



Buildings Asset Management Plan

August 2025 (Version 3.2)

| | |
|-------------------------|------------------------------------------|
| Document Control | Asset Management Plan - Buildings |
|-------------------------|------------------------------------------|

Document ID : UINT/25/21032

| Doc No. | Date | Revision Details | Author | Reviewer | Approver |
|---------|----------------|---------------------------------------------------|--------|----------|----------|
| 1.3 | September 2017 | Adopted by Council – Res 25.09/17 | GHD | DID | GM |
| 2.5 | February 2023 | Adopted by Council | AM | DID | GM |
| 3.0 | March 2025 | Version 2.5 Update | AM | DID | |
| 3.1 | August 2025 | Revised after LTFP, Policy and Strategy adoption. | AM | DID | |
| 3.2 | December 2025 | Adopted by Council – Res 27.02/26 | AM | DID | GM |

Further Document Information and Relationships

| | |
|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Related Legislation* | <p><i>Local Government Act 1993 (the Act)</i> <i>Local Government (General) Regulation 2021 NSW (the Regulation)</i></p> |
| Related Policies | <p>Uralla Shire Council Community Strategic Plan Uralla Shire Council Long Term Financial Plan 2025-34 Uralla Shire Council Asset Management Policy 2025 Uralla Shire Council Asset Management Strategy 2025-29</p> |
| Related Procedures/ Protocols, Statements & Documents | <p>NSW Office of Local Government – Integrated Planning & Reporting Guidelines for Local Government in NSW International Infrastructure Management Manual (IIMM) 6th Edition, Institute of Public Works Engineering Australasia (IPWEA, 2021) ISO 55000 Standards and Australian Accounting Standards</p> |

**Note: Any reference to Legislation will be updated in the Strategy as required. See Website*

<http://www.legislation.nsw.gov.au/> for current Acts, Regulations and Environmental Planning Instruments.

© Copyright 2020 – All rights reserved
 The Institute of Public Works Engineering Australasia

Contents

- 1.0 EXECUTIVE SUMMARY 5**
- 1.1 The Purpose of the Plan..... 5
- 1.2 Asset Description 5
- 1.3 Levels of Service..... 5
- 1.4 Future Demand 7
- 1.5 Lifecycle Management Plan 7
- 1.6 Financial Summary 7
- 1.7 Asset Management Planning Practices..... 9
- 1.8 Monitoring and Improvement Program..... 10

- 2.0 Introduction 11**
- 2.1 Background..... 11
- 2.2 Goals and Objectives of Asset Ownership..... 13

- 3.0 LEVELS OF SERVICE 15**
- 3.1 Customer Research and Expectations..... 15
- 3.2 Strategic and Corporate Goals 16
- 3.3 Legislative Requirements..... 17
- 3.4 Customer Values 18
- 3.5 Customer Levels of Service 18
- 3.6 Technical Levels of Service 19

- 4.0 FUTURE DEMAND 22**
- 4.1 Demand Drivers 22
- 4.2 Demand Forecasts 22
- 4.3 Demand Impact and Demand Management Plan 22
- 4.4 Asset Programs to meet Demand 23
- 4.5 Climate Change Adaptation 23

- 5.0 LIFECYCLE MANAGEMENT PLAN 25**
- 5.1 Background Data 26
- 5.2 Operations and Maintenance Plan 29
- 5.3 Renewal Plan 31
- 5.4 Summary of future renewal costs 33
- 5.5 Acquisition Plan..... 34
- 5.6 Disposal Plan 35
- 5.7 Summary of asset forecast costs 36

| | | |
|-------------|-------------------------------------------------------|-----------|
| 6.0 | RISK MANAGEMENT PLANNING | 40 |
| 6.1 | Critical Assets..... | 40 |
| 6.2 | Risk Assessment..... | 41 |
| 6.3 | Infrastructure Resilience Approach..... | 43 |
| 6.4 | Service and Risk Trade-Offs..... | 44 |
| 7.0 | FINANCIAL SUMMARY | 45 |
| 7.1 | Financial Sustainability and Projections..... | 45 |
| 7.2 | Funding Strategy..... | 46 |
| 7.3 | Valuation Forecasts..... | 46 |
| 7.4 | Key Assumptions Made in Financial Forecasts..... | 47 |
| 7.5 | Forecast Reliability and Confidence..... | 48 |
| 8.0 | PLAN IMPROVEMENT AND MONITORING | 50 |
| 8.1 | Status of Asset Management Practices..... | 50 |
| 8.2 | Improvement Plan..... | 50 |
| 8.3 | Monitoring and Review Procedures..... | 51 |
| 8.4 | Performance Measures..... | 52 |
| 9.0 | REFERENCES | 53 |
| 10.0 | APPENDICES | 54 |
| Appendix A | Recommended Acquisition Forecast..... | 54 |
| Appendix B | Recommended Operation Forecast..... | 55 |
| Appendix C | Recommended Maintenance Forecast..... | 56 |
| Appendix D | Recommended Renewal Forecast Summary..... | 57 |
| Appendix E | Recommended Disposal Summary..... | 59 |
| Appendix F | Recommended Budget Summary by Lifecycle Activity..... | 60 |
| Appendix G | Recommended Forecast Snapshot Summary..... | 61 |

1.0 EXECUTIVE SUMMARY

This Asset Management Plan (**AMP**) has been prepared to meet Uralla Shire Council's (**Council**) legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting. This plan is one of several AMPs covering all community assets for which Council is responsible. These fall under Council's Asset Management Policy (**AMPol**) and Asset Management Strategy (**AMS**).

This Buildings Asset Management Plan (**BAMP**) has been developed with the most current data available (August 2025) and provides strategic framework which details information about infrastructure building assets, with actions required to provide an agreed Level of Service (**LoS**) in the most cost-effective manner while outlining associated risks.

This executive summary is a brief outline of the key messaging extracted from the content of the plan. Readers are encouraged to unwrap these messages by engaging in the content of each descriptive section.

1.1 The Purpose of the Plan

This Plan establishes a clear framework for the delivery of building services, the resources required to sustain them, and the funding necessary over the planning period. It provides decision-makers with a concise assessment of the financial sustainability of the building asset class, identifies funding gaps or surpluses, and articulates the implications for budgets, risk exposure, and LoS. Multiple forecast cost and service scenarios are presented, delivering a recommended short-term forecast to guide investment and service decisions. The BAMP directly informs the Long-Term Financial Plan (LTFP) and operates as part of a continuous improvement cycle, whereby annual budget outcomes, actual delivery, and updated condition data are reviewed each year to refine assumptions, improve accuracy, and ensure decisions remain aligned with Council's long-term objectives and regulatory requirements.

1.2 Asset Description

This plan covers Council's 98 buildings infrastructure assets. The Buildings network comprises:

- 21 Major Buildings – Assets are recorded at the following component levels: sub-structure, structure (floor walls, roof, fixture and fit-out), electrical services, solar services, hydraulic services, mechanical services, fire services, security services.
- 45 Minor Buildings – Assets are recorded as a whole building.
- 32 Other Buildings Structures – Assets recorded as a whole structure.

The above infrastructure assets have a replacement value estimated at \$34,282,485. This figure is current as of 30 June 2024 (most recent audited financial statement) and has been indexed from 30 June 2023, which was provided by a third-party regulatory revaluation, based upon 100% physical inspection.

1.3 Levels of Service (LoS)

The allocation in the planned budget from the current LTFP is sufficient to continue providing existing services at the recommended forecast levels over the planning period. This ability is dependent on financial reform; without it, long-term service levels will decline.

The cumulative deficit for the recommended forecast after the planning period of 10-years is -\$126,520. This deficit of \$12,652 per year is manageable through minor adjustments and/or project savings in asset renewals.

In New South Wales, Council operates within a regulated financial framework that does not permit the adoption of a deficit budget. This includes compliance with the *Local Government Act 1993*, the *Integrated Planning and Reporting (IP&R) Framework*, the *Local Government Regulation 2021*, and associated guidance issued by NSW Government, all of which require Council to demonstrate financial sustainability, responsible asset stewardship, and clear alignment between AMPs and the LTFP.

Within this context, any emerging funding shortfall must be identified and actively managed. Where long-term funding gaps exist, these pressures will progressively deteriorate if a Special Rate Variation (SRV) is not supported or alternative sustainable funding measures are not implemented. If deficits are not closely monitored and addressed, the following service and organisational consequences are likely to increase over time:

- Expansion of the asset renewal backlog, accelerating asset condition decline
- Escalation of reactive and unplanned maintenance costs, reducing operational efficiency
- Progressive reduction in LoS and increased service interruptions
- Heightened exposure to safety, compliance, and operational risks
- Reduced financial resilience and flexibility to respond to emergencies, regulatory change, or future demand
- Increased intergenerational inequity through the deferral of necessary renewal investment
- Increased reliance on short-term corrective actions rather than planned, cost-effective lifecycle management

The proposed SRV is subject to approval by the Independent Pricing and Regulatory Tribunal (IPART) and represents a critical decision point in maintaining service sustainability and managing long-term asset risk.

1.4 Future Demand

The factors influencing future demand and the impacts they have on service delivery are driven by:

- Population, demographic changes and evolving social trends
- The New England Renewable Energy Zone (REZ)
- Upgrades in building standards, safety, planning requirements and regulatory frameworks
- Climate change, including the frequency and severity of weather events and adaptation requirements.

These demands will be approached by using a combination of managing existing assets and/or upgrading existing assets, when feasible, to meet demand and/or obsolescence. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures. We will;

- Continue to monitor population, demographic and social changes, with a specific focus on REZ initiatives and any of its ancillary activities.
- Continue to identify upgrades required to meet accessibility and general building regulations.
- Identify improvements to reduce overall risk on the ongoing damage due to increased weather events caused by climate change.

1.5 Lifecycle Management Plan

1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this BAMP include operation, maintenance, renewal, acquisition, and disposal of assets. Although the BAMP may be prepared for a range of time periods, it typically informs a long-term financial planning period of 10 years. Therefore, a summary output from the BAMP is the forecast of 10-year total outlays. The forecast considers multiple budget scenarios to reflect potential funding and service level variations. This BAMP presents data based on the scenario currently assessed as the best fit, balancing service needs, risk, and financial sustainability. Councils recommended forecast outlay for buildings is estimated at \$2,805,353 on average per year over the 10-Year planning period.

1.6 Financial Summary

1.6.1 What we will do

Estimated available funding for the 10 year period is \$2,792,700 on average per year as per the Planned Budget, from the reformed LTFP. This is 99.55% of the cost to undertake the modelled lifecycle cost projection from the recommended scenario

A detailed snapshot summary for the 10-year funding period forecast, is in Appendix G.

The infrastructure reality is that only what is funded in the LTFP can be provided. The informed decision making depends on this BAMP emphasising the consequences of the Planned Budgets on the service levels provided and associated risks.

The anticipated planned budget for Councils' buildings leaves a manageable shortfall of \$-12,652 on average per year of the forecast lifecycle costs required to provide services in the BAMP compared with the Planned Budget included in the current LTFP. In line with best practice guidelines and the previously stated regulations, the LTFP has been deliberately structured to prioritise affordability in the early years of its ten-year outlook. From the 2027 financial year onward, the forecast incorporates key financial reform assumptions, being the aforementioned SRV, which is critical in moving towards an overall sustainable financial position by the end of the period.

This is shown in the figure below.

Forecast Lifecycle Costs (Recommended) verse Planned Budget

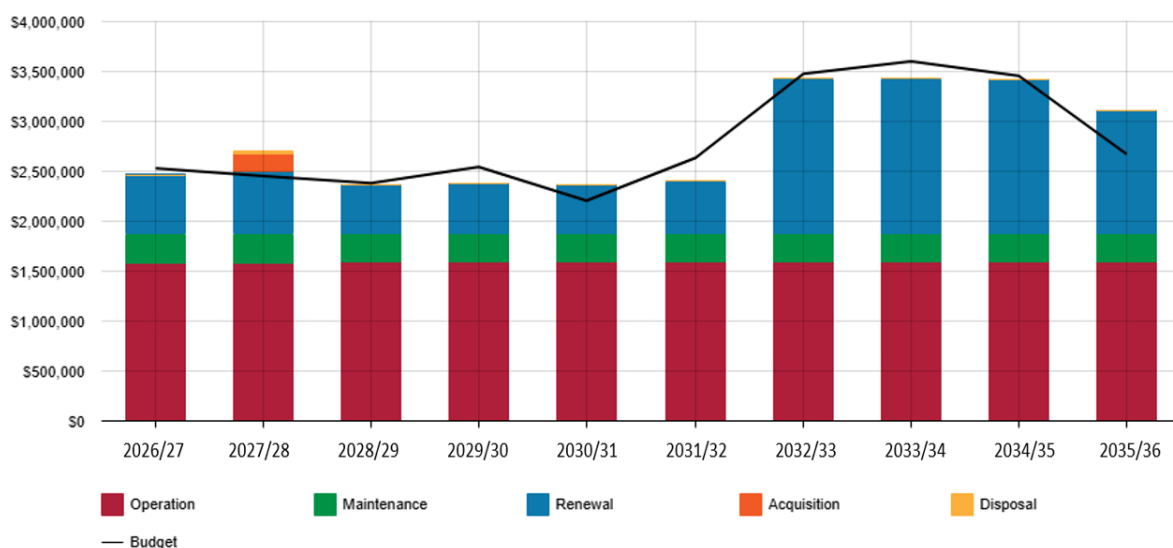


Figure Values are in current dollars.

We plan to provide Buildings services for the following:

- Operation, maintenance, renewal, disposal and acquisition to meet service levels set by Council in annual budgets.
- Major asset renewals within the 10-year planning period include buildings and components in varying condition, including; Uralla Depot, Bundarra Depot, Administration, McMaugh's Aged Care Centre, Swimming Pool and Park Amenities.

- Asset acquisitions include a Uralla town crew parks and gardens shed. Comprising of \$170,000 construction and \$30,000 site clearance.
-
- No disposals of recognised building assets are planned in the 10-year period. The demolition activity identified is site clearance enabling works and not a disposal activity. The structures being removed have been de-recognised and have no value.

1.6.2 What we cannot do

We currently allocate enough budget to sustain these services at the current standard and partially provide all new services being sought. Works and services that cannot be provided under present or the recommended funding levels are:

- McMaugh Gardens Aged Care facility upgrade and capacity increase.
- Timely upgrades on capacity and functionality addressing compliance at the Uralla and Bundarra Depots
- Acting on upgrades on capacity and functionality addressing potential demand and obsolescence from REZ developments.
- Complete renewal backlogs and pro-active maintenance programs
- Complete 100% of the forecast renewals
- Maintain the current LoS in the long-term; some short-term LoS elements may be deferred or reduced until financial reforms take effect.

1.6.3 Managing the Risks

Our present budget levels are slightly insufficient to continue to manage risks in the short term.

The main risk consequence possibilities from a deficit budget are:

- Assets and components exceeding their useful life
- Loss of function and service disruption
- Reduced building operation standard
- Increased WHS risks
- Stakeholder satisfaction and reputation

We will endeavour to manage these risks within available funding by;

- Delivering a recommended forecast scenario
- Annual prioritisation of renewals, operations and maintenance
- Identifying critical buildings for prioritisation
- Analysing data processes including costs
- Taking advantage of any funding sources
- Regular review and analysis of the content of the framework documents
- Developing any other identified improvements

1.7 Asset Management Planning Practices

Councils' infrastructure asset management practices are guided by International Standards. Including the International Infrastructure Management Manual (IIMM), International Infrastructure Financial Management Manual (IIFMM) and ISO55000 standards, delivered through the Institute of Public Works Engineering Australasia (IPWEA). These industry standards are encompassed into Councils Asset Management Framework, which includes policy, strategy and planning documents.

