Shire of Coolgardie
Mother of the Goldfields

FINANCIAL RECOVERY PLAN 2025

Document Control

Version	Date	Author	Authorised
2025.1	22/08/2025	M. Whitely	A. Cook

Contents

1. Executive Summary

The purpose of this Financial Recovery Plan is to provide a clear and achievable pathway for the Shire of Coolgardie ("the Shire") to restore and maintain long-term financial sustainability.

This plan sets out clear strategies to reduce debt, improve cash flow, rebuild reserves, and strengthen financial governance while maintaining essential services and community infrastructure. It provides a structured roadmap for addressing current challenges, meeting financial performance benchmarks and demonstrating to the community, State Government, and other stakeholders that the Shire has transitioned back into a financially responsible, resilient and well-managed organisation.

The Shire's Financial Recovery Plan is a roadmap for ensuring its finances remain back on track, securing its future, and proving it is a financially sustainable organisation — or, in accounting terms, a "going concern". Key objectives include increasing cash and cash equivalents, rebuilding and strengthening cash reserves, and achieving these outcomes whilst budgeting for conservative rate increases over the long term.

In recent years, the Shire has invested heavily in projects like the Bluebush Village, Coolgardie Waste Facility upgrades, and Kambalda Aerodrome improvements to create new revenue streams and reduce our reliance on rates. This has resulted in the Shire owning these assets which provide wide-ranging economic benefits to the community, however slower-than-expected revenue, high debt levels, low reserves, and overdue creditor payments have created short-term financial pressures that needed to be fixed quickly.

This plan outlines the actions that have been and are being taken to stabilise the Shire's finances, pay down debt, rebuild reserves, and ensure the Shire's financial position is secure. The plan specifically addresses the Shire's current high levels of debt, increasing cash flow, and the need to maintain lower operating costs through a comprehensive review of all services and staffing levels without compromising existing levels of service to the community.

The plan also establishes a framework for regular financial reviews to monitor progress, allowing the Shire to make timely adjustments and ensure it remains financially stable and achieves long-term success.

To achieve this, the Shire has set clear priorities:

- Protect the Shire's ability to operate
- Strengthen its financial governance
- Responsibly manage debt
- Grow income from other sources
- Keep costs under control
- Maintain or improve service levels, and
- Take care of its infrastructure.

By following this plan, the Shire will demonstrate to the community, State Government, and external partners that it is financially sound, well-governed, and capable of delivering on its commitments. With disciplined decision-making, sustainable rate increases, and strong community engagement, the plan will help to restore trust, rebuild reserves, and lay a solid foundation for long-term growth and prosperity.

2. Background & Context

The Shire of Coolgardie's financial position for 2024/25 reflected the significant challenges identified during the 2023/24 audit process which arose from several years of poor financial management and over-commitment of cash reserves, resulting in uncertainty over the Shire's ability to remain a going concern.

At 30 June 2024, the Shire reported high debt levels, minimal cash reserves, overdue creditor balances, and a net liability position, placing considerable pressure on cash flow and operational capacity. These issues have been compounded by substantial short-term borrowings, taken in recent years, to fund major infrastructure projects, with repayment obligations and interest costs outpacing short-term revenue growth.

Understanding this starting point is essential to recognising the scale of the recovery task and the importance of the strategies outlined in this plan.

Recognising the severity of the situation, the Acting CEO – who commenced with the Shire late November 2024 - implemented a range of interim measures ahead of the audit's completion to stabilise the Shire's finances and safeguard its operations. These measures included the refinancing of all existing loans to alleviate immediate cash flow pressures, undertaking comprehensive service level and staffing reviews, deferring significant capital works projects, and ceasing all discretionary spending. These actions were critical in improving the Shire's cash position to ensure it could continue functioning, meet financial obligations, and begin addressing a creditor payment backlog that had at 30 June 2024 escalated to unsustainable levels.

This background underscores the urgency and necessity of a structured Financial Recovery Plan to address the underlying issues and restore long-term stability.

The Shire commenced its recovery from an extremely detrimental cash flow position, as highlighted in the 2023/24 Annual Financial Report, being that at 30 June 2024 the Shire's Net Liability Position stood at -$14.21 million, reflecting a serious imbalance between assets and liabilities. This was further compounded by an outstanding creditor balance of -$6.81 million and an unrestricted cash deficit of -$0.93 million, leaving the Shire with minimal liquidity to meet its short-term obligations. The situation was exacerbated by the lack of available borrowing capacity, with existing debt already at $30.49 million, and severely depleted cash reserves of just $0.26 million. This combination of high debt, minimal reserves, and mounting payables placed the Shire in an acutely vulnerable position, requiring urgent and decisive action to restore financial stability.

These issues were largely the result of substantial short-term borrowings undertaken to fund strategic infrastructure projects aimed at generating revenue outside of rates — including the construction of the Bluebush Village, upgrades to the Kambalda Aerodrome, and the enhancement of the Coolgardie Waste Facility to accept Class III waste. While these initiatives have increased revenue and the Shire's asset base, cash inflows have been lower than forecast, placing additional strain on short-term debt repayment obligations.

In the second half of 2024/25, all bank loans were refinanced to provide immediate cash flow relief and allow the Shire to rebuild both unrestricted cash and reserves. The first loan of $12.96 million was refinanced over 10 years with a 3-year interest-only period. The second loan of $8.42 million was refinanced over 10 years with a 5-year interest-only period, and an additional $4.08 million borrowed within this 5-year interest-only term. No principal repayments are required until January 2028 giving the Shire a critical recovery window while still ensuring that all $27.5 million of outstanding debt be repaid in full by 2034/35.

It is noted that in 2025/26 financing debt will be decreased by a minimum of $1.7 million during the year, closing out on one significant financing loan, resulting in increased cash flow to the Shire in 2026/27 by a minimum of $1.7 million. In addition, operating expenditure has been reviewed, service levels maintained, and future revenue projections have been conservatively modelled to reduce reliance on uncertain income streams.

The plan also addresses a significant capital works backlog of $4.62 million at the start of 2025/26 which will be fully cleared in the first year without further borrowings. Thereafter, the Shire will maintain an average annual infrastructure investment of $10.16 million, ensuring assets are renewed, upgraded, and expanded in a sustainable manner.

The primary objectives of this Financial Recovery Plan are focused on restoring the Shire's long-term financial sustainability while ensuring the community continues to receive high-quality services and well-maintained infrastructure.

Key priorities include reducing the Shire's overall debt to ease cash flow pressures and improve financial resilience, maximising opportunities to generate revenue from non-rate sources to reduce reliance on rates, and reducing non-discretionary expenditure through operational efficiencies and cost control. Strengthening management controls, ensuring the Shire remains a going concern, and embedding good governance practices are central to achieving these outcomes. Improved cash flow management will not only support day-to-day operations but also enhance the Shire's business reputation, helping to rebuild trust with stakeholders, creditors, funding bodies, and the wider community. In addition, the Shire will ensure all infrastructure is managed appropriately through effective asset management planning, timely maintenance, and prioritised renewal, ensuring assets remain fit for purpose and capable of supporting community needs into the future.

Other key objectives of the Financial Recovery Plan are to achieve long-term community goals in a financially sustainable manner, inform future Integrated Planning Framework development, align with the Corporate Business Plan, guide annual budgets, and meet or exceed Local Government Financial Indicator (LGFI) benchmarks. Performance will be measured against the LGFI - the Shire has estimated its LGHI score to be 22 in 2023/24 and has projected the score to be 97 in 2034-35 - demonstrating the effectiveness of the proposed recovery strategy.

Through disciplined financial management, sustainable rate increases of 4% per annum, and a focus on rebuilding reserves, the Financial Recovery Plan provides a clear and achievable pathway to restore the Shire's financial health, protect essential services, and deliver on community expectations.

Note: This Financial Recovery Plan is based on a worst-case scenario of not selling Bluebush Village. However, as the disposal of the asset is occurring in Q1 of 2025/26, this outcome will be known prior to December 2025 and the plan can be updated accordingly. It should be noted that if Bluebush Village is sold during this period, many of the indicators will change significantly, particularly the debt ratio which will immediately place the Shire back into acceptable ranges.

