</p>	
	<p>3.12. Ongoing development of infiltration management program.</p>	

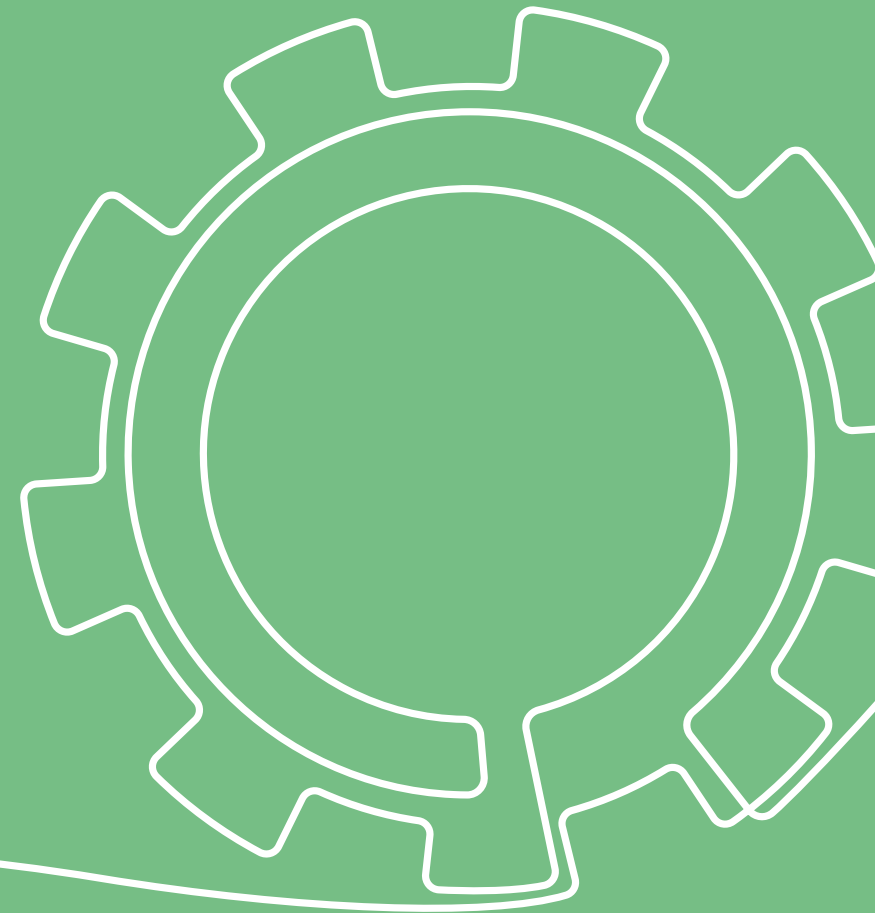
**Table 3. Prudent financial planning strategic plan (continued)**

Objectives	Actions	Measures of success
<p><b>Deliver an efficient and cost-effective Capital Works Program that supports strategic goals and enhances service delivery.</b></p>	<p><b>3.13.</b> Build internal capability and capacity of project delivery and construction crews to reduce costs and project risks.</p>	<p>Capital Works Program delivered and aligned with priorities outlined in the Long Term Financial Plan.</p>
<p><b>Strengthen governance frameworks and enhance financial controls to ensure transparency, accountability, sustainable fiscal management prioritisation and decision making.</b></p>	<p><b>3.14.</b> Ensure integration of the Annual Budget and Long-Term Financial Plan with the Delivery Program, Operational Plan, Asset Management Plans, Workforce Strategy, and other relevant adopted plans.</p>	<p>Delivery of strengthened governance frameworks and financial controls in alignment with the Long-Term Financial Plan.</p>
	<p><b>3.15.</b> Implement robust budget and financial controls by establishing clear budget accountability and better project governance control by improving the project management framework with gateway reviews, defining a workforce plan aligned to funded staff levels, and strengthening the contract management framework.</p>	
	<p><b>3.16.</b> Develop a forward-focused Annual Budget process driven by real-time data and strategic priorities, rather than reliance on historical information.</p>	
<p><b>Achieve and maintain a resilient financial position that proactively manages risk and uncertainty to support sustainable growth.</b></p>	<p><b>3.17.</b> Maintain a minimum unrestricted cash reserve of \$20 million in Water and Sewer Funds to ensure readiness for unplanned asset renewals, replacements, or unforeseen events.</p>	<p>Consistently deliver capital and operational plans on schedule while maintaining the minimum required financial reserves.</p>
<p><b>Drive enhanced productivity and cost-efficiency in service delivery to maximise value.</b></p>	<p><b>3.18.</b> Embed clear productivity and efficiency metrics within the Annual Budget and reporting frameworks to enable effective trend analysis and benchmarking against similar sized Local Water Utilities (LWUs).</p>	<p>Improvement in key productivity and efficiency metrics.</p>
	<p><b>3.19.</b> Identify cost inefficiencies and implement targeted improvements that enhance productivity and contribute to an improved operating position.</p>	

## Focus area 4:

# Sustainable asset *management*

Leading the way towards a bold future by operating Shoalhaven Water in an environmentally responsible and sustainable manner for the betterment of present and future generations.