Key assumptions made in this BAMP are:

- Application to the Independent Pricing and Regulatory Tribunal (IPART) for a Special Rate Variation (SRV) to commence 1 July 2027 is successful and implemented at the defined rates in the LTFP 2025-34
- Figures used in the financial messaging are from the **recommended scenario** which represents a modelled forecast to suit Councils' current financial position and does not reflect overall sustainability.
- External funding will be the main driver for funding unplanned acquisitions upon lifecycle feasibility analysis, particularly in the short term, including REZ solutions.
- There is one planned major building acquisition in the 10-year forecast.
- There are no planned major disposals in the 10-year plan.
- Obsolescence factors are unknown and no contingency is considered in the recommended forecast.
- Future demand assumptions (Section 4)
- All cost forecasts are in today's dollars.
- Financial data used in this plan was from the latest audited financial statements, being June 2024.
- Condition assessment data in this plan is from the June 2023 revaluation.
- Data and modelling position is from August 2025.
- Disposal activity listed is the site clearance of derecognized assets and is recognised as acquisition costs. The construction cost and site clearance cost have been separated for transparency.
- Acquisition and disposal costs are omitted from lifecycle ratio methodology calculations per IPWEA and IIMM requirements

The critical factors included in Council's buildings asset management include:

- Maintenance and repair costs
- Operational costs
- Replacement or Rehabilitation cost
- Acquisition costs
- Age of assets
- Design life and actual life
- Life cycle of asset
- Integrating new technologies
- Usage and data capture
- Budget
- Risk appetite

Assets requiring renewal are identified from either the asset register or an alternative method.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal,
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The ***Alternate Method*** was used to forecast the renewal lifecycle costs for this BAMP.

This BAMP is based on a medium to high level of confidence in information, due to the physical condition assessment as part of the revaluation process in June 2023.

1.8 Monitoring and Improvement Program

The next steps resulting from this BAMP to improve asset management practices are;

- Buildings and Asset Register audits.
- Finance system data capture and procedure analysis
- Asset useful life analysis
- Depreciation analysis
- Critical asset analysis
- Risk analysis
- Ground proof condition and renewal costs of current condition 4 or 5 assets.
- Customer LoS communication and service level review
- Prioritise critical assets and risk to model renewal forecasts
- Review and establish renewal backlog plan
- Review and update lifecycle base costs
- Complete the Asset Management Framework suite of documents.

2.0 Introduction

2.1 Background

This BAMP communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period. The BAMP also communicates associated consequences and risks if the LTFP forecast shows insufficient budget.

The BAMP is to be read in conjunction with Councils Asset Management Policy (**AMPol**), Asset Management Strategy (**AMS**) and the following current year planning documents.

- Community Strategic Plan (**CSP**)
- Delivery Program (**DP**)
- Operational Plan (**OP**)
- Long Term Financial Plan (**LTFP**)

This BAMP has a direct relationship with the following associated planning process:



Asset management is an ongoing process of service delivery planning, viewed as a journey rather than a final destination. The Council is committed to continuously improving its asset management practices to ensure compliance, including the Local Government Act 1993, and to uphold best practices in asset management. This is achieved through adherence to the ISO 55000 international standards and by following the guidelines provided in the IIMM and the IIFMM. A key component of this process is the regular updating and application of asset management plans, such as this document, alongside the strategic documents mentioned. Since the development of the Asset Management Framework, the Council has periodically updated, maintained, enhanced, and created essential asset management documents, including policies and strategies, with the goal of achieving best practice in asset management.

The infrastructure assets covered by this AMP include all Council owned or maintained Buildings and Facilities. For a detailed summary of the assets covered in this BAMP refer to the Table in Section 5.

Council owned building assets are used to deliver essential services to the community and accommodate staff, tenants, and equipment. When these assets are occupied or used by third parties, appropriate agreements are established to define roles, responsibilities, and terms of use. These agreements are coordinated and managed by the Corporate team.

The types of agreements used by Council, depending on the nature of the arrangement, include:

- Leases and Licences
- Memoranda of Understanding (**MOU**)
- Hire agreements

Currently, there are several instances where existing agreements have lapsed and require renewal. Addressing these outstanding agreements forms part of the asset management improvement plan detailed in Section 8.

The infrastructure assets included in this plan have a total replacement value of \$34,282,485.

Key stakeholders in the preparation and implementation of this BAMP are shown in Table 2.1.

Table 2.1: Key Stakeholders in the BAMP

| Key Stakeholder | Role in Asset Management Plan |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Councillors | <ul style="list-style-type: none"> ■ Represent the needs of community. ■ Ensure service sustainability through informed decision making. |
| General Manager | <ul style="list-style-type: none"> ■ Allocate resources to meet the organisations objectives in providing services while managing risks. ■ Authorise delegations of authority to undertake works defined in the Asset Management Plan. ■ Provide guidance to Council on the organisations plans to fund its overall operations to meet objectives, now and in the future. ■ Foster Asset Management stewardship, throughout the entire organisation. |
| Chief Financial Officer | <ul style="list-style-type: none"> ■ Guide and verify the organisations financial objectives, position and sustainability. |
| Director Infrastructure and Development | <ul style="list-style-type: none"> ■ Guide the organisations holistic asset practices, objectives and sustainability. ■ Identify changes in workflows or Council requirements. |
| Group Manager Corporate Services | <ul style="list-style-type: none"> ■ Guide and verify associated risks ■ Develop and inform stakeholders through Enterprise Risk Management |
| Asset Manager | <ul style="list-style-type: none"> ■ Continually develop the Asset Management Plan with constant stakeholder engagement and data collection/analysis. ■ Drive the Asset Management Plan improvement plan. ■ Inform stakeholders of limitations and associated risk. |

| Key Stakeholder | Role in Asset Management Plan |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Infrastructure/Project Managers | <ul style="list-style-type: none"> ■ Oversee the works of the Asset Management Plan ■ Co-ordinate budgets |
| Contractors/ Employees | <ul style="list-style-type: none"> ■ Undertake the works per the Asset Management Plan schedule |
| General Public | <ul style="list-style-type: none"> ■ Report damage, safety concerns and issues ■ Inform Levels of Service |

2.2 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined LoS (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Defining the assets and their associated costs,
- Determining and providing a defined LoS and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined LoS,
- Identifying, assessing, and appropriately controlling risks, and
- Linking to the LTFP which identifies required, affordable forecast costs and income, and how it will be allocated.

Key elements of the planning framework are:

- LoS – specifies the services and service levels to be provided,
- Risk Management,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage existing and future assets to provide defined LoS,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals, principles and objectives of asset management are:

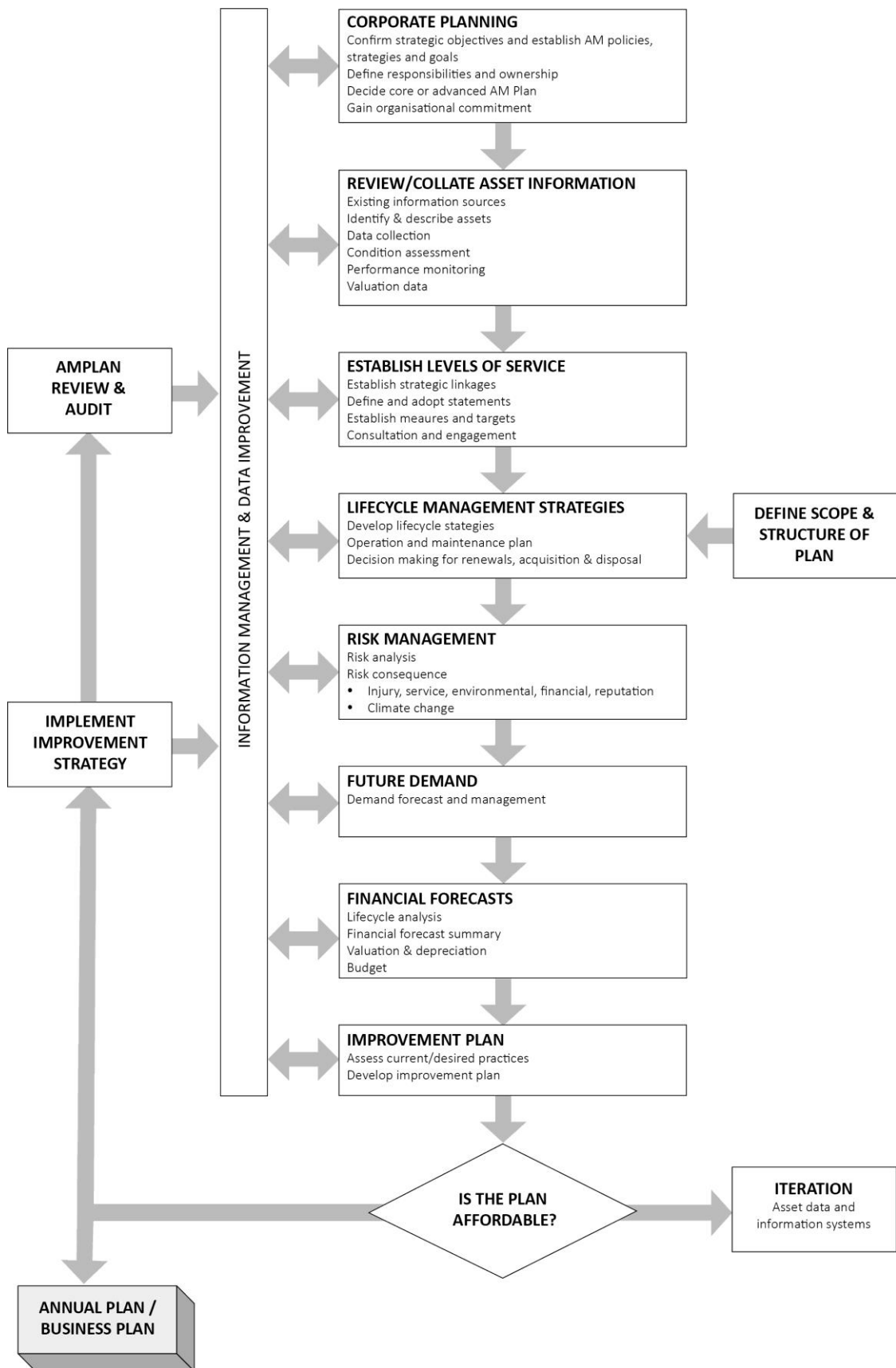
1. *ISO 55000:2024 Asset Management – Vocabulary, overview, and principles*
2. *International Infrastructure Management Manual*¹

A road map for preparing an Asset Management Plan is shown below.

¹ IPWEA International Infrastructure Management Manual (IIMM), Sec 2.1

Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



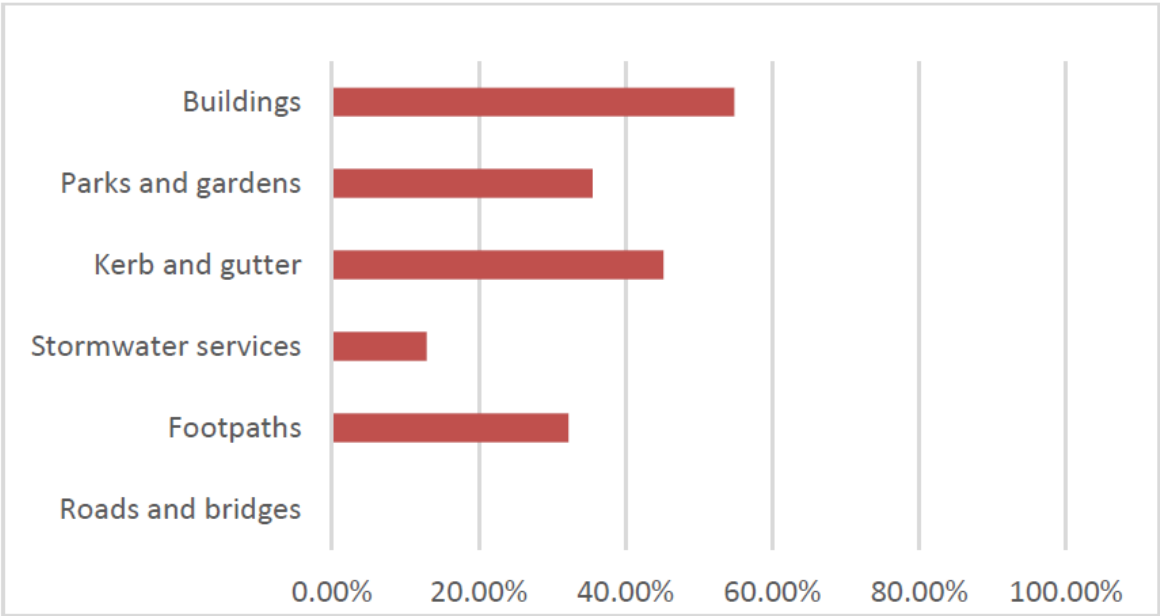
3.0 LEVELS OF SERVICE

3.1 Customer Research and Expectations

This BAMP is prepared to facilitate consultation prior to adoption of LoS by the Council. While future revisions of the BAMP will incorporate updated customer consultation on service levels and costs of providing the buildings service, this new targeted consultation has not yet taken place. Broader community consultation to determine customer expectations, needs and wishes for all Council services is conducted annually to inform the development of Councils CSP. Council, in 2025 through financial reform, is conducting additional significant community consultation. This future data will assist the Council and stakeholders in matching the level of service required, service risks and consequences with the customer’s ability and willingness to pay for the service.

Existing data from survey results from the 2022 Draft LTFP indicated that 55% of respondents preferred reducing operating costs, capital expenditure, or both—by lowering standards or reliability of building infrastructure—rather than making similar cuts to other asset groups, in order to maintain functionality. The results are seen in Table 3.1.

Table 3.1: Customer Survey Data – Preference for Asset Group reduction in service standard and/or reliability - 2022



Buildings are managed within Council’s General Fund, meaning all financial forecasts and cost allocations must account for the full range of service centres funded under this fund. Any planning or budgeting for building assets needs to be integrated with the broader financial requirements of the General Fund. This integration is essential to ensure financial sustainability, maintain compliance with funding constraints, and support balanced decision-making across all services.

As shown in the Recommended Lifecycle Summary Forecast (Appendix G), Council is currently able to fund 99.55% of its building portfolio costs over the 10-year medium-term planning period. However, if the proposed Special Rate Variation (SRV) is not implemented, this funding level drops to 88%, and increases the asset renewal backlog. When this backlog is factored into the overall costs, the effective funding ratio falls further to 79%—well below the industry-accepted minimum benchmark of 90%.

If the financial reform solution of the SRV does not materialise, and given the 2022 survey preference for reducing funding levels for buildings, this long-term trend continues with funding remaining below 90%, the

sustainability of Council’s building assets will be at risk, leading to long-term issues and growing intergenerational inequity.

To manage this, the building portfolio and the Building Asset Management Plan (BAMP) will be reviewed regularly. Any decline in the funding ratio will trigger renewed community consultation on buildings and a reassessment of affordability.

Council also remains open to further investigation and consultation at any time, particularly in response to evolving needs such as those arising from the New England Renewable Energy Zone (REZ) developments.

3.2 Strategic and Corporate Goals

This BAMP is prepared under the direction of the Uralla Shire Councils vision, mission, goals and objectives as set out in the CSP.

Councils **vision** is:

“A vibrant community with a growing economy and sustainable lifestyle that values its heritage.”

Councils **mission** is:

“Uralla Shire Council listens to and facilitates the aspirations of the community.”

Councils **Community Strategic Objectives** are:

1. We are “Community Minded” with an accessible, inclusive and empowered community.
2. We are “Prosperous” with a sustainable economy that supports prosperity.
3. We are “Good Custodians” of our natural and built environment.
4. We are an “Independent” shire and well-governed community.