Included in this Financial Recovery Plan are a number of **appendices** which provide more context on the need for and purpose of this plan. These include:

- Appendix 1: Draft Long Term Financial Plan Extract
- Appendix 2: Boundary Adjustment Position Paper for the Minister for Local Government
- Appendix 3: Action Timeline to 30 June 2025

3. Actions to Date & Current Financial Position

It is important to note that the Shire has already progressed nine months of remedial actions towards financial recovery. Please see below table which summarises the key actions taken to 30 June 2025 and net results that have placed the Shire into a more stable financial position to which this Financial Recovery Plan builds on.

ACTION	OUTCOME/ FINANCIAL IMPACT
Total debt as at 15 July 2025 - $27.4M	
Refinanced Shire loans into two new structures: • Loan 1: $12.5M – 10 years (3 years interest only, 7 years principal & interest) • Loan 2: $12.5M – interest only for 5 years	Increased cash flow by over $2M in 2024/25 and provides $11.4M in repayments over 2 years.
Converted $4M in short-term creditor debt into long-term debt.	Managed under second refinanced loan.
ACEO personally authorising all Purchase Orders; urgent purchases only.	Estimated savings of over $500K since November.
Ceased all non-essential consultants.	Estimated savings of $300K.
Ceased all non-essential contractor works.	Estimated savings of over $1M.
Ceased staff recruitment and placed vacancies on hold.	Estimated saving of $400K.
Sold Coolgardie Waste Site compactor.	Generated $220K from sales.
Resolved Coolgardie Waste Water Liner legal action.	Council to receive approx. $170K in July.
Increased fees and charges where appropriate.	Immediate revenue increase of $50K+, long-term gains expected.
Increased debt recovery action.	Large reduction in outstanding debtors.
Reduced Waste Site hours in Coolgardie and Kambalda.	Estimated annual savings of $25K (implemented June 2025.

Expected benefits of these actions for 2025/26 and 2026/27 financial year periods can be found in **Appendix 3.**

4. Financial Position Overview

The Shire of Coolgardie's current financial position reflects a challenging environment shaped by sustained operating deficits, high debt levels, and significant cash flow constraints.

In recent years, increased loan borrowings and associated interest costs have placed substantial pressure on day-to-day operations, with repayments competing directly with the funds available to deliver community services. Revenue-generating initiatives such as Bluebush Village, the Coolgardie Waste Facility upgrade, and the Kambalda Aerodrome improvements have begun producing income; however, returns have been slower than anticipated, further tightening cash availability.

Compounding these challenges are rising costs in contractors, suppliers, and materials, driven by broader economic conditions and market pressures. This has made it more difficult to balance the budget with competing cash flow priorities resulting in increased outstanding creditor balances.

As a result, the Shire has had to operate within a constrained financial framework while ensuring core services continue to meet community expectations.

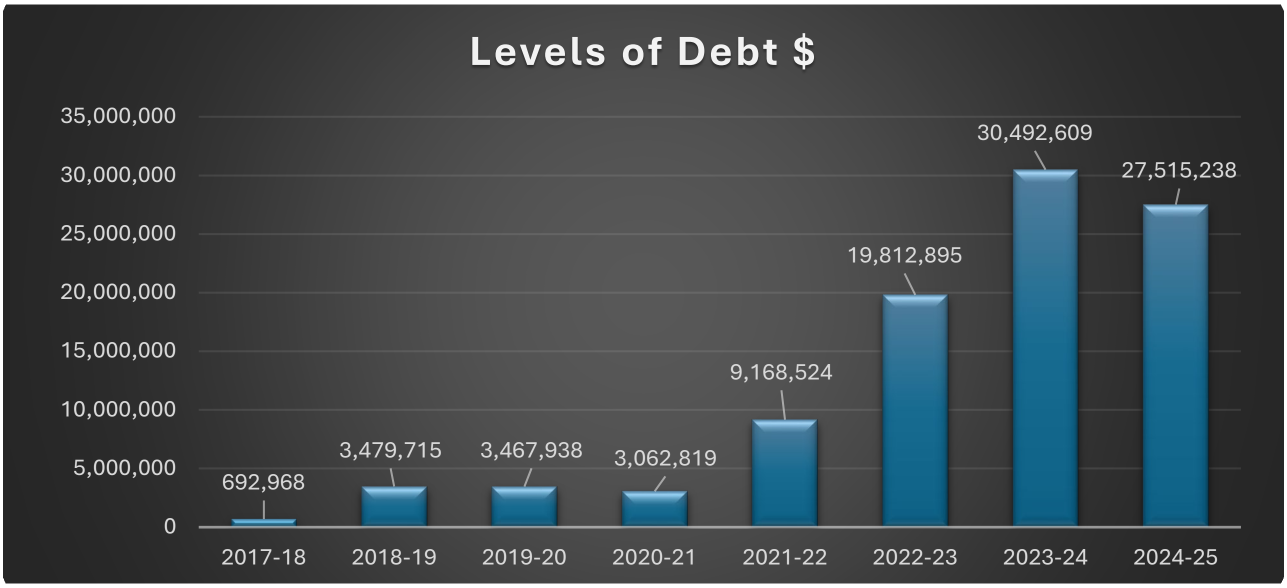
Note: As of 31 July 2025, all three Shire business units returned a profit that totalled a positive cash flow of $241,000 for the month. Bookings at Bluebush Village have increased significantly with contracted room tenancies at 85% from September to the end of February 2026 – this will guarantee the Shire a significant profit during this period over budgeted allocations. In contrast, occupancy rates for 2024/25 averaged 49.03%.

Loans

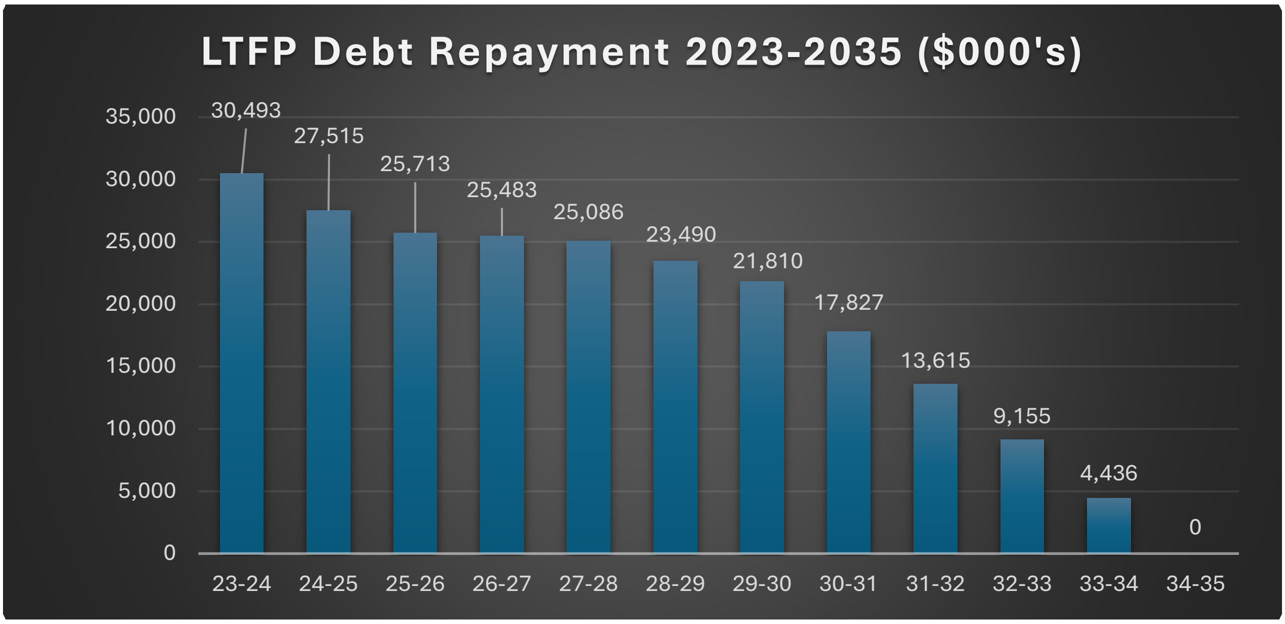
Net debt for the Shire has risen sharply over recent years, increasing from $0.69 million in 2017/18 to a peak of $30.49 million in 2023/24, before reducing to $27.52 million by 30 June 2025 and $25.8 million by 30 June 2026. The first major borrowings occurred in 2018/19 and 2019/20 when $3.46 million was borrowed to fund the refurbishment of the Kambalda Aquatic Centre.