# Overview

## Asset management

Shoalhaven Water adopted its Asset Management Policy in 2009, which considered five long-term scenarios, incorporating varying levels of demand, source management, and reuse strategies. These plans were developed to support a sustainable, strategic approach to managing wastewater assets and the services they provide across the Shoalhaven LGA.

### Key Asset Management Policy documents include:

[Asset Management Plan – Water Supply](#)



[Asset Management Plan – Wastewater](#)



In 2012, an Asset Management Capability Assessment was conducted, establishing a baseline for the organisation and identifying required business enhancements. This assessment also provided a roadmap for implementation.

To support this, Shoalhaven Water implemented an Asset Management Improvement Plan, which has guided the organisation's continuous improvement efforts. By 2019, more than 50% of the Plan's actions had been completed, with significant progress made on the remainder.

These improvements enabled Shoalhaven Water to elevate its asset management maturity from Core to Intermediate, as measured by the International Infrastructure Management Manual (IIMM) AMP Maturity Index.

In 2021, Shoalhaven Water engaged an external consultant to reassess its asset management maturity. The resulting report, dated July 16, 2021, reaffirmed the organisation's Intermediate maturity level and outlined a five-year improvement roadmap.

### Key recommendations included:

1. Development of scheduled maintenance programs.
2. Enhancements in customer service metrics and reporting.
3. Strengthened risk management frameworks.
4. Improvements in asset data quality, performance reporting, and budgeting processes.

Together, these initiatives are shaping Shoalhaven Water's asset management capability, ensuring infrastructure resilience, customer value, and sustainable service delivery well into the future.



## Capital works

Shoalhaven Water is committed to planning and delivering capital works projects that ensure the provision of cost-efficient, safe, and reliable water and sewerage services across the region. Separate Water Supply and Sewer Capital Works Programs are developed annually and published in the Delivery Program and Operational Plan (DPOP). These projects are funded through a combination of loans and reserves.

### Capital works typically fall into the following categories:

1. New works for growth.
2. New works for asset enhancement.
3. Renewal and replacement work.
4. Other supporting infrastructure.

### Upcoming capital works projects include:

#### Watermain Replacement Program:

Ongoing replacement of aging PVC and asbestos cement (AC) pipes, which are failing earlier than expected, to maintain service reliability and reduce maintenance costs.

#### Bamarang to Milton Stage 2 Water Main:

A strategic infrastructure project to increase capacity in the southern region, supporting future growth while enhancing network resilience.

#### Sewer treatment plant upgrades:

Several sewer treatment plants are nearing capacity. A major long-term capital program, estimated to exceed \$100 million over the next 10 to 20 years, is being developed. Shoalhaven Water is exploring options to consolidate multiple treatment plants into a single, larger facility to improve capacity, efficiency, and deliver economies of scale.

The Water and Sewer Funds include capital programs each year for the renewal of aging assets as well as providing for the growth of the Local Government Area.



**Table 4. Sustainable asset management strategic plan**

Objectives	Actions	Measures of success
Proactively identify and mitigate risks to ensure the continuity, safety, and resilience of critical water supply and wastewater assets.	4.1. Assess and report on risks associated with critical water and wastewater assets and implement mitigation strategies and contingency plans.	Risks associated with critical water and wastewater assets are identified, assessed, and aligned with the organisation's Corporate Risk Register.
Drive smart, data-driven sustainable investment to maximise service delivery, operational efficiency and customer value over the lifecycle of our assets.	4.2. Strengthen asset management capability by improving scheduled maintenance delivery, budgeting accuracy, data quality, reporting processes, and long-term financial sustainability.	Achieve an effective asset renewal ratio greater than 100% through funded and delivered renewals.
	4.3. Improve processes for asset data collection, standardisation, and componentisation.	
	4.4. Conduct asset condition assessments informed by comprehensive and accurate data collection.	
	4.5. Strengthen strategic asset management capability to accurately predict, prioritise, and plan asset renewal programs based on known risks, criticality, asset condition, and performance across each asset class.	
	4.6. Implement a condition inspection program prioritising all critical or high-risk assets, complemented by sample assessments for lower-risk assets.	
	4.7. Enhance the integration of asset planning with strategic service planning to better anticipate, manage, and where possible, mitigate demand-driven growth in infrastructure requirements.	
	Maintain a robust and contemporary asset management system.	
4.9. Review and update Asset Management Plans for each asset class to define and implement optimal lifecycle strategies.		
Maximise the use of asset data to strengthen asset management processes and decision-making.	4.10. Develop systems, processes and skills to generate, manage, and analyse asset data to support informed asset management processes and business planning decisions.	Increase in data-driven asset management processes and decision-making.