Infrastructure assets play both a direct and an indirect role in achieving the strategic objectives of the CSP. The following Table 3.2 indicates how Council's buildings assets play a role in the delivery of the key strategies linked to the CSP.

Table 3.2: Objectives and how these are addressed in this Plan

| Objective | How Objectives are addressed in the BAMP |
|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Effectively and responsibly manage, maintain, and develop Council’s infrastructure, operational and financial assets. | Maintenance and application of this plan. Implement recommended improvements, commit required expenditure to maintain and renew assets. |
| To provide cultural and recreational facilities to serve the expectations of the community | Development of service levels and community consultation plan. Application of these to prioritise asset works required to meet these community needs. |
| To appropriately consult and well-inform community concerning Council’s activities and to be responsive to the community’s needs. | Development of the existing service levels from specific community consultation. in the future. Communication of the content of this AMP in terms of the asset portfolio, its condition and estimated expenditure required to bring it up to, and maintain, those levels of service. |
| | |

3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the buildings service are outlined in Table 3.3.

Table 3.3: Legislative Requirements

| Legislation | Requirement |
|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Local Government Act 1993 and Local Government (General) Regulation 2021 | Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long-term financial plan supported by asset management plans for sustainable service delivery. |
| Environmental Planning and Assessment Act 1979 and Environmental Planning and Assessment Amendment Act 2008 | Sets the legislative requirements of buildings and places of public to comply with the National Construction Codes. |
| NSW Security Act 1997 and Regulations 2016 | Sets controls for management and operation of CCTV programs. |
| Australian Accounting Standards | Sets out the financial reporting standards relating to the (re)valuation and depreciation of assets |
| Building Code of Australia 2016 | States the minimum requirements for the design, construction and maintenance of buildings |
| National Construction Code 2022 | New building works and upgrades/renovations to comply with the NCC. The NCC defines the standards for particular building types. |
| Design and Building Practitioners Act 2020 | Defines regulations for certain building classes, including Aged Care. |
| Disability Discrimination Act 1992 | An Act that bans discrimination of people based on a disability. |
| Work Health and Safety Act 2011 and Work Health and Safety Regulation 2017 | Require Council to provide a safe workplace for all its employees and the public. |
| Heritage Act 1977 (NSW) | An Act that conserves places with heritage value. |
| Graffiti Control Act 2008 | Defines regulation for Council dealing with graffiti and removal. |
| Food Act 2011 | Requires Council to upkeep the food serving standards within community buildings. |
| Asbestos Removal Code of Practice | States the management and maintenance of asbestos. |

3.4 Customer Values

Service levels are defined in three ways, customer values, customer levels of service and technical levels of service.

Customer Values indicate:

- what aspects of the service is important to the customer,
- whether they see value in what is currently provided and
- the likely trend over time based on the current budget provision.

Table 3.4: Customer Values

| Service Objective: | | | |
|-------------------------------------|--------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Customer Values | Customer Satisfaction Measure | Current Feedback | Expected Trend Based on Planned Budget |
| Clean buildings and facilities | CRM requests | Zero (0) concerns recorded against cleanliness of buildings in CY2025 | Remain same |
| Accessible buildings and facilities | CRM requests | Two (2) concerns with accessibility raised to staff in CY2025. | Remain same |
| Suitable buildings and facilities | CRM requests | Zero (0) concerns recorded against suitability in CY2025 | Overall slight decline due to backlog renewal delays considering some improvements per renewal standards when accomplished |
| Safe buildings and facilities | CRM requests | Four (4) safety concerns from Nine (9) building requests in CY2025 | Issues regarding safety are built into current operational budgets and forecast |

3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

Condition How good is the service ... what is the condition or quality of the service?

Function Is it suitable for its intended purpose Is it the right service?

Capacity/Use Is the service over or under used ... do we need more or less of these assets?

In Table 3.5 under each of the service measure types (Condition, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available or proportion of replacement value by condition %'s) to provide a balance in comparison to the customer perception that may be more subjective.

Table 3.5: Customer Level of Service Measures

| Type of Measure | Level of Service | Performance Measure | Current Performance | Expected Trend Based on Planned Budget |
|------------------|--------------------------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| Condition | Building quality | Current condition rating | Condition 1 – 5.1% Condition 2 – 16.73% Condition 3 – 64.99% Condition 4 – 11.6% Condition 5 – 1.59% | Slight improvement as renewal backlog is absorbed |
| | Confidence levels | | High (Professional Judgement supported by extensive data) | High (Professional Judgement supported by extensive data) |
| Function | Fit for Purpose Safe and Compliant facilities | Staff assessment and CRM requests | Majority of assets considered fit & compliant, desired improvements required for several assets | Remain same - Required improvements are not budgeted |
| | Confidence levels | | Low (Professional Judgement with no data evidence) | Low (Professional Judgement with no data evidence) |
| Capacity | Appropriate number of available facilities | CRM Requests | Existing level is adequate | Remain same |
| | Confidence levels | | Medium (Professional judgement supported by data sampling) | Medium (Professional judgement supported by data sampling) |

Note: Confidence levels for Function and Capacity will be improved through implementation of a Maintenance Management System (MMS) and targeted inspections (Improvement Plan Tasks 6 and 9).

3.6 Technical Levels of Service

Technical Levels of Service – To deliver the customer values, and impact the achieved Customer Levels of Service, there are operational or technical measures of performance. These technical measures relate to the activities and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- **Acquisition** – the activities to provide a higher level of service (e.g. refurbishment of a building to accommodate additional facilities or a new structure that did not exist previously).
- **Operation** – the regular activities to provide services (e.g. opening hours, cleansing, mowing grass, energy, inspections, etc.)
- **Maintenance** – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. painting, servicing, building and structure repairs, etc.),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g. building and/or component replacement),
- **Disposal** – the activities of decommissioning an asset identified as no longer being required (e.g. service relocation, demolition, etc..).

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.² Table 3.6 shows the activities expected to be provided under the current 10-year Planned Budget allocation, and the Forecast activity requirements being recommended in this BAMP, along with an aspirational performance level if no restrictions were necessary.

² IPWEA, 2015, IIMM, p 2|28.

Table 3.6: Technical Levels of Service

| Lifecycle Activity | Purpose of Activity | Activity Measure | Base Performance* | Recommended Performance ** | Aspirational Performance *** |
|------------------------------------|-------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| TECHNICAL LEVELS OF SERVICE | | | | | |
| Acquisition | To meet community and user needs | Customer satisfaction surveys, CRM requests | Satisfaction 80%. assumed from lack of CRM requests | Satisfaction >80% | Satisfaction =100% |
| | Acquire buildings that aligns with Councils Strategic Plans | Acquisition and life cycle costs | No assets acquired | Acquire assets per safety and compliance verse affordability | Acquire assets per strategic plans aligning with desire, requirements and safety upgrades with 10% contingency |
| | | Budget/10 Yr Cycle | \$0 | \$170,000 | \$1,100,000 |
| Operation | Services are available and managed cost effectively | Review of service level agreements & requirements | Basic service requirements met. | Basic service requirements plus acquisition operations. | General service requirements per Lv10 Councils met. |
| | Provide safe and compliant facilities | Regular building inspections | 20% of buildings inspected annually | Current performance adequate. Per revaluation cycle. | Same as recommended |
| | | Fire safety certification | Annual inspections per regulations | current performance adequate | Same as recommended |
| | | Budget/Yr | \$1,586,708 | \$1,594,868 | \$1,754,355 |
| Maintenance | Buildings are in a functional condition | Building maintenance program | Historic 90% reactive maintenance program | 90% Reactive maintenance program with acquisition factored | Full pro-active maintenance program completed 100% |
| | | Budget/Yr | \$ 285,155 | \$286,515 | \$476,818 |
| Renewal | Buildings to be satisfactory and compliant | Assets condition | 86% of building assets are => condition 3 | 90% of all assets => Condition 3 | Ability to maintain 90% of all assets => Condition 3 |
| | Assets renewed at their optimum life cycle | 10-year renewal program | Backlog exists within the 10-year renewal program | Modelled 10-year renewal program | 10-year renewal program on schedule no backlog 10% contingency |
| | | Budget/10Yr Cycle | \$ 8,573,228 | \$9,755,050 | \$13,305,274 |
| Disposal | Decommission buildings aligning with Strategic Plans | 10-year disposal plan | Buildings identified. | Identify assets annually and include disposal in Strategic Plans | All known disposals completed. |
| | | Budget/10Yr Cycle | \$ 0 | \$30,000 | \$75,000 |

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.

Performance Scenarios

In this BAMP, multiple forecast scenarios are presented to guide strategic decision-making and make decision-makers aware of the investment levels required for sustainable asset performance.

The **Base Forecast* scenario reflects existing patterns prior to this iteration and is drawn from current data held in the asset register.

The ***Recommended Forecast* models the existing patterns by incorporating new condition assessment data and officer professional judgement including asset life analysis and tailoring asset renewal requirements.

The ****Aspirational Forecast* scenario represents the ideal investment needed to achieve increased service levels and long-term outcomes.

Together, these scenarios provide a view of financial needs, risks, and trade-offs.

These scenarios are presented in detail in Section 5.

4.0 FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, lifestyle changes, seasonal factors, residential occupancy levels, consumer preferences and expectations, technological changes, economic factors, agricultural practices, localised development and environmental awareness.

Along with these drivers, there is the imminent establishment of major new industry through the New England REZ which presents a potentially severe and unprecedented demand shift. However, the full scale and service implications on Councils buildings portfolio remains uncertain at this stage. Councils position to sudden demand is discussed in section 4.2.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented. Council undertakes an annual review of AMPs, predominantly allowing for budget and forecast adjustments, which can also cater for updates and reform in response to sudden emerging trends and significant changes. This process ensures that potential impacts from high-growth forecasts associated with the REZ are appropriately considered and incorporated into future service delivery and asset planning for buildings.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of building assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this BAMP which will also include further REZ impacts as they become known.

Statistical figures are from the NSW Department of Planning website.

Short term REZ forecasts are from the Energy-Co website.

Table 4.3: Demand Management Plan (Buildings)

| Demand driver | Current position | Projection | Impact on Building services | Demand Management Plan |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Population | 5992 (2021) | 0.3%/yr average growth, 6309 (2041) | Minimal | Monitor trends and developments |
| Population | Uralla is in the centre of the New England Renewable Energy Zone (not considered in the base projection) | Short to medium term increases through renewable plant construction 6000, (1700 Uralla LGA) and operation 2000, (400 Uralla LGA). | Higher demand, higher operation, maintenance and renewal costs, capacity and compliance needs. | Implement cross functioned, shared facility, extended hours services where possible, opportunist approach to grant funding, frequent REZ activity monitoring. |
| Demographic | Median age, 46. 22.9% > 65yrs (1372) | Median age to increase to 52, with 33.8% > 65yrs (2132) | Increased demand on aged care and community services | Future plan for a significant increase by developing a combination of asset upgrades and non-asset solutions into the BAMP |
| Climate Change | Experiencing increased level of extreme weather events | Continue to experience increased severity and frequencies | May increase building maintenance, insurance and renewal costs | Identify a list of strategic improvements which counter extreme events and include in maintenance and/or renewal plans |
| Building Regulations | Most buildings are of a modern standard | Some upgrades required over the planning period | Increased upgrade costs with possible monitoring and/or reporting costs | Identify upgrades and any associated operations required from increased standards and include costs in planned budgets |
| Recreational Trends | Traditional building recreation facilities provided (e.g., library, halls, squash courts, club houses, amenities and canteens) | Continue to provide facilities | New assets for positive growth to be grant funded. | Monitor trends and developments |

4.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

New assets and upgrade/expansion of existing assets are identified from various sources such as staff, councillor or community requests, proposals identified by strategic plans, reports or regulation, analysis of costs, compliance, testing or demonstrations of new technologies, or partnerships with other organisations. Candidate proposals are analysed to verify need and to develop a preliminary estimate. Verified proposals are ranked by priority and available funds are scheduled into replacement programs.

Acquisition identified in the recommended forecast in this iteration of the BAMP has been identified from compliance perspectives.

Acquiring new assets will commit Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the LTFP (Refer to Section 5). The lifecycle summary in the recommended forecast for this period illustrates such change in the second year of the plan with an increase in operations and maintenance being shown because of known acquisitions.

As noted, it is still unclear the full impact on building services required through REZ development periods and no acquisition costs are in the recommended forecast from any such development at this stage. The aspirational forecast scenario incorporates a 10% contingency in renewal and acquisition/obsolescence costs.

4.5 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the asset management planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.³

As a minimum we consider how to manage our existing assets given potential climate change impacts for our region.

Risk and opportunities identified to date are shown in Table 4.5.1

Table 4.5.1 Managing the Impact of Climate Change on Assets and Services

| Climate Change Description | Projected Change | Potential Impact on Assets and Services | Management |
|-------------------------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Extreme temperatures | Increased demand for temperature-controlled buildings with insulation. Shaded areas. | Increased energy usage and costs | Build allowances into planned budgets catering for adaptation of temperature variations. Consider natural environment solutions. |
| Extreme rainfall/storm events | Increase in drainage capacity and/or damage | Serviceability, increased roof and facility drainage design, construction and maintenance costs | Prioritise facilities requiring upgrades considering criticality |
| Flooding | Increased flood heights and peak flows | Serviceability | Plan for resilience-built renewals |

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will have increased ability to withstand the impacts of climate change;
- Services can be sustained; and

³ IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint.

Table 4.5.2 summarises some asset climate change resilience opportunities.

Table 4.5.2 Building Asset Resilience to Climate Change

| New Asset Description | Climate Change Impact | Build Resilience in New Works |
|------------------------------------|------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Council Buildings | Flood/Storm/Fire damage risk | Floors above floodplain modelling heights, resistant materials, design resistant, safety systems |
| Building and/or Components Renewal | Flood/Storm/Fire damage risk | Lift services to appropriate heights, resistant materials, design resistant, added safety systems, alternate power sources |
| Water Tanks | Water conservation | Decreased reliance on water supplies |

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this BAMP. IPWEA and the NSW Office of Local Government have not yet released an endorsed methodology for climate-cost modelling; costing will be incorporated once a standard methodology exists.

Due to this complexity, the cost forecast scenarios presented do not factor climate change.

5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed LoS (Refer to Section 3) throughout their entire lifecycle, from acquisition or creation to disposal. The goal is to maximise the value of the assets while minimising costs and risks, ensuring they continue to meet performance requirements over time.

From a financial perspective, infrastructure activities tend to be classified as being either Operating or Capital. The lifecycle activities used in the asset management and financial planning and reporting process cover:

- **Capital**
 - **Acquisition** – the activities to provide a higher level of service (e.g., refurbishment of a building to accommodate additional facilities) or a new service that did not exist previously (e.g. a new library).
 - **Renewal** – the activities that replace or restore assets to the standard it had originally provided (e.g., building and/or component replacement).
- **Operating**
 - **Operations** - the routine activities that keep services accessible and effective, balancing efficiency with user expectations (e.g. opening hours, cleansing, mowing grass, energy, inspections, etc.)
 - **Maintenance** – the preventative and corrective actions to sustain asset functionality and minimise unexpected failures. Maintenance activities enable an asset to provide service for its planned life (e.g., painting, servicing, building and structure repairs).
 - **Disposal** – the decommissioning, removing, or repurposing of assets that are no longer cost-effective, safe, or necessary (e.g. service relocation, demolition, etc.).

A pictorial representation of the asset lifecycle activities is shown below in Figure 5.0.



Figure 5.0: Asset Lifecycle Activities

5.1 Background Data

5.1.1 Physical parameters

The assets covered by this BAMP are shown in Table 5.1.1.