The most substantial increase in debt occurred from 2022/23 when, over a three-year period, $27.3 million was borrowed (inclusive of a $3.8 million lease) to fund the construction of the Bluebush Village.

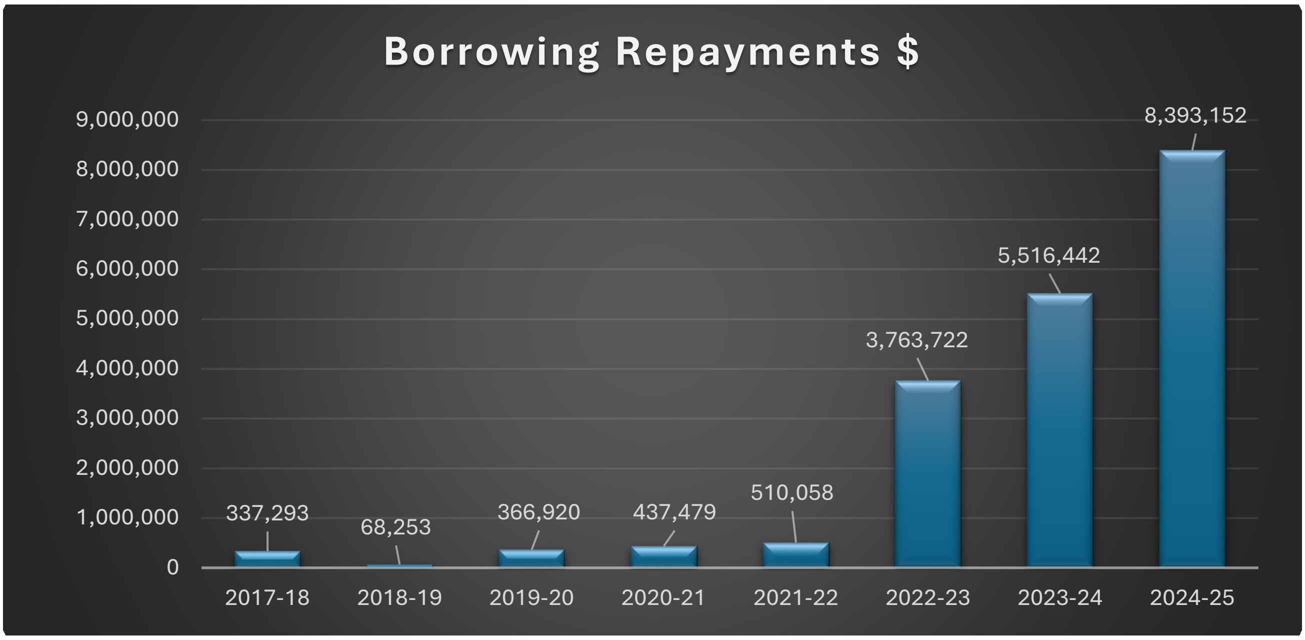
Additionally, more modest borrowings were undertaken during this same period for other strategic infrastructure projects, including $3.5 million for the Coolgardie Waste Facility upgrade, $1 million for works at the Kambalda Aerodrome, and $1 million for the Goodenia Court Developments. These significant capital investments, while intended to generate long-term revenue streams, have placed considerable strain on the Shire's debt position and cash flow.



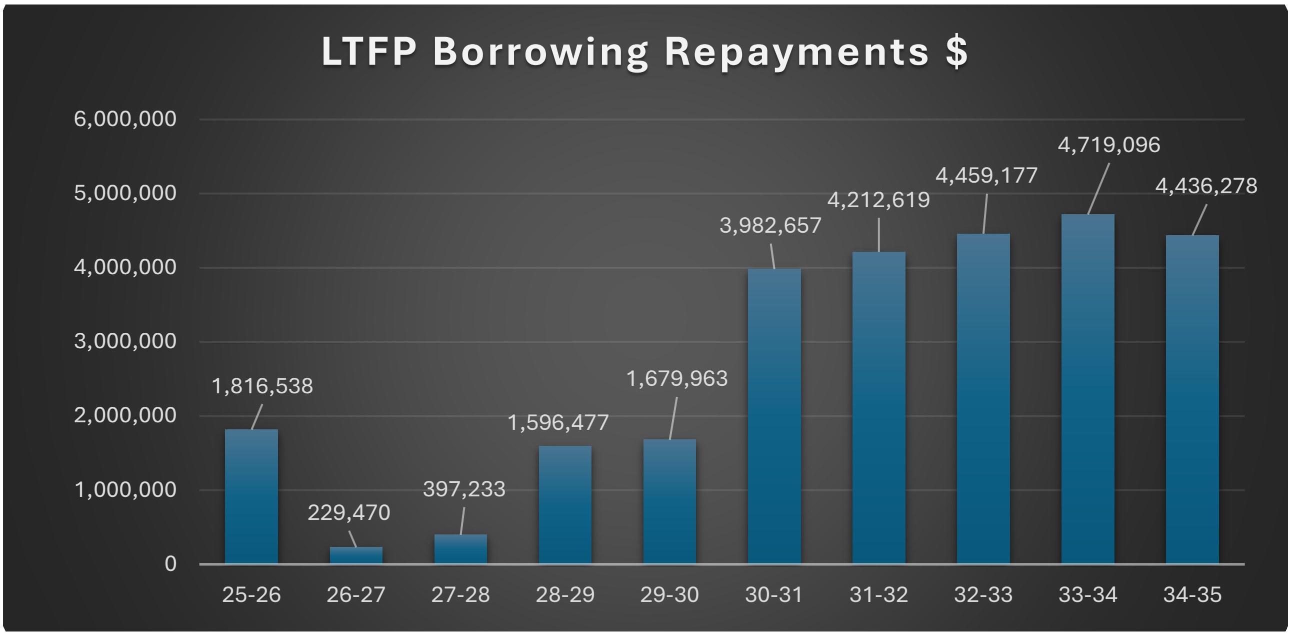
The Shire's draft LTFP has been structured to incorporate the full repayment. While all scheduled loan repayments have been placed on hold for the first three years of the plan to provide immediate cash flow relief and allow operational recovery, the repayment strategy ensures that every outstanding loan will be systematically addressed once repayments recommence. Importantly, the plan demonstrates that by the final year of the LTFP in 2034/35, all borrowings will have been fully repaid, restoring the Shire to a debt-free position and providing the Shire with greater financial flexibility and capacity to invest in community priorities.



As stated, loan repayments have escalated dramatically over the past seven years, rising from $68,253 in 2017/18 to a projected $8.34 million in 2024/25, which includes the repayment of a $1.48 million overdraft during 2024/25. In just the last three years, total borrowing repayments have reached $17.67 million, placing a substantial burden on the Shire's cash flow. This high level of debt servicing has been a major contributor to the current cash flow predicament.