# 6. Appendix

## Appendix A: Legislation requirements

Strategic requirements	
Integrated Planning and Reporting (IPR) Guidelines	<p>Community Strategic Plan – main priorities for a 10-year timeframe.</p> <p>Resourcing Strategy – provision for:</p> <ul style="list-style-type: none"> <li>• Long term financial planning – 10-year horizon.</li> <li>• Workforce management planning – 4-year horizon.</li> <li>• Asset management planning – 10-year horizon.</li> <li>• Delivery Program – Adoption by 30 June after election of new Council.</li> <li>• Operation Plan – Annual sub-plan of the delivery program to be adopted by 30 June each year.</li> <li>• Annual Report – Prepared within 5 months of the end of financial year, outlining Council's achievements in implementing delivery program including financial statements.</li> </ul>
National Water Initiative (NWI)	<ul style="list-style-type: none"> <li>• National Annual Performance Reporting.</li> </ul>
Regulatory and Assurance Framework (RAF)	<ul style="list-style-type: none"> <li>• Annual Performance Reporting.</li> <li>• Annual Trade Waste Concurrence Reports assessed as having robust effective Strategic Planning.</li> <li>• Achieve robust and effective strategic planning.</li> </ul>
Legal and Regulatory	
<i>Dam Safety Act and Regulations</i>	<ul style="list-style-type: none"> <li>• Dams Safety NSW was established on November 1, 2019. The new regulatory framework includes the <i>Dams Safety Act 2015</i>, the <i>Dams Safety Regulation 2019</i>, and methodologies.</li> </ul>
<i>Environmental Planning and Assessment Act 1979</i>	<ul style="list-style-type: none"> <li>• Required procedures for all proposals that have an effect on the environment.</li> </ul>

## Appendix A: Legislation requirements (continued)

Legal and Regulatory (continued)	
<i>Fluoridation of Public Water Supplies Act</i>	<ul style="list-style-type: none"> <li>Meet monitoring and reporting requirements of the NSW Fluoridation Code of Practice.</li> </ul>
<i>Independent Pricing and Regulatory Tribunal Act 1992</i>	<ul style="list-style-type: none"> <li>Basis for prices and pricing policy for government monopoly services as determined by the Independent Pricing and Regulatory Tribunal.</li> </ul>
<i>Local Government Act 1993</i>	<ul style="list-style-type: none"> <li>Legal framework regulating council and conferring water supply and sewerage service functions.</li> </ul>
<i>Local Land Services Act 2013</i>	<ul style="list-style-type: none"> <li>Management of areas that can impact on water quality and water catchment areas, including natural resource management and planning.</li> </ul>
<i>NSW Work Health and Safety Act 2011 and WHS Regulation 2011</i>	<ul style="list-style-type: none"> <li>Obligation on council to proactively ensure the health, safety, and welfare of employees at work.</li> </ul>
<i>Protection of the Environment Operations Act</i>	Annual licence returns for sewage treatment plants Incident reporting.
<i>Protection of the Environment Legislation Amendment Act</i>	Publish effluent quality monitoring results.
<i>Public Health Act and Regulations</i>	Develop and adhere to a Drinking Water Quality Management Plan (DWQMP) for drinking water, including external audit.
<i>Trade Practices Act 1974</i>	Obligation to meet Australian Competition and Consumer Commission standards regarding business practices of water-service providers and consumer protection for their customers.
<i>Water Act 2007 and Water Regulations 2008</i>	Supply of Metadata and Contextual requirements of the Bureau of Meteorology (BOM).
<i>Water Industry Competition Act 2006</i>	Facilitation of licensed private sector participation enabling competition to drive efficiency and innovation in the water industry.
<i>Water Management Act 2000</i>	Water Sharing Plan requirements – Water Access Licence 25350: Approvals 10CA102367 (Burrier) and 10WA102390 (Danjera). Water Licence 10SL025959 Porters Creek Dam.



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