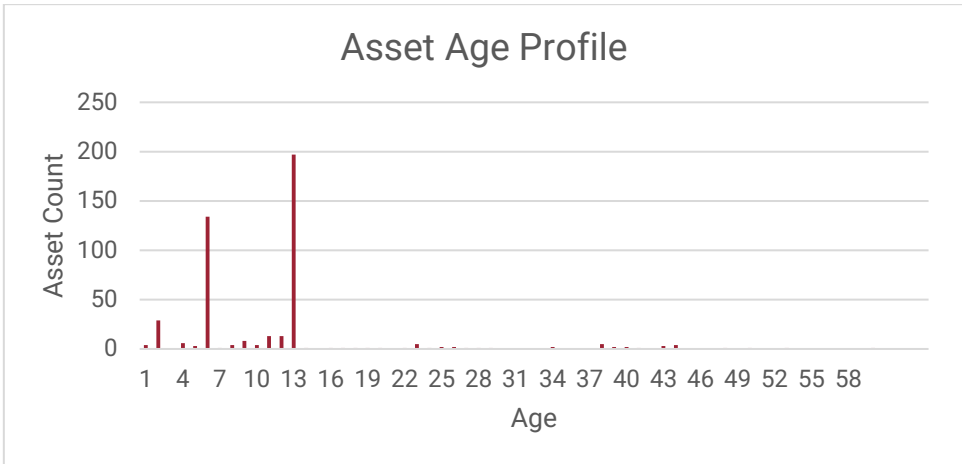
All figures are in current dollars.

Table 5.1.1: Assets covered by this Plan

| Asset Category | Number of Assets | Replacement Value |
|---------------------------|------------------|---------------------|
| Amenities /public toilets | 23 | \$1,668,955 |
| Administration | 8 | \$2,503,684 |
| Depots/sheds/garages | 35 | \$5,086,937 |
| Halls | 2 | \$2,679,078 |
| Community facilities | 4 | \$5,064,380 |
| Educational facilities | 1 | \$692,346 |
| Aged Care facilities | 2 | \$11,228,046 |
| Residential | 4 | \$837,538 |
| Recreational facilities | 3 | \$1,923,518 |
| Emergency Services | 10 | \$1,773,510 |
| Shelters | 3 | \$121,110 |
| Waste Transfer | 3 | \$703,383 |
| TOTAL | | \$34,282,485 |

The age profile of the assets included in this BAMP are shown in Figure 5.1.1.

Figure 5.1.1: Asset Age Profile



This asset age profile has a low confidence level due to it being derived from the asset register. It is noted that in the system, many of the assets have the same acquisition year, this being the year a bulk upload of assets was placed into a new system, 2011, 13 years ago. It appears bulk assets were entered into the register 6 years ago also. One factor known to contribute to this was the componentisation of major buildings.

For assets with unknown ages, the 2023 condition report provided informed age estimates.

The buildings estimated age verse actual condition assessment was used as a basis to model the renewal projection for the recommended forecast scenario.

Peak renewal remains a potential risk when multiple assets are scheduled for renewal simultaneously. A notable example influencing this planning period is the McMaugh Gardens Aged Care facility. To manage this, renewal forecasts are initially analysed over a 30-year horizon to identify any significant peaks or troughs beyond the immediate 10-year forecast period. When such variations are detected, renewal planning can be adjusted accordingly to smooth out fluctuations and mitigate associated risks or resource shortfalls.

Asset ages will be analysed as part of this plan once the assets have been audited and aligned with the asset register, in accordance with the improvement actions outlined in Section 8.

5.1.2 Asset capacity and performance

While assets are generally provided to meet design standards where available, limited resources currently prevent the resolution of all identified deficiencies.

The recommended developed capital renewal plan formed from this BAMP cannot immediately address all the known deficiencies listed below. Uralla Depot and McMaugh Gardens have plans in development which address functionality and capacity upgrades. Uralla and Bundarra Depots have a contingent budget allocated from the 7th year of this forecast.

Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

Table 5.1.2: Known Service Performance Deficiencies

| Location | Service Deficiency |
|---------------------------|----------------------------------------------------------------|
| Uralla Depot | Requires functionality/capacity upgrades addressing compliance |
| Bundarra Depot | Requires functionality/capacity upgrades addressing compliance |
| McMaugh Gardens Aged Care | Requires functionality and capacity upgrades |

The above service deficiencies were identified from staff and consumers.

5.1.3 Asset condition

Condition is currently monitored by user CRM requests, officer judgement and through the five (5) year asset revaluation requirement, where a third party physical condition assessment is used to base the revaluation, if and when deemed necessary.

An assets quality may differ from its condition rating. Condition is a measure of an assets physical condition relative to its condition when first constructed. An asset may be poor in quality yet have a condition which is described as good. This is also present in long-lived assets. Assets with a long useful life may be reported in Condition 5 yet are still able to function with several years before their renewal is due.

Part of the Improvement Plan in Section 8 of this BAMP notes the future revision of the actual age of assets reflected in the asset register verse remaining useful life given from these assessments. Future BAMP updates will have more accurate details.

Condition is measured using a 1 – 5 grading system⁴ as detailed in Table 5.1.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system

⁴ IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

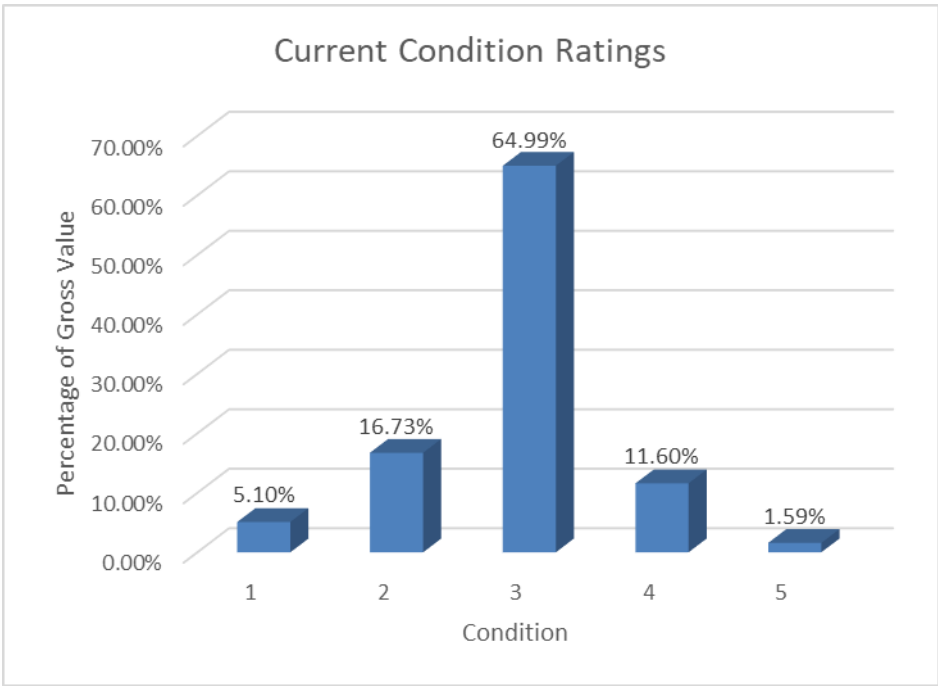
may be used at a more specific level, however, for reporting in the BAMP results are translated to a 1 – 5 grading scale for ease of communication.

Table 5.1.3: Condition Grading System

| Condition Grading | Description of Condition |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Very Good: free of defects, as new condition, only planned and/or routine maintenance required |
| 2 | Good: minor defects, increasing inspection required plus planned maintenance |
| 3 | Fair: some defects requiring reactive maintenance on top of planned inspection and maintenance |
| 4 | Poor: significant defects, higher levels of inspection and substantial maintenance program |
| 5 | Very Poor: reached defect threshold - requires extensive level of corrective maintenance and inspection to keep serviceable prior to renewal/rehabilitation. |

The condition profile of our assets is shown in Figure 5.1.3.

Figure 5.1.3: Asset Condition Profile



The weighted-average current condition of Uralla Shire Council’s building portfolio is 2.88, representing an overall fair condition. The combined proportion of Condition 4 and 5 assets is 13.19%; however, these ratings do not indicate that an asset is failing or unable to deliver its intended service. Under the NSW asset accounting and valuation guidelines, an asset may be rated in poorer physical condition while still remaining fully functional and safe. In addition, long-lived components such as the building structure attract higher depreciation under financial valuation rules, which can lower the financial condition score even when the physical condition remains sound. As a result, these Condition 4 and 5 assets with a proportion of Condition 3 assets continue to provide ‘good’ service performance. This information is assessed as high confidence, as it is derived from the independent, third-party condition assessment conducted on 30 June 2023.

5.2 Operations and Maintenance Plan

Council operates and maintains assets to provide the defined LoS to approved budgets in the most cost-efficient manner. The operation and maintenance activities and requirements, include:

- Scheduling operations activities to deliver the LoS in the most efficient manner,
- Undertaking pro-active maintenance activities to *regulation and manufacturer standards* to reduce unplanned (re-active) maintenance costs and improve maintenance outcomes,
- Identify and implement a satisfactory Maintenance Management System (**MMS**), identified in the BAMP improvement plan in Section 8,
- Maintain a current infrastructure risk register for assets and present service risks associated with providing services from infrastructure assets and reporting ‘Very High’ and ‘High’ risks and residual risks after treatment to management and Council through the Audit Risk & Improvement Committee (**ARIC**),
- Review asset utilisation to identify underutilised assets and appropriate remedies, and over utilised assets and customer demand management options,
- Develop and maintain a current hierarchy of critical assets and required operations and maintenance activities through an MMS,
- Develop and regularly review appropriate emergency response capability,
- Review management of operations and maintenance activities to ensure Council is obtaining best value for resources used.

Operations include regular activities to provide services.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operational.

Table 5.2.1 illustrates Councils building operational and maintenance activities.

| Operations Activity | Maintenance Activity |
|----------------------|------------------------------------------------------------|
| Asset administration | Planned maintenance – eg gutter cleaning |
| Asset inspection | Re-active maintenance – unplanned repairs eg broken window |
| Cleaning | Component services – eg air conditioning |
| Utilities | Grounds maintenance activity – eg mowing |
| Security | Service Life Activities – eg painting |

The trend in budgets are shown in Table 5.2.2.

Table 5.2.2: Maintenance Budget Trends

| Year | Operations Budget | Maintenance Budget |
|-----------|-------------------|--------------------|
| FY2023-24 | \$1,410,578 | \$253,501 |
| FY2024-25 | \$1,467,001* | \$263,641* |

*Figures yet to be verified from audited financial statement

The recommended budget level is considered adequate to continue to meet minimal service levels. Known budget deficiency identified in this version of the BAMP lies within acquisition activity in the second year of the forecast activities and will be factored into future budgets once the acquisition is a reality. Further activity identified in the aspirational recommendation allows Council to shift from a chiefly reactive maintenance program to a proactive program, enhancing asset lifecycles and reducing the need of potential early capital expense.

When maintenance budget allocations are such that they will result in a lesser LoS, the service consequences and service risks are identified and are highlighted in this BAMP and service risks considered in Councils Risk Register. No major risks are identified in this revision, under the two assumptions of; the SRV becoming reality and Council being able to eventually allocate more funds to pro-active maintenance activity; and the overall current condition of Councils building assets.

Assessment and priority of unplanned (reactive) maintenance is undertaken by staff using experience and judgement.

Asset hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

The service hierarchy is shown in Table 5.2.3.

Table 5.2.3: Asset Service Hierarchy

| Service Hierarchy | Service Level Objective |
|-------------------------|---------------------------|
| Category 1 - Critical | Zero downtime tolerance |
| Category 2 - High | Slight downtime tolerance |
| Category 3 - Medium | Minor failure tolerance |
| Category 4 – Low | Failure accepted* |
| Category 5 - Infrequent | No functional requirement |

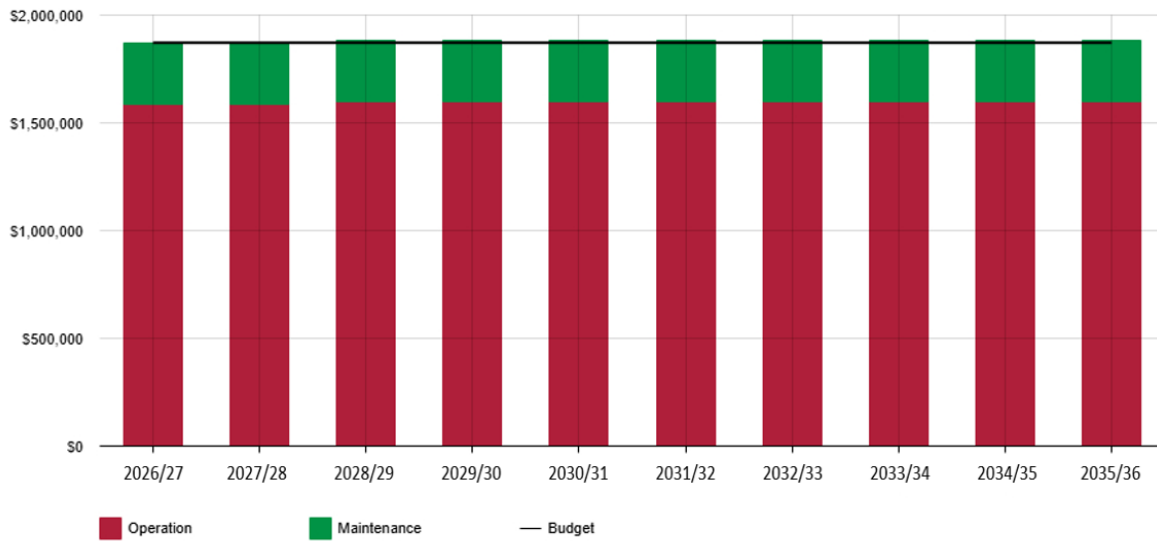
*if not in breach of safety or security standards

The asset service hierarchy has not yet been completed, other than identifying Critical Assets in this version of the BAMP. Completion is an action in the improvement plan in Section 8.

Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

Figure 5.2: Recommended Operations and Maintenance Summary



All figure values are shown in current day dollars.

The Recommended Operations and Maintenance forecast marginally increases in the third year due to the acquisition of the Uralla Parks and Gardens Shed and Chemical Storage in year two (2). The increase shows a marginal insufficient budget as a result for the remainder of the period. This informs budget setters through the LTFP that an increase is necessary. Predictions for future year budgets is not the intent of an Asset Management Plan. These forecasts are scheduled to be updated yearly, consider inflation, and are likely to vary throughout the planning period. The LTFP identifies future fund requirements. Once acquisitions become a reality, the annual budget update then considers the additional operations and maintenance increases.

Operational costs are mostly fixed, while maintenance costs can fluctuate and depend on available funding.

Deferred maintenance (i.e. works that are identified for maintenance activities but unable to be completed due to available resources) are to be included in these yearly updates and pending on a risk analysis, be included in the risk register.

5.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces, or renews the existing asset to its original service potential. Work over and above restoring an asset to original service potential is an acquisition and results in additional future operations and maintenance costs.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses Asset Register data to project the renewal costs (replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The estimates for renewals in this BAMP were based on a 'modelled to condition' *Register Method*.

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. It is unclear when asset useful lives were last scrutinised, this task forms part of the improvement plan in section 8 and is a priority. It carries a vital role as it is directly proportional to the rate of consumption (amount of

depreciation) Council recognises, also set for analysis in the improvement plan. These factors are key to the amount of renewal required.