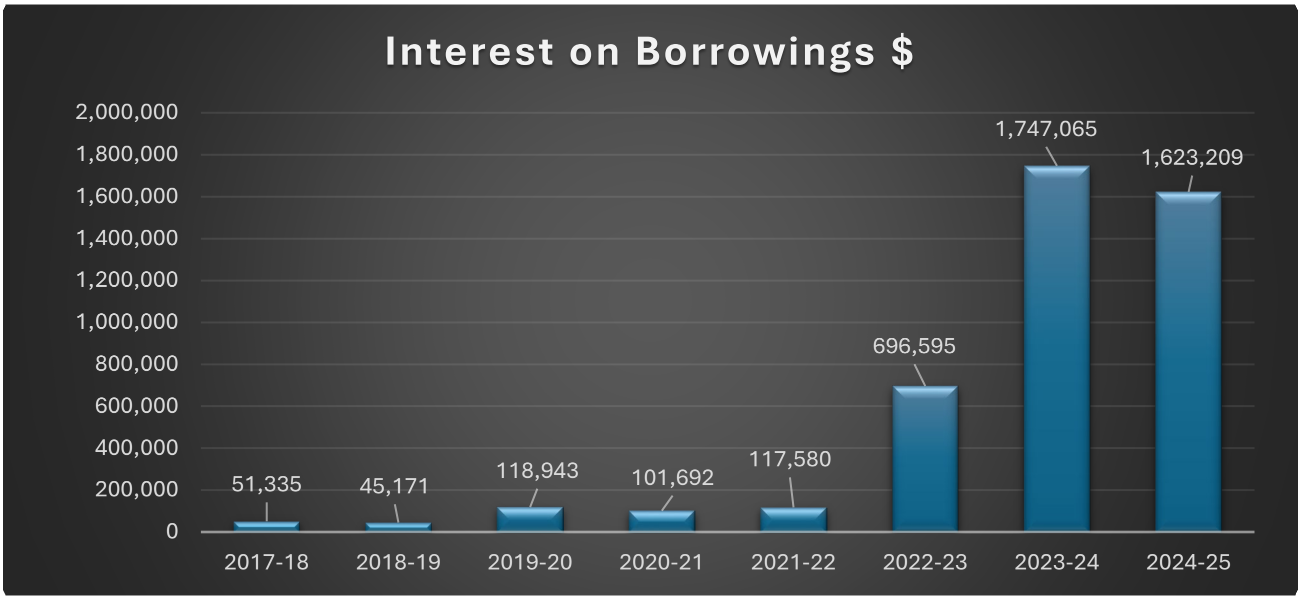


As demonstrated in the graph below, placing loan repayments on hold for the first three years of the draft LTFP provides the Shire with greater flexibility in managing its cash flow in the early years. This approach enables the repayment of outstanding debt to be phased across the later years of the plan while still allowing sufficient funds to be directed toward maintaining existing infrastructure and continuing the delivery of essential community services. This strategy ensures that debt is cleared by 2034–35 without compromising the Shire's capacity to maintain essential community infrastructure and services.

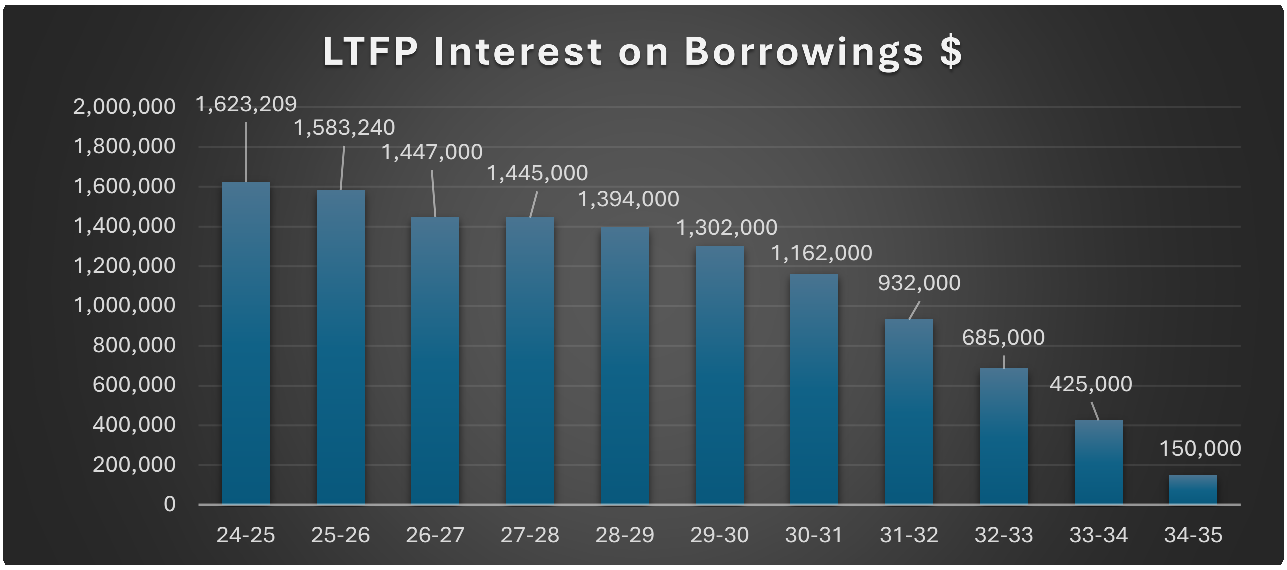


Interest Payments

Interest payments have also risen sharply, increasing from $45,171 in 2018/19 to a forecast $1.62 million in 2024/25. Over the last three financial years alone (2022/23, 2023/24 and 2024/25), total interest payments have amounted to $4.07 million. When combined with borrowing repayments of $17.67 million over the same period, this results in a total of $21.74 million directed solely to debt servicing. This substantial outflow of funds has placed immense pressure on the Shire's liquidity, leaving limited capacity to meet operational needs, rebuild reserves, or invest in essential infrastructure. As such, redirecting this cash flow in early 2025 by refinancing has greatly improved the sustainability of the Shire allowing for financial recovery while planning to recommence interest and principal repayments in the near future.



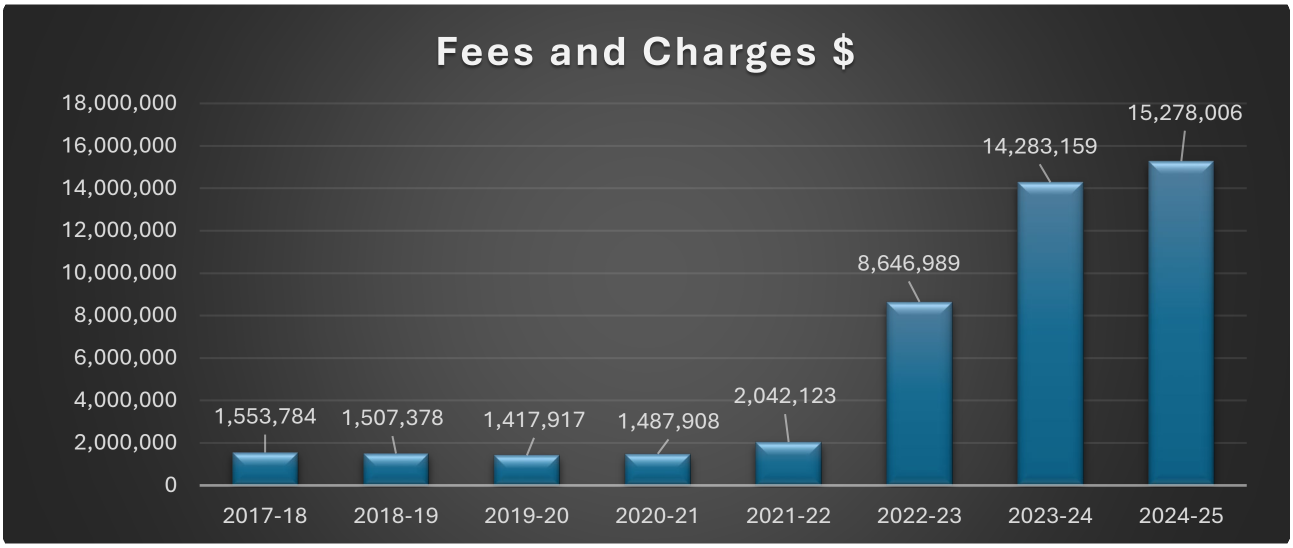
Prior to the implementation of the Financial Recovery Plan, the Shire undertook refinancing of all existing borrowings, extending their terms over a longer 10-year period. While this refinancing provided immediate relief by lowering annual repayment obligations and improving short-term liquidity, it has also resulted in higher overall interest costs across the life of the loans. The loan portfolio is structured with an approximate 50/50 split between fixed and variable lending. This provides the Shire with flexibility to make additional repayments on the variable component when cash flow permits, while the fixed-rate borrowings provide certainty and stability. Although variable loans expose the Shire to potential fluctuations in interest rates, this is not considered a significant risk given the balanced structure of the portfolio.