Table 5.3: Useful Lives of Assets

| Asset (Sub)Category | Useful life |
|----------------------------------|-------------|
| Floor coverings | 8-25 |
| Mechanical and electrical | 15-36 |
| Fixtures and Fittings | 20-36 |
| Walls | 50-60 |
| Ceilings | 50-60 |
| Rooves/Shelters/Other structures | 50-60 |
| Hydraulics | 80-100 |
| Whole Buildings/Structures | 40-100 |
| Sub Structure Concrete | 140 |

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. replacing a landing that has a 5 person limit), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a roof).⁵

It is possible to prioritise renewals by identifying assets or asset groups that:

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent or resilient asset that would provide the equivalent service.⁶

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

⁵ IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.
⁶ Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

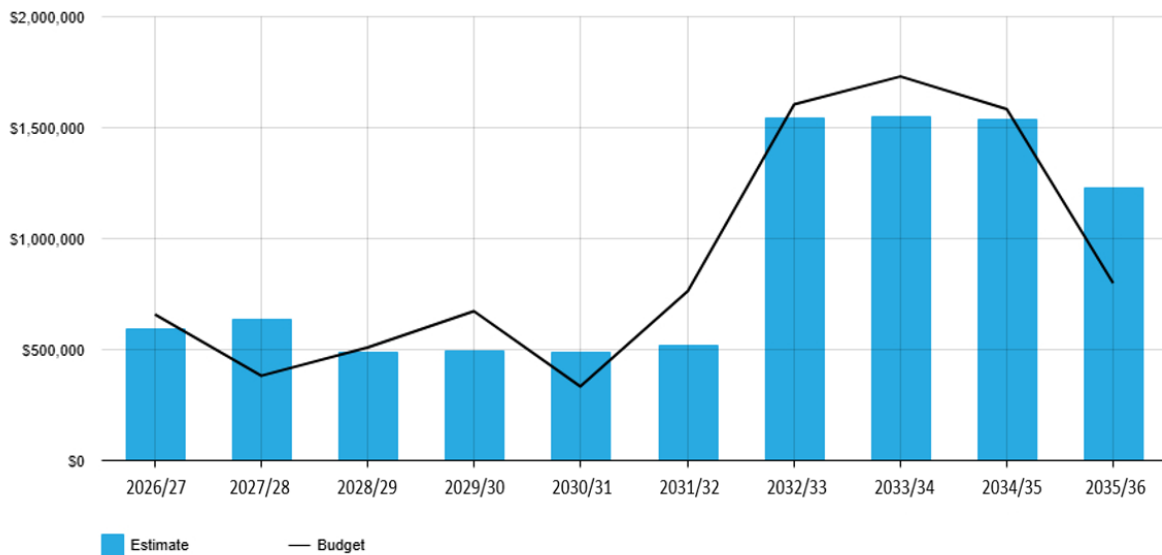
Table 5.3.1: Renewal Priority Ranking Criteria

| Criteria | Weighting |
|----------------------------------------------|-------------|
| Condition | 30% |
| Risk Consequence | 30% |
| High current operation and maintenance costs | 20% |
| Demand | 20% |
| Total | 100% |

5.4 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs for the first 3 years is shown in Appendix D.

Figure 5.4.1: Recommended Forecast Renewal Costs



All figure values are shown in current day dollars.

The recommended forecast renewal budget is sufficient to cover the required renewal needs, as identified in the condition modelled register report which informed the renewal plan. The slight deficit average of \$12,562 per year is manageable through minor adjustments and/or savings which will offset the shortfall. The projected renewal expenditure is based on the latest asset condition data and updated asset useful lives, and is modelled to include analysis of cost, risk and compliance issues drawn from the registers and officer judgement. The later years cater for an increase in current renewal backlog per predicted affordability.

Historically, officers have re-evaluated renewal priorities annually across all asset classes to align with an inferior budget, resulting in a growing renewal backlog. This approach is neither sustainable nor consistent with best practice and contributes to long-term liability. Deferred renewal—where assets identified for renewal are not scheduled in capital works programs—should be included in risk analysis and, depending on the risk level, recorded in the risk register and associated management plans. Continued deferment of renewals increases long-term risk exposure and creates intergenerational unsustainability.

This BAMP reflects the actual renewal funding required to maintain an acceptable standard of asset service and reduce the accumulated renewal backlog. Budget projections are closely aligned to the LTFFP, which limits renewal expenditure in the early years to accommodate whole-of-Council affordability constraints. From the assumed reform period onward, the financial position improves, allowing for increased renewal investment and the progressive reduction of the buildings renewal backlog over the later years of the forecast. These projections will be enhanced in future iterations and will ultimately support evidence-based decisions regarding budget allocation and LoS through further analysed scenarios.

5.5 Acquisition Plan

Acquisitions are new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity (eg., the addition of an awning to a building). They may result from growth, demand, social or environmental needs. Assets may also be donated to the Council.

5.5.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, grant opportunity, compliance, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works are reviewed to verify that they are essential to the Councils needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds, then scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.5.1.

Table 5.5.1: Acquired Assets Priority Ranking Criteria

| Criteria | Weighting |
|---------------|-------------|
| Technical | 30% |
| Safety/Risk | 30% |
| Social | 20% |
| Environmental | 20% |
| Total | 100% |

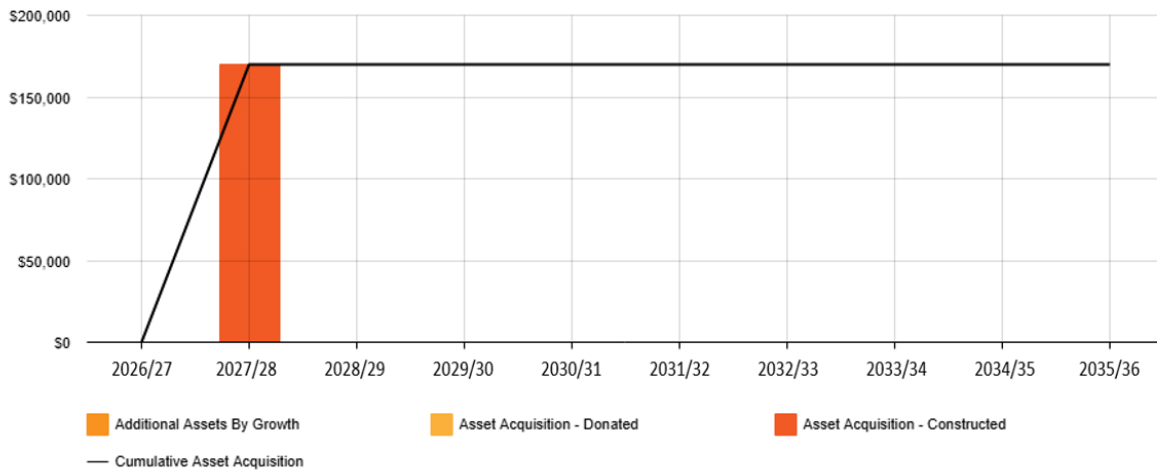
Summary of future asset acquisition costs

The forecast acquisition capital works program is shown in Appendix A.

When Council commits to new assets, we must be prepared to fund future operations, maintenance, and renewal costs. We must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by Council. The cumulative value of all acquisition work over the 10-year planning period is \$170,000.

The cumulative value of all recommended acquisition over the planning period is seen in figure 5.5.1.

Figure 5.5.1: Forecast Acquisition Cumulative Value



All values are in current dollars.

Acquiring this new asset will commit the funding of ongoing operations, maintenance and renewal costs for the period that the service provided from the asset is required.

Expenditure on new assets and services in the capital works program will be accommodated in the LTFP, but only to the extent that there is available funding. When works identified cannot be funded there needs to be an impact analysis and/or trade off from LoS to not extend or create a renewal backlog.

The acquisition identified was deemed necessary to satisfy compliance and risk.

5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the LTFP.

Table 5.6: Assets Identified for Disposal (Aspirational Scenario)

| Asset | Reason for Disposal | Status | Disposal Costs | Operations & Maintenance Annual Savings |
|-------------------------------------|---------------------------------------------------------------------------------|----------|----------------|-----------------------------------------|
| Explosives Bunker | Not required | Inactive | 15,000 | No impact |
| Old Parks and Garden Nursery & Shed | Not recognised and inactive, Compliance, New shed and chemical storage required | Inactive | 30,000 | No Impact |
| Old Communications Shed (Mt Mutton) | Inactive, new building in use. | Inactive | 10,000 | No Impact |
| Bundarra Depot Old Stage Shed | Storage Upgrade | Active | 20,000 | Nil |

No disposals of recognised building assets are included in the recommended scenario.

The \$30,000 shown separately in financial tables for 2027–28 relates to demolition of the derecognised structure at the Uralla Depot, which forms part of the site-clearance enabling works for the Parks & Gardens / Town Crew Shed acquisition. It is not classified as a disposal event.

5.7 Summary of asset forecast costs.

The financial projection scenarios from this asset plan are shown in the following scenarios. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to proposed budgets. Individual commentary on each scenario details specific conditions.

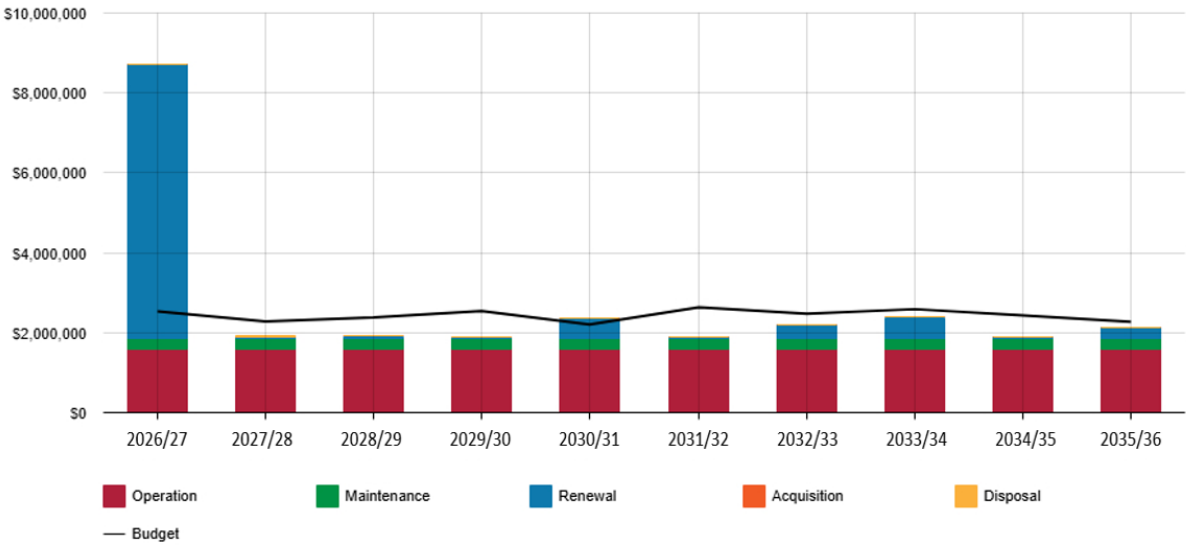
The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome to select the most appropriate scenario.

All figure values are shown in current day dollars.

Scenario 1 – Base Forecast (Asset Register)

The following figure (5.7.1) has been derived from detail currently held in Councils’ asset register. The budget line is derived from a historical position.

Figure 5.7.1: Lifecycle Summary - Base Condition Forecast



This forecast, based on the asset register, has been included to illustrate the limitations of Council’s prior position and asset management approach.

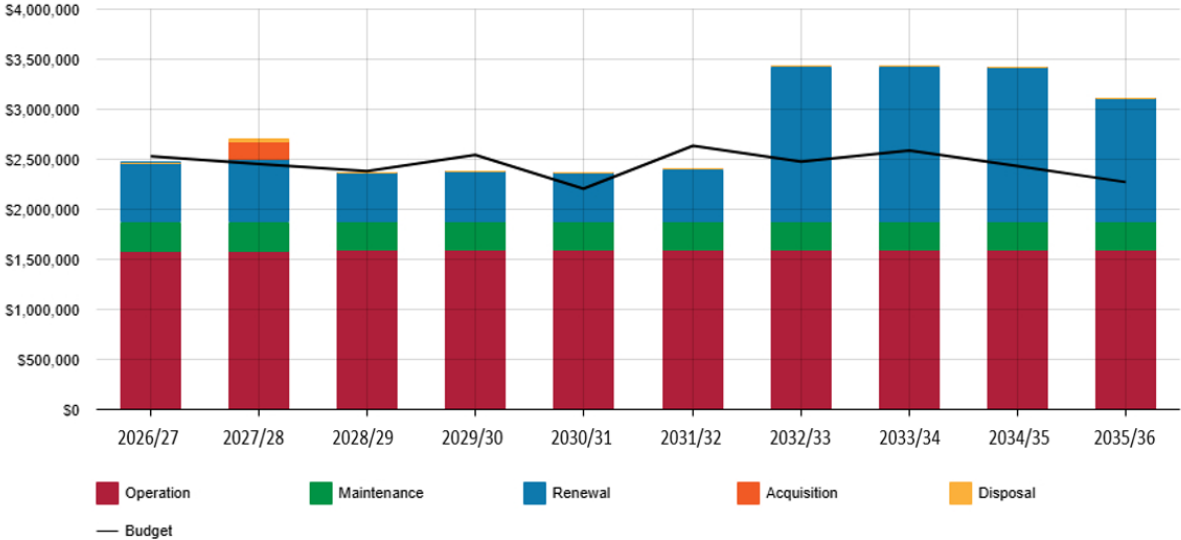
The sharp spike in renewal costs shown in the first year (the blue bar) reflects a backlog of assets flagged for renewal purely because they have reached the end of their expected design life, according to age-based data in the asset register.

This underscores the need to refine our data by incorporating actual condition assessments, rather than relying solely on unaudited age-based estimates currently held. This action forms part of the improvement plan in Section 8. The following scenario reflects this improved approach, combined with historical budgeting data.

Scenario 2 – Modelled Forecast (Historical budget – No SRV)

The following figure (5.7.2) presents a revised forecast based on Council’s updated asset position, which incorporates both renewal planning and condition-based modelling. Council has proactively undertaken current condition assessments and analysed expected useful life to more accurately reflect actual renewal costs and timing required to maintain existing Levels of Service. This approach not only provides a more realistic view of future investment needs but also reduces the projected renewal costs, primarily due to the improved accuracy gained through condition and renewal modelling. The cost projections are shown alongside the historical budget.

Figure 5.7.2: Lifecycle Summary – Modelled Forecast with historical budget



The resulting lifecycle budget average is *insufficient* to meet the modelled lifecycle cost requirements, resulting in an average annual funding shortfall of **-\$356,452**. At these funding levels, this asset class can remain functional in the short term, but has no ability to address the realistic renewal backlog. The cumulative deficit is **\$3,564,520** by the 2036 financial year. This scenario is expected to result in downstream impacts later in the forecast period, including further implications in the next planning cycle. These include;

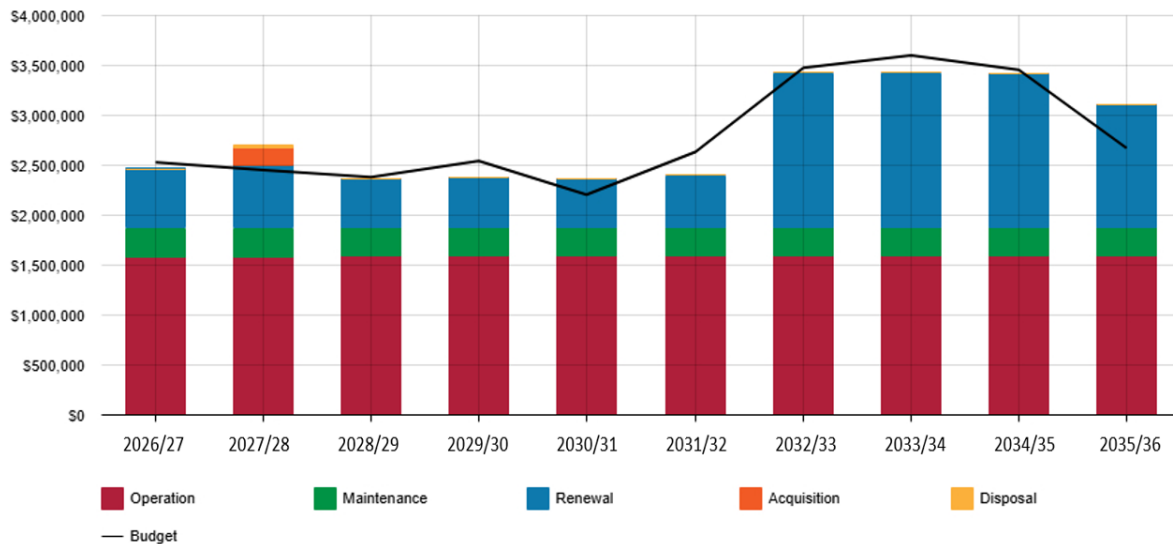
- Unsustainability and intergenerational equity issues
- Reduced repairs and maintenance
- Rundown facilities with increased risk
- Increase in renewal backlog and inability to renew/upgrade assets
- Potential loss of assets and/or services
- Reduced reputation

This result highlights the importance of a financial reform solution. Which is offered in the following scenario.