Fees & Charges

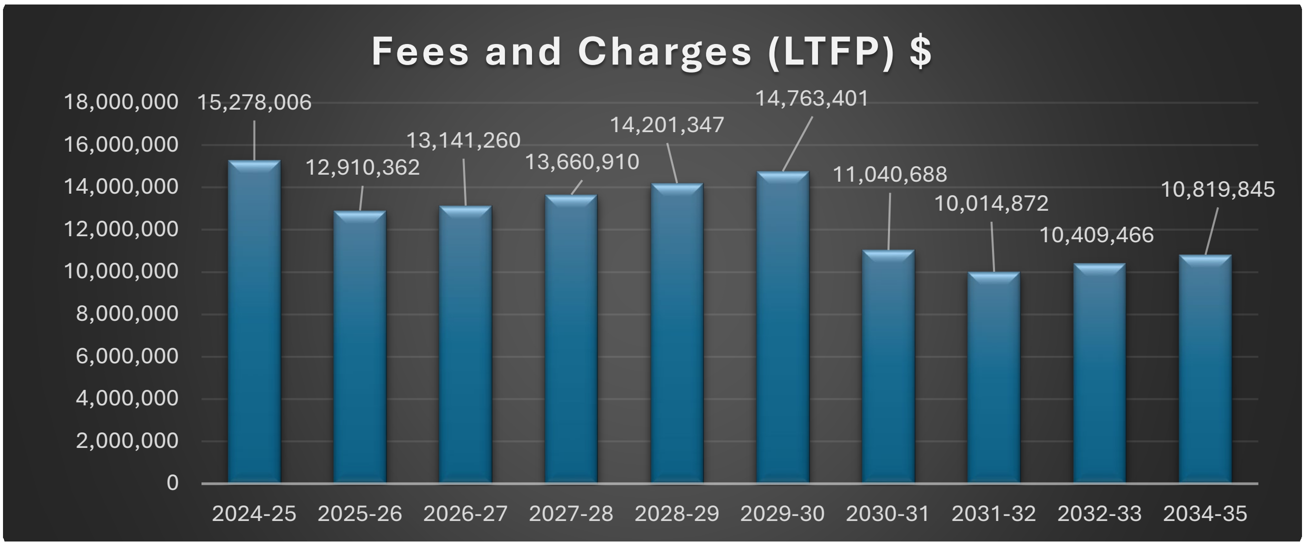
With the exception of the borrowings for the Kambalda Aquatic Centre refurbishment, all other major borrowings were undertaken with the strategic intent of generating additional revenue streams to reduce the Shire's reliance on rate increases to fund quality services and infrastructure for the community. These investments - including the Bluebush Village, Coolgardie Waste Facility upgrade, Kambalda Aerodrome improvements and the Goodenia Court Developments - were designed to create long-term, sustainable income sources.

The impact of this strategy is reflected in the significant growth in revenue from fees and charges, which has increased from $1.48 million in 2020/21 to a forecast $15.28 million in 2024/25. While this diversification of revenue is a positive outcome, the timing mismatch between the cost of borrowings and the full realisation of projected income has been a key factor in the Shire's short-term cash flow pressures.



The Long Term Financial Plan (LTFP) adopts a conservative outlook for fees and charges, resulting in lowering projected income expectations from major assets such as Bluebush Village and the Coolgardie Waste Facility. The highest annual revenue from fees and charges is forecast to occur in 2029/30 at $14.76 million, still below the $15.28 million achieved in 2024/25. This reflects the Shire's decision to model future income conservatively in light of market variability and operational uncertainties to ensure financial recovery in a challenging environment, and all increases from this position will further improve the Shire's sustainability and recovery.

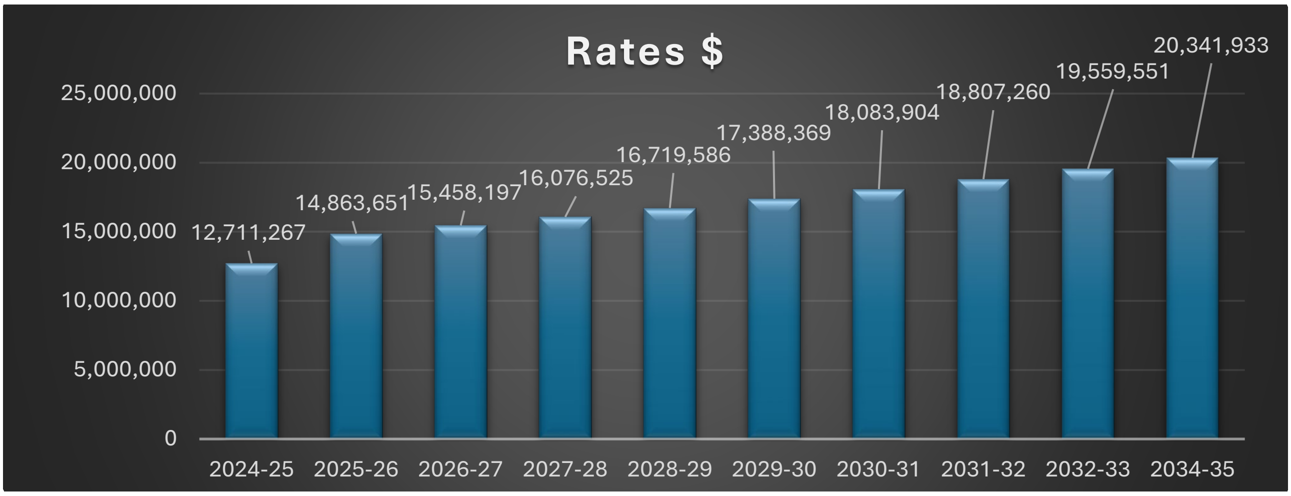
While the potential sale of Bluebush Village could significantly reduce debt and improve cash flow, it would also remove a valuable source of own-source revenue, highlighting the trade-off between lowering financial risk and maintaining income streams.



Rates

While the Shire recognises that rates increased significantly in 2025/26, the introduction of new UV rating categories help manage rate rises more effectively in the long term by applying fairer rating applications to balance some of this impact. As part of the broader rating strategy, all GRV categories will also be reviewed to ensure fairness and equity across property types. In addition, implementing the new rating strategy will reduce the rate in the dollar allocations across all rating categories by applying best practise which will result in winding back the rate in the dollar by the new valuation prior to applying a rate increase.

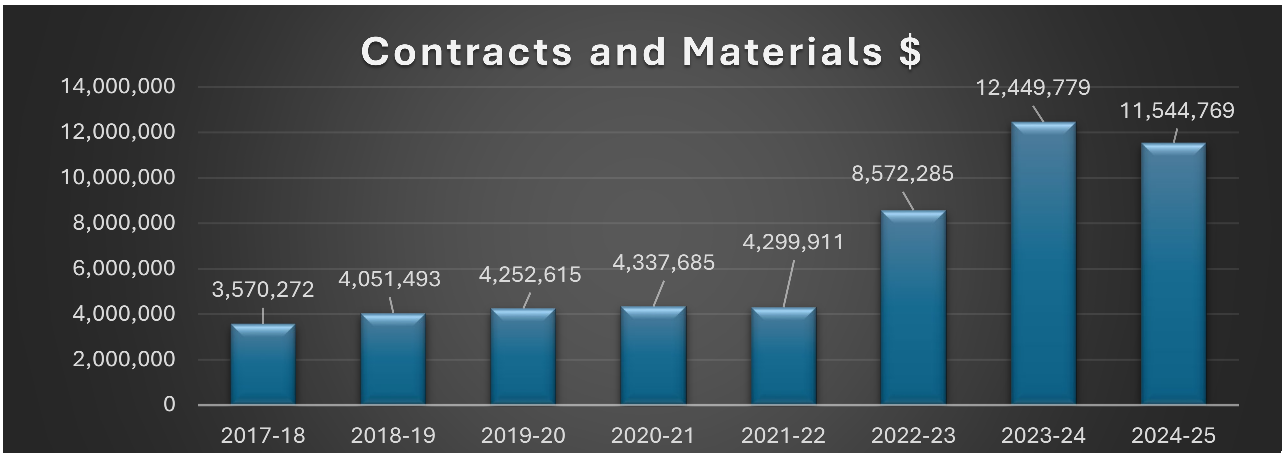
The LTFP allows for a conservative fixed allocation of 4% annual rate increase for the remainder of the plan, which the Shire believes is sustainable over the long term. However, these increases will be reviewed each year as part of the annual rating strategy and budget process to ensure they remain appropriate and responsive to changing economic and community conditions.