Scenario 3 – Modelled Forecast (LTFP Budget with SRV) – Recommended Scenario

Scenario 3 presents the modelled forecast projections against the budget forecast from Councils LTFP, which incorporates financial reform through an SRV from 1 July 2027 and backlog catchup ability from 2033 onward.

Figure 5.7.3: Lifecycle Summary – Modelled Forecast with SRV



This scenario represents the recommended forecast lifecycle budget for this plan. While slightly deficient, the budget average is sufficient to meet the modelled lifecycle cost requirements. Resulting in an average annual funding shortfall of -\$12,652. At these funding levels, this asset class remains functional over the entire forecast with the ability to reduce the realistic renewal backlog. The projected cumulative deficit is -\$126,520 by the end of the 2036 financial year which can be managed through minor adjustments and/or project savings. *This forecast gives Council favourable asset lifecycle indicator ratios over the forecast period but should not be used as a long-term sustainability indicator.*

The following scenario offers an optimum level of funding allowing for significant service level increase if Council resolves to do so.

Scenario 4 – Aspirational Performance (Increased service levels)

The aspirational performance forecast is derived from expectations across each stage of the asset lifecycle, beginning with acquisition.

Assets are acquired in alignment with strategic planning, ensuring they meet operational needs, desired outcomes, and safety upgrades, while also incorporating a contingency element. This includes planned acquisitions such as office spaces at the Uralla Depot, as well as shed and storage facilities at both the Uralla and Bundarra depots. There are no new buildings considered in the acquisition phase, acquisition has increased due to the upgrade of existing buildings which result in a higher-level asset with greater service potential.

In the operational phase, the forecast assumes a performance level 10% above the recommended forecast, reflecting a proactive effort to enhance overall efficiency while covering any increase due to acquisition.

Maintenance is based on annual costs linked to asset condition and fair value, marking a shift from reactive to proactive management. Specifically, 21.83% of assets in excellent to good condition (Condition 1–2) will be maintained at 1% of their fair value, while the remaining 78.17%, in fair to poor condition (Condition 3–5), will be maintained at 2%. This allows for a complete pro-active and increased service life activities schedule, such as regular painting. As the forecasted cost has nearly doubled, this allows for higher expenses associated with any acquisitions.

The renewal forecast incorporates modelled existing backlog, all assets due for renewal in 2025 and an additional nine (9) years of asset consumption (depreciation), with a 10% contingency.

Finally, the disposal forecast, accounts for the removal of all currently identified surplus assets, including the explosives bunker, old communication shed, Uralla depot nursery, old town shed, and the old Bundarra depot shed.

Graphically comparing the current LTFP to the aspirational performance level is not meaningful. When done so, funding ratios range between 65% and 87%. The aspirational performance level represents an ideal, best-case scenario for Council's building portfolio, and should be used as a long-term benchmark rather than a current target.

Asset Forecast Costs Conclusion

The financial forecasts highlight the significant funding challenges Council faces in managing its building assets sustainably. While the base and modelled scenarios show ongoing shortfalls, they provide a realistic base for planning. The aspirational performance scenario serves as a long-term benchmark to guide strategic investment.

Council's operations and maintenance budgets currently align with historical trends but are largely reactive. A proactive maintenance schedule will be developed in the next review, which will increase maintenance forecast costs. However, the main funding gap lies in renewal and acquisition. Historically reliant on grants, this approach is no longer sustainable. Council has typically responded by re-prioritising works, adjusting budgets, and seeking alternative funding.

If future forecast costs continue to exceed available budgets, a gap analysis will be undertaken and reported through the annual AMP review, informing the LTFP and budget process. The recommended forecast assumes the major financial reform (SRV) will proceed, which improves Council's outlook and positions this asset class closer to sustainability by the end of the planning period, Financial Year 2036.

The Improvement Plan (Section 8) includes actions to refine future cost estimates, supported by ongoing condition assessments and financial reviews, ensuring forecasts remain aligned with actual performance, reality and Council's evolving priorities.

6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk Management – Principles and Guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control an organisation with regard to risk’⁷.

An assessment of risks⁸ associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable. Critical risks are defined below and should be reported through Councils Infrastructure Risk Register.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence if a failure causes significant loss or a reduction of service. In Table 6.1, Critical assets have been identified, along with their typical failure mode and the impact on service delivery. Failure modes may include physical failure, collapse or essential service interruption. All critical assets are given an asset hierarchy rating of 1 – Zero downtime tolerance.

Table 6.1 Critical Assets

| Critical Asset(s) | Failure Mode | Impact |
|---------------------------------------|---------------------------------------------------|--------------------------|
| Water treatment plants | Essential Service Interruption | Loss of critical service |
| Sewer treatment plants | Essential Service Interruption | Loss of critical service |
| Depots | Service Interruption / Physical Failure | Reduction of service |
| Administration Building (server room) | Essential Service Interruption / Physical Failure | Loss of critical service |
| Aged Care Centres | Essential Service Interruption | Loss of critical service |
| Community Centres | Essential Service Interruption | Loss of critical service |

By identifying critical assets and failure modes, Council can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at these critical assets.

⁷ ISO 31000:2009, p 2

⁸ Councils ‘Risk Register’

6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below. It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the Council and community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

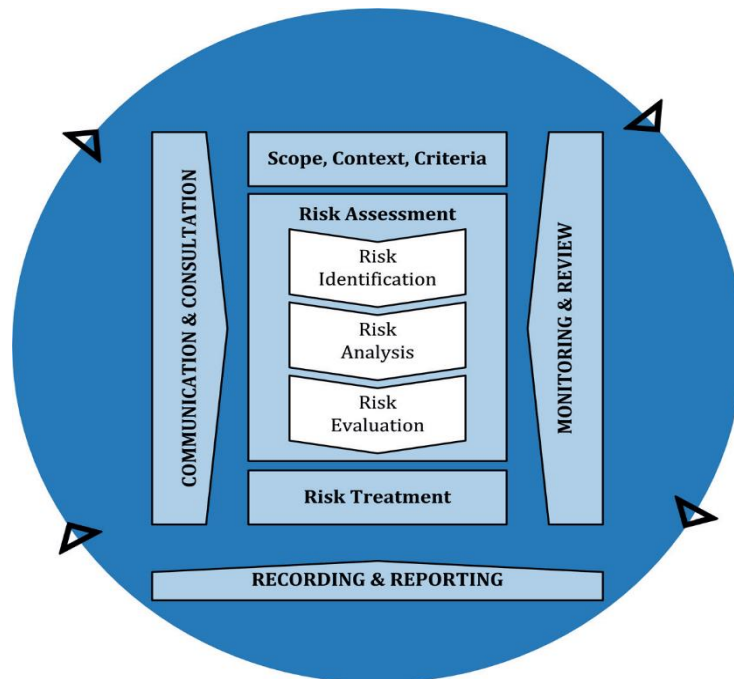


Fig 6.2 Risk Management Process – Abridged

Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks⁹ associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences.

Critical risks are those assessed with ‘Catastrophic’ (requiring immediate corrective action) and ‘High’ (requiring corrective action) residual risk ratings and should be identified in an Enterprise and Infrastructure Risk Management Register. It is essential that these critical risks and costs are reported to management and the Councillors.

Risk assessed as ‘Catastrophic’ must be escalated to the General Manager and require an immediate and detailed action plan to mitigate the risk to an acceptable level. Risk assessed as ‘High’ must be escalated to the Director or Group Manager and a detailed action plan implemented.

Buildings related risks are identified in Table 6.2 below, along with treatment plans and the resulting risk rating if implemented, along with the associated treatment costs.

Table 6.2: Risks and Treatment Plans

⁹ Councils ‘Risk Register’

| Service or Asset at Risk | What can Happen | Risk Rating | Risk Treatment Plan | Residual Risk * | Treatment Costs |
|----------------------------|--------------------------------------------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------------------------------------------|
| Buildings renewal | Insufficient funds | Medium | Allocate funds to an asset reserve. Model renewal forecasts. | Low | When available \$15,000/yr (AMIS license) |
| Building failure | Poor design/construction | Medium | Due diligence / Suitably qualified entities to be only engaged | Low | Minimal |
| Building damage | Vandalism | Medium | Security cameras | Low | Initial \$15,000/per site average, \$1500/yr operational |
| Building damage | Severe weather event, fire | High | Routine maintenance, eg Storm water system, gutters, fire equipment. Hold adequate insurance. Develop business continuity plans. Develop flood and fire plans. | Medium | In current budgets In current budgets \$0 \$0 |
| Building Obsolescence | Assets become obsolete prior to useful life exhaustion | Medium | Develop a Demand Management Plan Continual REZ monitoring | Low | Nil |
| Building maintenance | Insufficient funds | Medium | Resource sufficiently. Implement proactive schedule. | Low | \$100,000/yr |
| Buildings Asset Management | Loss of knowledge, employee. | High | Update Asset Management Plan, Policy, Procedures and Strategy. Develop ongoing handover notes | Medium | Nil |

| Service or Asset at Risk | What can Happen | Risk Rating | Risk Treatment Plan | Residual Risk * | Treatment Costs |
|----------------------------|--------------------------------------------------------------------------------------|-------------|-----------------------------------------------------------------------|-----------------|-------------------------------|
| Buildings Asset Management | Regulatory changes | Medium | Monitor legislation, hold appropriate industry licenses & membership. | Low | \$8,500/yr currently budgeted |
| Buildings Asset Management | Incorrect messaging due to no support officer – data capture and entry insufficient. | Very High | Asset Officer | Medium | \$86,640/yr |

Note *The residual risk is the risk remaining after the selected risk treatment plan is implemented.

Table 6.0: Uralla Shire Council Risk Matrix

| | CONSEQUENCES | | | | |
|----------------|--------------|--------|----------|--------------|--------------|
| LIKELIHOOD | Minimal | Minor | Moderate | Major | Catastrophic |
| Almost certain | Medium | Medium | High | Catastrophic | Catastrophic |
| Likely | Medium | Medium | High | Catastrophic | Catastrophic |
| Possible | Low | Medium | Medium | High | Catastrophic |
| Unlikely | Low | Low | Medium | High | High |
| Rare | Low | Low | Medium | Medium | High |

6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to ‘withstand a given level of stress or demand’, and to respond to possible disruptions to ensure continuity of service.

Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership are all focal points for the ongoing provision of building services, and are all at varying levels of maturity.

Our current measure of resilience is shown in Table 6.3 which includes the type of threats and hazards and the current measures that the organisation will consider and develop to ensure service delivery resilience. Development is addressed as part on the improvement plan in section 8.

Table 6.3: Resilience Assessment

| Threat / Hazard | Assessment Method | Current Resilience Approach |
|--------------------------|------------------------------------------------------|-----------------------------|
| Loss of Building Service | Cross functionality, remote options | Low |
| Loss of personnel | Keep framework documents and procedures current | Low |
| Severe Weather | Regularly check forecasts, renew to higher standards | Low |

6.4 Service and Risk Trade-Offs

The decisions made in adopting this BAMP are based on the objective to achieve the optimum benefits from the available resources.

6.4.1 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. These include:

- Fund 100% of the renewal forecast costs, including critical assets such as Aged Care and Depot facilities
- Act on the need to upgrade or acquire new assets
- Maintain current LoS.

6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- Acceptance of run down assets and increased associated risks
- Decreases in levels of service, i.e., Less frequent cleaning and maintenance

6.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- Personal injury
- Reputation
- Loss or reduction of service
- Accelerated obsolescence
- Unsustainability

These actions are considered and remediation costs are identified, and where developed, identified in a Risk Management Plan. Council is currently reviewing organisational risk to further develop Enterprise Risk Management, encompassing structured, organisation-wide approaches to identifying, assessing, managing, and monitoring risks that may impact the achievement of Councils strategic objectives.

7.0 FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this BAMP and delivers the *Recommended Scenario* figures from Scenario 3 in Section 5. The financial projections will be improved as the discussion on desired LoS and asset performance matures, along with an increased maturity of asset data.

7.1 Financial Sustainability and Projections – Recommended Scenario

7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the Management Plan for this service area. The two indicators are the:

- Asset Renewal Funding Ratio (**ARFR**) – target 90-110% (proposed renewal budget for the next 10 years / proposed renewal outlays for the next 10 years shown in the BAMP), and
- Lifecycle Funding Ratio (**LFR**) – target 90-110% (proposed lifecycle budget for the next 10 years / proposed lifecycle outlays for the next 10 years shown in the BAMP).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio¹⁰ 99.65%

The ARFR is an important indicator and illustrates that over the next 10 years we expect to have 99.65% of the funds required for the renewal of assets per the modelled and recommended forecast.

The forecast renewal work along with the proposed renewal budget, and the cumulative shortfall, is illustrated in Appendix D.

Medium Term – 10-year financial planning period

This BAMP identifies the forecast operations, maintenance and renewal costs required to provide an agreed, and affordable LoS to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is \$2,788,353 on average per year.

The proposed (budget) operations, maintenance and renewal funding is \$2,775,700 on average per year giving a 10 year funding shortfall of -\$12,652 per year. This indicates that 99.55% of the forecast costs needed to provide the services from the recommended scenario documented in this BAMP are accommodated in the proposed budget. *Note, these calculations exclude acquired assets.*

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 (100%) for the first years of the BAMP and ideally over the 10 year life of the LTFP.

¹⁰ AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

7.1.2 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.2 shows the forecast costs (outlays) required for consideration in the 10 year LTFP.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the LTFP.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the BAMP and/or financial projections in the LTFP. *This is highlighted when the aspirational level of funding has a large gap to the recommended level.*

We will manage any 'gap' by developing this BAMP to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Forecast costs are shown in current dollar values.

Table 7.1.2: Forecast Costs (Outlays) for the LTFP

| Financial Year | Acquisition | Operation | Maintenance | Renewal | Disposal |
|----------------|-------------|-----------|-------------|---------|----------|
| 2026-27 | | 1586708 | 285155 | 590109 | 0 |
| 2027-28 | 170000 | 1586708 | 285155 | 634733 | 30000 |
| 2028-29 | 0 | 1596908 | 286855 | 485038 | 0 |
| 2029-30 | 0 | 1596908 | 286855 | 496522 | 0 |
| 2030-31 | 0 | 1596908 | 286855 | 487018 | 0 |
| 2031-32 | 0 | 1596908 | 286855 | 516063 | 0 |
| 2032-33 | 0 | 1596908 | 286855 | 1545065 | 0 |
| 2033-34 | 0 | 1596908 | 286855 | 1546612 | 0 |
| 2034-35 | 0 | 1596908 | 286855 | 1538890 | 0 |
| 2035-36 | 0 | 1596908 | 286855 | 1229645 | 0 |

Note:

The 10-year average Planned Budget in Section 1.6.1 includes the full \$200,000 cost of the Parks & Gardens / Town Crew Shed acquisition in 2027–28. Consistent with IPWEA lifecycle methodology, Section 7.1 excludes acquisitions and site-clearance from lifecycle calculations. This results in the Section 7.1 average being approximately \$20,000 per year lower than the broader 10-year budget average. This is an expected methodological difference, not a modelling discrepancy.

7.2 Funding Strategy

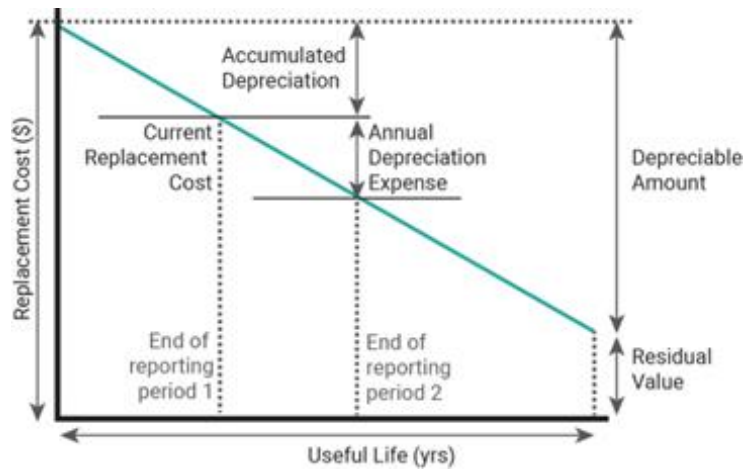
The proposed funding for assets is outlined in Councils budget and LTFP.

Councils' financial strategy determines how funding will be provided, whereas the BAMP communicates how and when this will be spent, coupled with various service alternatives.

7.3 Valuation Forecasts

7.3.1 Asset valuations

The best available estimate of the value of assets included in this BAMP are shown below.



The assets are valued at fair value at cost from the 30 June 2023 revaluation report with indexation for 30 June 2024. These figures are from the most current audited financial reports.

| | |
|----------------------------------------|--------------|
| Replacement Cost (Gross) | \$34,282,485 |
| Depreciable Amount | \$14,252,280 |
| Current Replacement Cost ¹¹ | \$20,030,205 |
| Annual Depreciation Expense | \$537,727 |

7.3.2 Valuation Forecast

Asset values are forecast to increase as additional assets are added to service. Inflation and the construction index rises are factored into the LTFP.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

At this point in the Buildings Asset Maturity, additional assets are only favoured to be funded from grant sources and are heavily considered due to the already existing lifecycle funding gap. However, restricted funds, compliance and/or risk remediation measures are factored when required, this has resulted in acquisition for this forecast period.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this BAMP, it was necessary to make some assumptions. This section details the key assumptions made in the development of this BAMP and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this BAMP are:

- Application to the Independent Pricing and Regulatory Tribunal (IPART) for a Special Rate Variation (SRV) to commence 1 July 2027 is successful and implemented at the defined rates in the LTFP 2025-34.

¹¹ Also reported as Written Down Value, Carrying Amount or Net Book Value in some jurisdictions.

- Figures used in the financial messaging are from the **recommended scenario** which represents a modelled forecast to suit Councils' current financial position and does not reflect long-term sustainability.
- External funding will be the main driver for funding unplanned acquisitions upon lifecycle feasibility analysis, particularly in the short term, including REZ solutions.
- There is one planned major building acquisition in the 10-year forecast.
- There are no planned major disposals in the 10-year plan.
- Obsolescence factors are unknown and no contingency is considered in the recommended forecast.
- Future demand assumptions (Section 4)
- All cost forecasts are in today's dollars.
- Financial data used in this plan was from the latest audited financial statements, being June 2024.
- Condition assessment data in this plan is from the June 2023 revaluation.
- Data and modelling position is from August 2025.
- Disposal activity listed is the site clearance of derecognized assets and is recognised as acquisition costs. The construction cost and site clearance cost have been separated for transparency.
- Acquisition and disposal costs are omitted from lifecycle ratio methodology calculations per IPWEA and IIMM requirements

Operations and Maintenance figures were derived from the actual figures recorded for the financial year 2023/24, to the best ability. An in-depth analysis is required on system data collection for costs through the work order system used. While process reform has occurred for the financial year 2025-26, these processes, data input and capture is a focus in the improvement plan

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this BAMP are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a A - E level scale¹² in accordance with Table 7.5.1.

Table 7.5.1: Data Confidence Grading System

| Confidence Grade | Description |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A. Very High | Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$ |
| B. High | Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$ |
| C. Medium | Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or |

¹² IPWEA, 2015, IIMM, Table 2.4.6, p 2 | 71.

| Confidence Grade | Description |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$ |
| D. Low | Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$ |
| E. Very Low | None or very little data held. |

The estimated confidence level for and reliability of data used in this BAMP is shown in Table 7.5.2.

Table 7.5.2: Data Confidence Assessment for Data used in Buildings Asset Management Plan

| Data | Confidence Assessment | Comment |
|-----------------------|-----------------------|---------------------------------------------------------------------------------------|
| Demand drivers | C – Medium | Requires executive input and constant planning review |
| Growth projections | B – High | State Government projections and staff professional judgement on localised parameters |
| Acquisition forecast | A – Very High | Based on industry unit rates and EOI quotes |
| Operation forecast | C - Medium | Based on historical figures with known deficiency |
| Maintenance forecast | C - Medium | Based on historical figures with known deficiency |
| Renewal forecast; | | |
| - Asset values | B – High | Based on current valuation figures 2023 |
| - Asset useful lives | C - Medium | Based on historical staff professional judgement |
| - Condition modelling | B – High | Based on visual inspections and professional third-party reporting |
| Disposal forecast | D - Low | Asset audit will determine future disposal confidence. |

The average confidence level for and reliability of data used in this BAMP is considered to be at a Medium-High Confidence Level.

Operation and Maintenance Data – Deficiencies

The current deficiencies in operational and maintenance expenditure figures primarily reflect existing affordability constraints, which limit Council’s ability to undertake proactive and predictive maintenance activities. As a result, maintenance practices have historically been more reactive in nature, with resources directed toward immediate and critical needs rather than planned interventions that optimise whole-of-life asset performance. In addition, the systems and processes for capturing and allocating operational costs are still maturing, and costs are not yet being collected or attributed with sufficient consistency or accuracy across all assets and activities.

Accordingly, the reported figures do not fully represent the true operational and maintenance requirements of the asset portfolio, but rather the level of service that is currently affordable and achievable within existing financial and operational constraints. This is why the confidence in the accuracy and completeness of the

current operational and maintenance figures is considered low, as they reflect constrained delivery and evolving cost capture processes rather than the actual underlying need.

For the purposes of financial planning, these figures have therefore been adopted as the recommended scenario for the 10-year forecast, as they represent a realistic and deliverable position based on current affordability. The aspirational forecast in Table 3.6, however, has been developed to reflect the identified operational and maintenance requirements necessary to support improved asset performance, proactive and predictive maintenance, and more accurate cost capture. This aspirational scenario should be regarded as the target budget position over time, toward which Council should progressively work as financial capacity, systems, and processes continue to mature.

Actions identified within the Improvement Plan are specifically designed to address these limitations. Their implementation will strengthen maintenance planning practices, transition Council toward more proactive and predictive maintenance, and significantly improve the accuracy, consistency, and confidence in operational and maintenance cost data. Collectively, these actions will enable Council to progressively move from the recommended scenario toward the aspirational forecast and establish a more sustainable and informed long-term budget position.

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices

8.1.1 Accounting and financial data sources

This BAMP utilises accounting and financial data. The source of the data is Authority Altitude. The system is managed by Council's Corporate Services Department, chiefly by the Finance Team. The system includes creditor, debtor, payroll, general ledger, procurement, revenue and asset modules and produces quarterly financial reports for Council, while also producing reports for annual financial statements for audit and production to the Uralla Shire community.

8.1.2 Accounting standards and regulations

Council is required to prepare its annual financial report in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the Local Government Act 1993 (as amended).

AASB 116 Property, Plant, and Equipment, AASB 136 Impairment of Assets, AASB 140 Investment Property and AASB 5 Non-current Assets held for Sale and Discontinued Operations are applied when preparing Council's annual financial statements.

The cost method of accounting is used for the initial recording of all assets acquired. Cost is determined as the fair value of the assets given as consideration plus cost incidental to the acquisition including architects' fees, engineering design fees, consulting fees, administration charges and all other costs incurred in getting the assets ready for use. In addition, the cost of non-current assets constructed by Council, 'cost' includes all material used in construction, direct labour used on the project and an appropriate proportion of overheads.

Non-monetary assets received in the form of grants and donations are recognised as assets and revenues at their fair value at the date of receipt. Fair value means the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

8.1.3 Asset management data sources

This BAMP also utilises asset management data. The source of the data is through an asset register held in the asset module of Authority Altitude. Council also use external programs, My Asset Guard (**MAG**) introduced from a finance perspective for mandatory reporting and Asset Valuer Pro (**AVP**) as an Asset Management Information System (**AMIS**), for manipulating and modelling the data and analysis and reporting. Further development of MAG in 2025-26 will enable Council to also use this tool as the base AMIS and discontinue the use of the AVP program. Council also utilises data from, Geographical Information Systems - Intramaps and QGIS, Authority Altitude CRM system, and individual asset registers. Individual asset registers will be phased out as the register and physical audits take place, identified in the improvement plan in this section.

8.2 Improvement Plan

It is important that an entity recognise areas of their Asset Management Plan and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this BAMP is shown in Table 8.2.

Table 8.2: Improvement Plan

| Task | Task | Responsibility | Resources Required | Timeline |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------------------------|----------------------|
| 1 | Complete the asset audit between physical, register and valuation report data. Including various individual registers. | Asset Manager | Councils Finance Consultant | 2025/26 |
| 2 | Review how buildings data is captured into the finance system, check, and validate | Asset Manager | Corporate Accountant/ Finance Consultant | 2025/26 |
| 3 | Review how specialised buildings are considered in operations regarding costs and income. | Asset Manager | Corporate Accountant/ Finance Consultant | 2025/26 |
| 4 | Develop emergency response plans, budgets, resources and complete risk analysis on critical assets to update registers and inform ERM, complete asset hierarchy register. | Asset Manager | Governance, Site Supervisors, Department Heads | 2026/27 |
| 5 | Develop a buildings site security masterplan. | Asset Manager | Site Supervisors, Department Heads | 2025/26 |
| 6 | Carry out building inspections to verify correct condition of assets in Condition 4 and 5. Analyse and update asset useful lives. | Asset Manager | Finance Consultant | Annually |
| 7 | Review and adopt acceptable Level of Services in consultation with community, update any changes and measure progress annually | Asset Manager | Customer Service Team | Each official review |
| 8 | Prioritise and plan buildings asset renewals to meet agreed service levels based on community's importance, asset category priority and site inspections. Standardise renewal expenditure where possible and reserve any extra funds separately for later use | Asset Manager | Third party input - Latest condition and revaluation report/s | Annually |
| 9 | Identify and implement a satisfactory maintenance management system (MMS) | Asset Manager | Nil | 2026/27 |
| 10 | Review and establish clear assumptions and approach for calculating depreciation and backlog. Apply this consistent approach across all asset subcategories to obtain most accurate backlog. Prioritise and create a plan to address the backlog by reaching an acceptable level, as consulted, and agreed with the community | Asset Manager | Corporate Accountant | Annually |
| 11 | Review and update future life cycle costs (unit rates) to improve accuracy of estimated lifecycle costs | Asset Manager | Industry standards/ references | Each official review |
| 12 | Complete the full suite of Asset Management Framework documents. | Asset Manager | Governance | 2025/26 |
| 13 | Investigate and develop sustainability and resilience actions | Asset Manager | Industry standards/ references, officers | 2026/27 |
| 14 | Review and action plans for Regulatory body framework cohesion | Asset Manager | Managers & Executive | 2026/27 |

8.3 Monitoring and Review Procedures

This BAMP will be reviewed during the annual budget planning process and revised to show any material changes in service levels, demand, risks, forecast costs and proposed budgets.

The BAMP will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the LTFP once completed.

The BAMP has a maximum life of 4 years and is due for complete revision after the Asset Management Policy and Strategy reviews.

8.4 Performance Measures

The effectiveness of this BAMP can be measured in the following ways:

- The degree to which the required forecast costs identified in this BAMP are incorporated into the LTFP,
- The degree to which the detailed 10 year works programs, budgets, business plans and corporate structures consider the 'global' works program trends provided by the BAMP,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The ARFR achieving the Organisational target of 100%.

9.0 REFERENCES

- IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM
- IPWEA, 2015, 3rd edn., 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM
- IPWEA, 2008, 'NAMS.PLUS Asset Management', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/namsplus.
- IPWEA, 2015, 2nd edn., 'Australian Infrastructure Financial Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/AIFMM.
- IPWEA, 2020 'International Infrastructure Financial Management Manual', Institute of Public Works Engineering Australasia, Sydney
- IPWEA, 2018, Practice Note 12.1, 'Climate Change Impacts on the Useful Life of Assets', Institute of Public Works Engineering Australasia, Sydney
- IPWEA, 2012, Practice Note 6 Long-Term Financial Planning, Institute of Public Works Engineering Australasia, Sydney, <https://www.ipwea.org/publications/ipweabookshop/practicenotes/pn6>
- IPWEA, 2014, Practice Note 8 – Levels of Service & Community Engagement, Institute of Public Works Engineering Australasia, Sydney, <https://www.ipwea.org/publications/ipweabookshop/practicenotes/pn8>
- ISO, 2014, ISO 55000:2014, Overview, principles and terminology
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines
- Current 'Community Strategic Plan'
- Current 'Operational Plan'

10.0 APPENDICES

Appendix A Acquisition Forecast – Recommended Scenario

A.1 – Acquisition Forecast Assumptions and Source

Councils' buildings portfolio is set to increase in the second year.

The forecast may be subject to change, from risk and compliance analysis or when grant funding opportunities arise, taking advantage to remodel renewals, with an element of acquisition. The required budget will be updated in annual revisions.

A.2 – Acquisition Project Summary

The project titles included in the lifecycle forecast are.

Town Crew Parks and Gardens Shed \$170,000

Site clearance – Derecognised structures \$30,000

Note: The above components form a single acquisition project totalling \$200,000

A.3 – Acquisition Forecast Summary

Table A3 - Acquisition Forecast Summary

| Financial Year | Constructed | Donated | Growth |
|----------------|-------------|---------|--------|
| 2026-27 | 0 | 0 | 0 |
| 2027-28 | 200000 | 0 | 0 |
| 2028-29 | 0 | 0 | 0 |
| 2029-30 | 0 | 0 | 0 |
| 2030-31 | 0 | 0 | 0 |
| 2031-32 | 0 | 0 | 0 |
| 2032-33 | 0 | 0 | 0 |
| 2033-34 | 0 | 0 | 0 |
| 2034-35 | 0 | 0 | 0 |
| 2035-36 | 0 | 0 | 0 |

Appendix B Operation Forecast – Recommended Scenario

B.1 – Operation Forecast Assumptions and Source

The operational budget for Councils buildings is based on historical values. Additional operations noted is for the projected acquisition from the second year of the planning period, taking affect in year three (3).

Timing of Acquisition impacts:

The operational impact of the proposed acquisition is applied from 2028–29 onward. As the commissioning date within 2027–28 is unknown, no additional operations costs are applied during the acquisition year. This ensures operational costs represent full-year service usage.