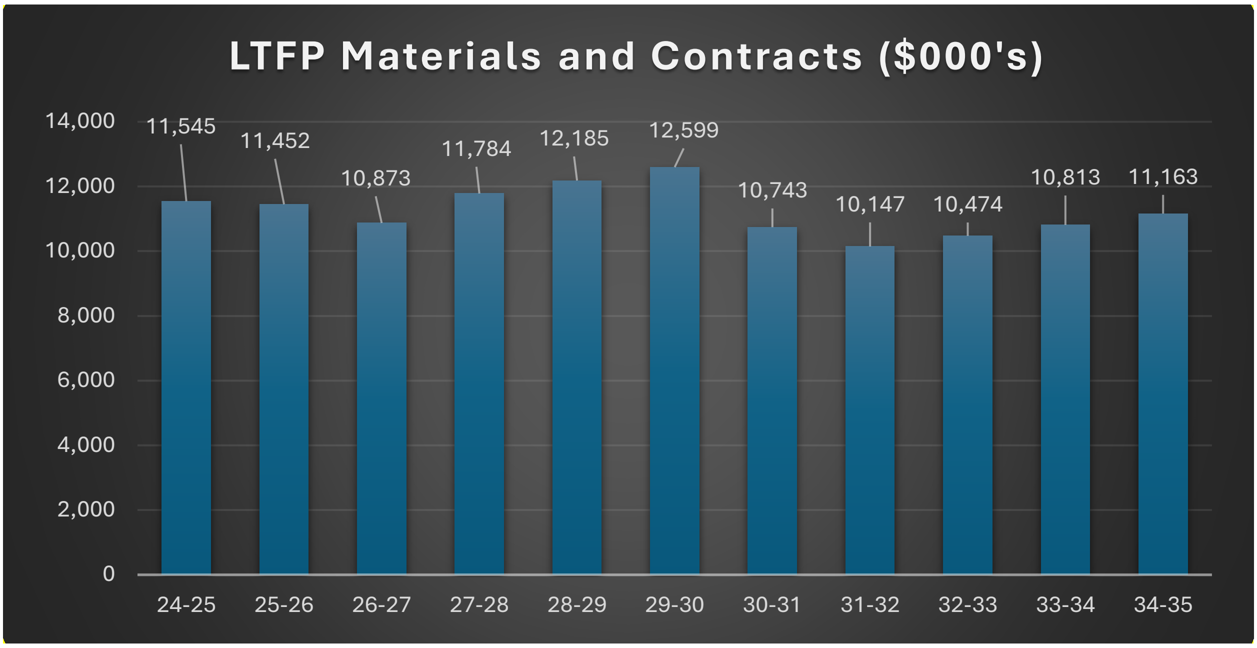
Contracts and Materials

Contracts and materials expenditure showed moderate growth in most years, but costs escalated more significantly with the commencement of major operations at Bluebush Village, Kambalda Aerodrome, and the Coolgardie Class III Facility. Costs peaked at $12.50 million in 2023/24, however the reduction to $11.54 million in 2024/25 from the actions taken in November 2024 demonstrates that recent financial management measures, including tighter procurement practices, closer contract oversight, and the review of operational efficiencies, have taken an immediate positive effect. This decline in costs signals the Shire's commitment to improving cost control while maintaining service delivery standards.

Importantly, this trend suggests that further efficiencies may be achievable over the life of the Financial Recovery Plan. By continuing to monitor supplier agreements, review contractor use, and ensure spending directly supports core services and strategic priorities, the Shire can reduce the risk of future cost spikes and improve overall budget stability.



A conservative approach has been applied in the draft LTFP materials and contracts. It is anticipated that further cost savings will be achieved within normal operating activities, with these efficiencies likely to carry through to future years. The greatest area of cost uncertainty lies with the ongoing operation of Bluebush Village. The draft LTFP assumes that the facility will remain under Shire management and operate at 25% capacity for the final five years of the plan. Scenario modelling has been completed to assess the financial impacts and benefits of selling Bluebush Village and is discussed later in the plan.



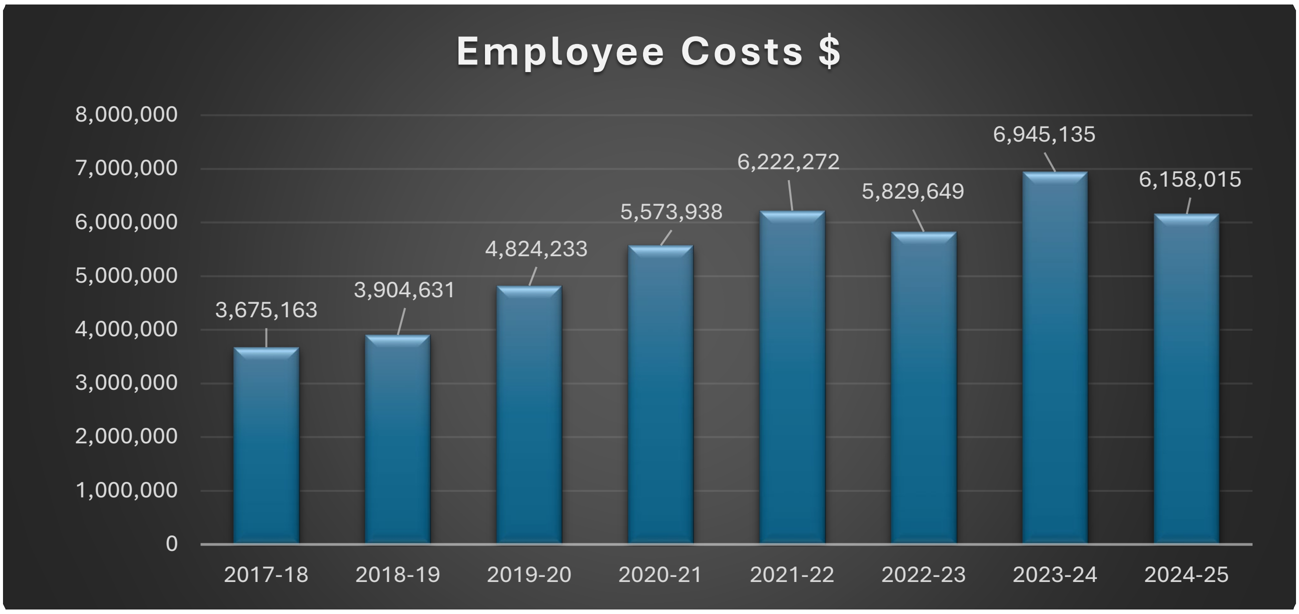
Employee Costs

Employee costs have shown consistent growth over recent years, increasing from $3.90 million in 2018/19 to a peak of $6.95 million in 2023/24. This upward trend reflected both inflationary pressures and the increasing scope of services provided by the Shire. However, in 2024/25, costs fell to $6.16 million. This reduction was not the result of structural efficiencies but stemmed from deliberate, short-term measures taken during the early stages of the Financial Recovery Plan — specifically, the decision not to recruit for budgeted roles or fill vacant positions. This approach was necessary to preserve cash flow and stabilise the Shire's financial position at that critical time.

In 2025/26, the Budget makes provision to restore these positions to ensure the Shire has the required staffing capacity to deliver essential community services, maintain infrastructure, and meet service delivery standards. These roles are crucial for achieving the strategic objectives outlined in the Strategic Community Plan, as well as other operational and compliance requirements.

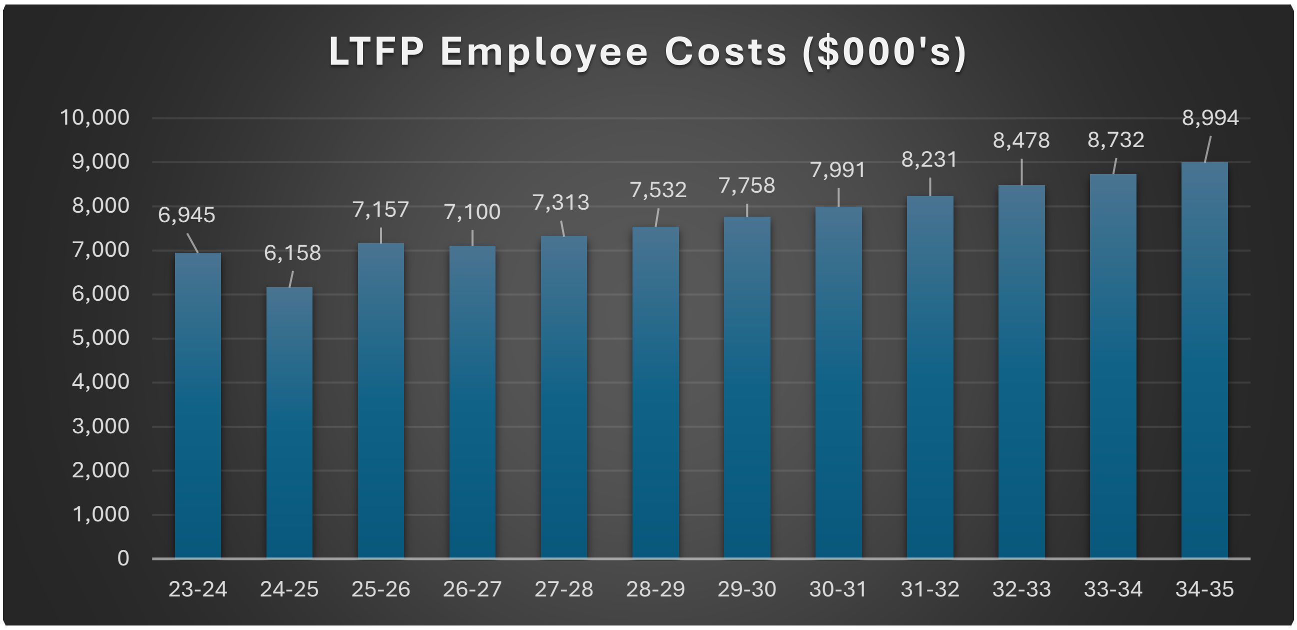
The strength of the mining sector in the Goldfields region has also had a significant impact on rural local governments, including the Shire of Coolgardie. Competition from the mining industry for employees at all levels has required councils to offer higher salaries and improved employment conditions to attract and retain suitable staff. This market pressure has contributed to the upward trajectory of employee costs and will remain a key consideration in future workforce planning and budgeting.

Moving forward, the Shire has committed to regular reviews of staffing levels to ensure they remain aligned with Key Performance Indicators (KPIs) in the Strategic Community Plan and other relevant benchmarks. This ongoing monitoring will help balance service delivery obligations with financial sustainability, ensuring the workforce remains efficient, affordable, and capable of meeting the needs of the community while safeguarding the Shire's fiscal health.



A conservative approach has been applied to employee costs in the draft LTFP. For 2025–26, which marks the starting point of the plan, provision has been made to fill all vacancies and establish the new positions identified in the 2024–25 financial year but previously placed on hold or left unfilled due to the Shire's cash flow challenges. This ensures that the organisation has the staffing capacity needed to deliver core services and support the Shire's financial recovery journey.

Employee costs represent a significant portion of the Shire's operational expenditure, accounting for approximately 25% by 2034-35. Over the course of the plan, there may be opportunities to review staffing structures and undertake restructures to improve efficiency and outcomes. Any potential savings that may arise from restructures or other efficiencies have not been factored into the LTFP, maintaining a prudent and conservative forecast for workforce costs.


LTFP Employee Costs ($000's)
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
6,945
6,158
7,157
7,100
7,313
7,532
7,758
7,991
8,231
8,478
8,732
8,994
23-24
24-25
25-26
26-27
27-28
28-29
29-30
30-31
31-32
32-33
33-34
34-35

5. Objectives of the Financial Recovery Plan

The Financial Recovery Plan provides a structured approach to addressing the Shire of Coolgardie's significant financial challenges, restoring stability, and positioning the organisation for long-term sustainability. It sets out clear priorities and measurable outcomes to ensure that debt is managed responsibly, services are maintained, and community assets are protected. The key objectives are to:

- **Reduce Debt and Improve Cash Flow**
  Lower overall debt levels to reduce repayment pressures, free up cash for operations, and ensure all borrowings are repaid in full by FY35. This will be achieved through strengthening uncommitted cash flow as liabilities decrease allowing management to support day-to-day operations and build financial resilience.

  If the sale of Bluebush Village proceeds as expected, this action will repay a significant amount of the outstanding debt and would reduce the inconsistency of income and risk to the Shire. It would also return a positive cash flow from the interest only loan for the immediate future, as well as future principal payments. This would equate to – depending on the sale price – a cash flow increase of $600,000 - $900,000 immediately in 2026/27 plus the addition of rates generated of approximately $150,000 per annum.

- **Maximise Revenue Opportunities**
  Expand and secure non-rate revenue streams to reduce reliance on rates, including optimising income from existing infrastructure such as Bluebush Village (if retained), Coolgardie Waste Facility and Kambalda Aerodrome whilst also controlling costs to minimise the profit return.

- **Control and Reduce Non-Discretionary Expenditure**
  Review operational processes, service delivery models, and staffing structures to identify efficiencies and achieve cost savings without reducing the quality of services provided to the community.

- **Implement Sustainable Rate Increases**
  Apply fair and affordable rate increases conservatively, targeted at 4% annually for the duration of the LTFP, that balance the needs of the community with the Shire's long-term financial capacity, while reducing the CRV and UV rate in the dollar through sector appropriate rate implementation.

- **Maintain and Improve Service Levels**
  Preserve and improve the current standard of services delivered to the community and seek opportunities to rationalise and enhance service quality where financially viable to be more effective and impacting within the community.

- **Appropriately Manage Infrastructure**
  Continue to strengthen asset management planning to ensure infrastructure is maintained, renewed, and replaced in a timely and sustainable manner, protecting its long-term service potential.

- **Strengthen Management Controls and Governance**
  Continue to embed robust internal financial controls, transparent reporting processes, and strong governance practices to ensure accountability and compliance.

- **Ensure the Shire Remains a Going Concern**
  By maintaining financial and operational capacities the Shire will continue to meet obligations and deliver services without compromising long-term viability.

- **Enhance Business Reputation**
  Through improving financial discipline as a foundation of the organisation, plus building transparency and stakeholder engagement, will rebuild trust with the community, funding bodies, industry partners, and other key stakeholders.

- **Strengthen Cash Reserves**
  Rebuild cash reserves over time for future projects, advanced loan repayments, and unforeseen requirements.

  No further consideration of increasing loan borrowings is included in the LTFP for major capital. This will be achieved through building cash reserves to directly fund these projects.

6. Strategic Priorities & Actions

This section of the Financial Recovery Plan sets out the key areas the Shire of Coolgardie will focus on to get back on track financially and build a stronger future. Each priority targets an important part of the Shire's operations, from improving cash flow and reducing debt, to growing income, keeping costs under control, looking after our infrastructure, and ensuring good governance.