B.2 – Operation Forecast Summary

Table B2 - Operation Forecast Summary

| Financial Year | Operation Forecast | Additional Operation Forecast | Total Operation Forecast |
|----------------|--------------------|-------------------------------|--------------------------|
| 2026-27 | 1586708 | 0 | 1586708 |
| 2027-28 | 1586708 | 10200 | 1586708 |
| 2028-29 | 1586708 | 0 | 1596908 |
| 2029-30 | 1586708 | 0 | 1596908 |
| 2030-31 | 1586708 | 0 | 1596908 |
| 2031-32 | 1586708 | 0 | 1596908 |
| 2032-33 | 1586708 | 0 | 1596908 |
| 2033-34 | 1586708 | 0 | 1596908 |
| 2034-35 | 1586708 | 0 | 1596908 |
| 2035-36 | 1586708 | 0 | 1596908 |

Appendix C Maintenance Forecast – Recommended Scenario

C.1 – Maintenance Forecast Assumptions and Source

The maintenance budget for Councils buildings is based on historical values. Additional operations noted is for the projected acquisition from the second year of the planning period.

Timing of Acquisition impacts: Maintenance costs associated with the acquisition commence in 2028–29. Maintenance budgets reflect full-year service requirements and therefore exclude partial-year commissioning effects.

C.2 – Maintenance Forecast Summary

Table C2 - Maintenance Forecast Summary

| Financial Year | Maintenance Forecast | Additional Maintenance Forecast | Total Maintenance Forecast |
|----------------|----------------------|---------------------------------|----------------------------|
| 2026-27 | 285155 | 0 | 285155 |
| 2027-28 | 285155 | 1700 | 285155 |
| 2028-29 | 285155 | 0 | 286855 |
| 2029-30 | 285155 | 0 | 286855 |
| 2030-31 | 285155 | 0 | 286855 |
| 2031-32 | 285155 | 0 | 286855 |
| 2032-33 | 285155 | 0 | 286855 |
| 2033-34 | 285155 | 0 | 286855 |
| 2034-35 | 285155 | 0 | 286855 |
| 2035-36 | 285155 | 0 | 286855 |

Appendix D Renewal Forecast Summary – Recommended Scenario

D.1 – Renewal Forecast Assumptions and Source

Councils' renewal forecast has been based off the asset register projections then modelled by the most recent condition assessment and revaluation report from a professional third party. Known backlog, grant funding opportunity, risk analysis and renewal timing have been factored using professional officer judgement.

D.2 – Renewal Project Summary

The following table is a current forecast projection from financial year 2027 onwards for the first three years of the recommended forecast.

The detail of the renewal forecast is subject to change on each yearly budget review of this document. Only the first three years are shown because, historically, this timeframe tends to exhibit the least amount of change across the 10-year period. This approach also helps prevent setting unrealistic expectations by avoiding projections that may not materialise due to unforeseen circumstances.

Table D2 - Renewal Forecast Breakdown – First Three years

| Financial Year | Building | Component | Forecast |
|----------------------------------------------|------------------------------------------------------------------|----------------------|------------|
| 2026-27 | Depot, Office and Workshops | 04 Fit-Out | \$ 155,844 |
| | Depot, Office and Workshops | 62 Serv - Fire | \$ 14,777 |
| | Depot, Office and Workshops | 61 Serv - Mechanical | \$ 14,777 |
| | Depot, Office and Workshops | 03 Floor Coverings | \$ 51,469 |
| | Community Centre – Uralla Community Care | 62 Serv - Fire | \$ 30,984 |
| | Community Centre – Uralla Community care | 61 Serv - Mechanical | \$ 61,968 |
| | Community Centre – Uralla Community care | 03 Floor Coverings | \$ 108,444 |
| | Main Shed (works Depot) Bundarra | 61 Serv - Mechanical | \$ 6,746 |
| | SES Offices & Garage Area | 61 Serv - Mechanical | \$ 4,244 |
| | Old Lunch Room Treatment Plant | 03 Floor Coverings | \$ 3,900 |
| | Old Lunch Room Treatment Plant | 04 Fit-Out | \$ 8,126 |
| | Old Lunch Room Treatment Plant | 61 Serv - Mechanical | \$ 3,250 |
| | Amenities & Lunchroom, Machinery Parking Bay | 03 Floor Coverings | \$ 15,347 |
| | McMaugh Gardens Aged Care Centre | 04 Fit-Out | \$ 100,000 |
| | Amenities & Lunchroom, Machinery Parking Bay | 61 Serv - Mechanical | \$ 5,116 |
| Amenities & Lunchroom, Machinery Parking Bay | 62 Serv - Fire | \$ 5,116 | |
| 2027-28 | Town crew shed – depot (Acquisition – included for transparency) | All Components | \$ 200,000 |

| | | | |
|---------|----------------------------------|-------------------------|---------------|
| | Memorial Hall | 03 Floor Coverings | \$ 141,657 |
| | McMaugh Gardens Aged Care Centre | 04 Fit-Out | \$ 94,192 |
| | Water Supply - Main Building | 62 Serv - Fire | \$ 9,952 |
| | Amenities | 05 Roof | \$ 22,998 |
| | Visitor Information Centre | 65 Serv - Security | \$ 13,649 |
| | Main Shed Bundarra | 61 Serv - Mechanical | \$ 23,489 |
| | Main Shed Bundarra | 65 Serv - Security | \$ 7,830 |
| | Office Treatment Plant | 61 Serv - Mechanical | \$ 53,809 |
| | Council Chambers | 62 Serv - Fire | \$ 46,398 |
| | Caretakers Residence / Office | 03 Floor Coverings | \$ 5,278 |
| | Caretakers Residence / Office | 61 Serv - Mechanical | \$ 4,524 |
| | Amenities Queen St Van Park | 03 Floor Coverings | \$ 10,957 |
| 2028-29 | McMaugh Gardens Aged Care Centre | 62 Serv - Fire | \$ 93,589 |
| | Library | 62 Serv - Fire | \$ 36,837 |
| | Main Shed (works Depot) Bundarra | 04 Fit-Out | \$ 32,045 |
| | Bundarra Water Treatment Plant | 04 Fit-Out | \$ 14,381 |
| | McMaugh Gardens Aged Care Centre | 61 Serv - Mechanical | \$ 80,000 |
| | Office Treatment | 03 Floor Coverings | \$ 12,594 |
| | Office Treatment | 04 Fit-Out | \$ 20,608 |
| | Library | 65 Serv - Security | \$ 18,418 |
| | Amenities & Kiosk | 04 Fit-Out | \$ 76,567 |
| | McMaugh Gardens Aged Care Centre | 04 Fit-Out | \$ 100,000 |

D.3 – Renewal Forecast Summary

Table D3 - Renewal Forecast Summary

| Financial Year | Renewal Forecast | Renewal Budget |
|----------------|------------------|----------------|
| 2026-27 | 590109 | 657967 |
| 2027-28 | 634733 | 381910 |
| 2028-29 | 485038 | 509360 |
| 2029-30 | 496522 | 673045 |
| 2030-31 | 487018 | 333898 |
| 2031-32 | 516063 | 763290 |
| 2032-33 | 1545065 | 1604440 |
| 2033-34 | 1546612 | 1730812 |
| 2034-35 | 1538890 | 1583650 |
| 2035-36 | 1229645 | 800000 |

Appendix E Disposal Summary – Recommended Scenario

E.1 – Disposal Forecast Assumptions and Source

Council has no projected disposals for recognised buildings in the 10-year forecast.

E.2 – Disposal Forecast Summary

The \$30,000 shown as a separate line in financial tables is site-clearance enabling works associated with the Parks & Gardens / Town Crew Shed acquisition. The structures were already derecognised and therefore the activity is not an asset disposal.

Table E3 – Disposal Activity Summary

| Financial Year | Disposal Forecast | Disposal Budget |
|----------------|-------------------|-----------------|
| 2026-27 | 0 | 0 |
| 2027-28 | 0 | 0 |
| 2028-29 | 0 | 0 |
| 2029-30 | 0 | 0 |
| 2030-31 | 0 | 0 |
| 2031-32 | 0 | 0 |
| 2032-33 | 0 | 0 |
| 2033-34 | 0 | 0 |
| 2034-35 | 0 | 0 |
| 2035-36 | 0 | 0 |

Appendix F Budget Summary by Lifecycle Activity – Recommended Scenario

Councils' lifecycle activity projected costs are in Table F1.

Councils' cumulative lifecycle total at the end of the recommended forecast period is -\$126,520 and shows the ability to fund the costs by 99.65%.

This is only achievable from a heavily tailored renewal program which closely matches the projected available expenditure in the current LTFP 2025-34, and, from the materialisation of major financial reform occurring from 1 July 2027 through an SRV.

Table F1 – Budget Summary by Lifecycle Activity

| Financial Year | Acquisition | Operation | Maintenance | Renewal | Disposal | Total |
|----------------|-------------|-----------|-------------|---------|----------|---------|
| 2026-27 | 0 | 1586708 | 285155 | 657967 | 0 | 2529830 |
| 2027-28 | 200000 | 1586708 | 285155 | 381910 | 0 | 2453773 |
| 2028-29 | 0 | 1586708 | 285155 | 509360 | 0 | 2381223 |
| 2029-30 | 0 | 1586708 | 285155 | 673045 | 0 | 2544908 |
| 2030-31 | 0 | 1586708 | 285155 | 333898 | 0 | 2205761 |
| 2031-32 | 0 | 1586708 | 285155 | 763290 | 0 | 2635153 |
| 2032-33 | 0 | 1586708 | 285155 | 1604440 | 0 | 3476303 |
| 2033-34 | 0 | 1586708 | 285155 | 1730812 | 0 | 3602675 |
| 2034-35 | 0 | 1586708 | 285155 | 1583650 | 0 | 3455513 |
| 2035-36 | 0 | 1586708 | 285155 | 800000 | 0 | 2671863 |

Site-clearance (demolition of derecognised structure) is shown separately in modelling but is accounted for as part of the acquisition project rather than disposal activity.

Appendix G Forecast Summary Snapshot - Recommended

Below is Council's building portfolio 10-year forecast snapshot summary from the recommended figures. The International Infrastructure Management Manual (IIMM) recommended target ratios are.

| | |
|-------------------------------------|---------|
| 10-Year Asset Renewal Funding Ratio | 90-110% |
| 10-Year Lifecycle Financial Ratio | 90-110% |
| Long-Term Lifecycle Financial Ratio | 100% |

The summary ratios present a favourable outlook, primarily resulting from a forecast that has been extensively modelled and specifically tailored to affordability constraints. Caution is warranted as these ratios should not be construed as reliable indicators for the long-term sustainability of Councils' buildings, or fully capture future uncertainties.

DASHBOARD

The indicative target range for the 10-year Asset Renewal Funding and 10-year Lifecycle Financial Ratios is between 90% and 110%.

10-year Asset Renewal Funding Ratio

100 %

10-year Lifecycle Financial Ratio

99 %

Long-term Lifecycle Financial Ratio

99 %

VALUATION SUMMARY

| | |
|-----------------------------|---------------|
| Replacement Cost | \$ 34,282,485 |
| Current Replacement Cost | \$ 20,030,205 |
| Annual Depreciation Expense | \$ 537,727 |



Current Replacement Cost = Current Written Down Value.
 Financial Ratios are the result of a tailored program to fit the forecast available funds in the LTFP 2025-34, and should not be used as a long-term sustainability indicator.
 Renewal Budget exceeds depreciation due to backlog.
 Capacity and Function indicators are produced at a low confidence level.

Add/Edit



LIFECYCLE SUMMARY

Annual Average first 10 years

| | |
|--------------------|--------------|
| Lifecycle Forecast | \$ 2,810,033 |
| Planned Budget | \$ 2,795,700 |
| Shortfall | \$ -14,332 |



ACQUISITION

Annual Average first 10 years

| | |
|--------------------|-----------|
| Planned Budget | \$ 20,000 |
| Lifecycle Forecast | \$ 20,000 |



OPERATION

Annual Average first 10 years

| | |
|--------------------|--------------|
| Planned Budget | \$ 1,586,708 |
| Lifecycle Forecast | \$ 1,596,308 |



MAINTENANCE

Annual Average first 10 years

| | |
|--------------------|------------|
| Planned Budget | \$ 285,155 |
| Lifecycle Forecast | \$ 286,755 |



RENEWAL

Annual Average first 10 years

| | |
|--------------------|------------|
| Planned Budget | \$ 903,837 |
| Lifecycle Forecast | \$ 906,970 |

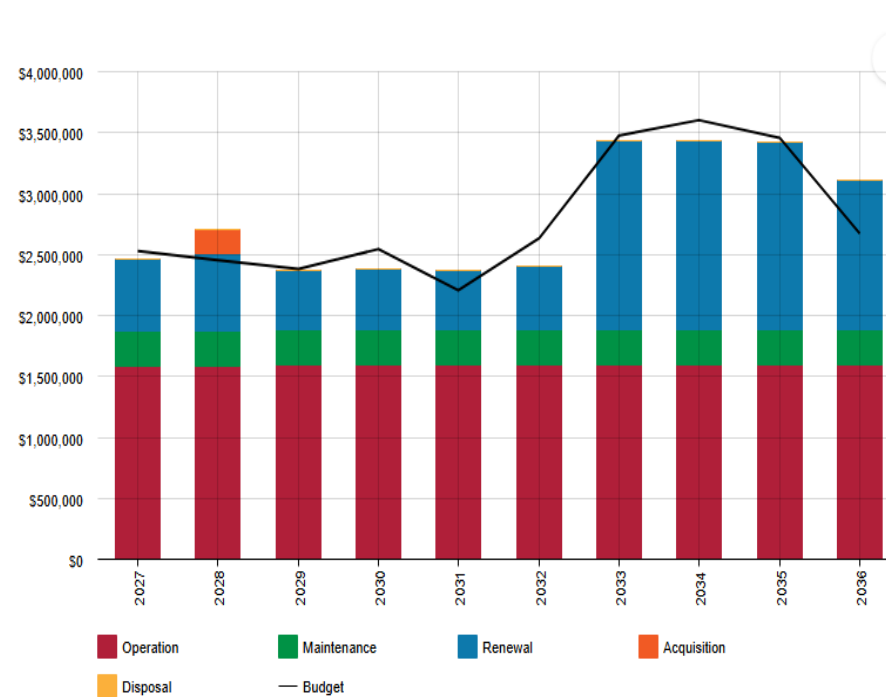


DISPOSAL

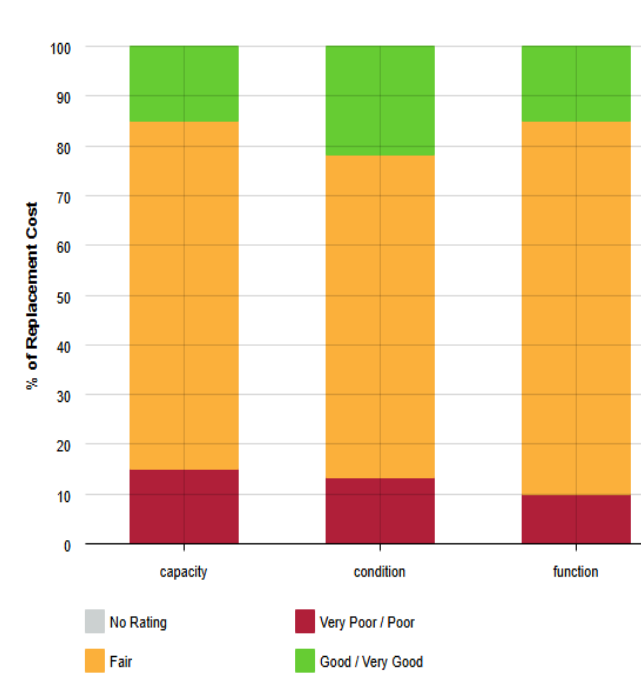
Annual Average first 10 years

| | |
|--------------------|------|
| Planned Budget | \$ 0 |
| Lifecycle Forecast | \$ 0 |

Lifecycle Summary



State of the Assets



Add/Edit State of Assets