Clear actions have been identified for each priority, along with timelines and ways to measure progress. This will help the Shire stay accountable, make smart decisions, and keep delivering the services and facilities our community relies on, now and into the future.

Priority 1 – Ensure the Shire Remains a Going Concern and Enhances Reputation

Rationale: Ensure the Shire can meet obligations and rebuild trust with stakeholders.

Actions:

1) Maintain adequate unrestricted cash balances to meet short-term commitments.
2) Meet all financial sustainability benchmarks within the set LTFP timeframe.
3) Publish regular progress updates for stakeholders, funding bodies, and the community.
4) Promote the Shire's improved financial position to support investment and partnership opportunities.

Priority 2 – Restore Positive Cash Flow and Liquidity

Rationale: The Shire commenced recovery with a net liability position of -$14.21 million, outstanding creditors of -$6.81m, an unrestricted cash deficit of -$0.93 million, and minimal reserves.

Actions:

1) Implement monthly cash flow forecasting and reporting to Council.
2) Continue implementing the creditor repayment plan and have repaid creditors to current (under 30 days) by 31 August 2025.
3) Continue to suspend non-essential operational expenditure until liquidity targets are met.
4) Continue to improve debt recovery processes for rates and sundry debtors to improve the overall cash position.

Priority 3 – Manage and Reduce Debt Levels

Rationale: Net debt increased from $0.69 million in 2017/18 to $30.49 million in 2023/24, creating significant repayment pressures. Currently sitting at $27.5 million at 30 June 2024 and budgeted reduction to $25.8 million at 30 June 2026 (unless Bluebush Village is sold).

Actions:

1) Avoid new borrowings within the LTFP but rather build cash reserves to fund key projects.
2) Repay all existing debt in full by FY35 or earlier in line with LTFP commitments.
3) Make additional debt repayments where possible to reduce the liability and increase cash flow from reduced repayments.
4) Monitor and manage debt service coverage ratio to remain ≥ 2.0.
5) Investigate opportunities to refinance high-interest borrowings when market conditions allow.

Priority 4 – Strengthen Management Controls and Governance

Rationale: Weak financial controls and governance issues were identified in the 2023/24 audit. While many actions have already been implemented, the focus will remain on those actions listed below.

Actions:

1) Embed and strengthen core financial controls and separation of duties.
2) Provide regular training to staff and elected members on governance and financial management.
3) Conduct quarterly reviews of LTFP assumptions and risk factors.
4) Maintain transparent public reporting on recovery progress.

Priority 5 – Maximise Revenue Opportunities

Rationale: Borrowings (excluding the Kambalda Aquatic Centre) were intended to generate long-term revenue, with Fees and Charges rising from $1.48 million in 2020/21 to $15.28 million in 2024/25.

Actions:
1) Secure long-term contracts for Bluebush Village (if not sold), Coolgardie Waste Facility, and Kambalda Aerodrome.
2) Review and adjust fee structures annually to reflect market rates and ensure appropriate returns on investment.
3) Develop and pursue new income opportunities aligned with Shire assets and services.
4) Maintain proactive engagement with mining companies and industry stakeholders.

Priority 6 – Appropriately Manage Infrastructure

Rationale: Infrastructure sustainability is critical for long-term service delivery.

Actions:
1) Align capital works programs with Asset Management Plans.
2) Prioritise asset renewal over new projects unless externally funded.
3) Monitor Asset Sustainability, Asset Consumption, and Asset Renewal Funding ratios.
4) Establish reserve allocations for asset renewal as cash flow continues to improve.

Priority 7 – Maintain and Improve Service Levels

Rationale: Service continuity is a core community expectation despite financial constraints.

Actions:
1) Protect and enhance existing community services while targeting administrative efficiencies.
2) Engage with the community to prioritise service delivery and target efficiencies to maximise community impact where budget constraints apply.
3) Monitor service quality through community satisfaction surveys.
4) Explore technology solutions to maintain service standards at lower operating cost.

Priority 8 – Reduce Non-Discretionary Expenditure

Rationale: Controlling cost escalation is essential to maintain operating surpluses and cash flow.

Actions:
1) Undertake annual reviews of service delivery and staffing levels for efficiency and productivity gains.
2) Apply prudent escalation rates for employee costs, materials, and contracts, reviewed annually.
3) Centralise procurement to achieve better value for money.
4) Freeze recruitment for non-essential positions during the recovery period.

The tables on the following pages represent the Shire's Financial Recovery Strategic Priorities and relevant Actions.

Strategic Priority	Action	Responsible Officer	Frequency	Time Frame	Performance Measure
PRIORITY 1: Ensure Shire Remains a Going Concern and Enhances Reputation	Maintain adequate unrestricted cash balances to meet short-term commitments.	CEO	Ongoing	Aug-25	Progress measured quarterly against LTFP targets.
	Meet all financial sustainability benchmarks within the set LTFP timeframe.	CEO	Ongoing	Jun-26	Progress measured quarterly against LTFP targets.
	Publish regular progress updates for stakeholders, funding bodies, and the community.	Communication & Media Officer	Quarterly	Sep-25, then ongoing	Progress measured quarterly against LTFP targets.
	Promote Shire's improved financial position to support investment and partnership opportunities.	Communication & Media Officer	Quarterly	Sep-25, then ongoing as targets reached	Progress measured quarterly against LTFP targets.

Strategic Priority	Action	Responsible Officer	Frequency	Time Frame	Performance Measure
PRIORITY 2: Restore Positive Cash Flow and Liquidity	Implement monthly cash flow forecasting and reporting to Council.	Finance Manager	Monthly	Jul-25	Progress measured quarterly against LTFP targets.
	Establish and follow a creditor repayment plan to reduce overdue balances to current (30 days or less).	Finance Manager	Monthly	Aug-25	Progress measured quarterly against LTFP targets.
	Suspend non-essential operational expenditure until liquidity targets are met.	CEO	Ongoing	Nov-24	Progress measured quarterly against LTFP targets.
	Improve debt recovery processes for rates and sundry debtors.	Finance Manager	Ongoing	Aug-25	Progress measured quarterly against LTFP targets.

Strategic Priority	Action	Responsible Officer	Frequency	Time Frame	Performance Measure
PRIORITY 3: Manage and Reduce Debt Levels	Avoid new borrowings unless supported by guaranteed revenue streams.	CEO	Ongoing	Jul-25	Progress measured quarterly against LTFP targets.
	Repay all existing debt in full by FY35 or earlier in line with LTFP commitments.	CEO	Ongoing	Jun-35	Progress measured quarterly against LTFP targets.
	Make additional debt repayments where possible to reduce the liability and increase cash flow from reduced repayments.	CEO	Ongoing	Jun-35	Progress measured quarterly against LTFP targets.
	Monitor and manage debt service coverage ratio to remain ≥ 2.0.	Finance Manager	Quarterly	Sep-25	Progress measured quarterly against LTFP targets.
	Investigate opportunities to refinance high-interest borrowings when market conditions allow.	Finance Manager	Ongoing	Jun-26	Progress measured quarterly against LTFP targets.

Strategic Priority	Action	Responsible Officer	Frequency	Time Frame	Performance Measure
PRIORITY 4: Strengthen Management Controls and Governance	Embed and strengthen core financial controls and separation of duties.	Finance Manager	Ongoing	Sep-25	Progress measured quarterly against Audit Management Report Findings.
	Provide regular training to staff and elected members on governance and financial management.	Executive Manager Governance & Workplace	Annually	Jun-26	Progress measured quarterly against LTFP targets.
	Conduct quarterly reviews of LTFP assumptions and risk factors.	Finance Manager	Annually	Jun-26	Progress measured quarterly against LTFP targets.
	Maintain transparent public reporting on recovery progress.	Communication & Media Officer	Quarterly	Sep-25	Levels of community consultation and social media updates.

Strategic Priority	Action	Responsible Officer	Frequency	Time Frame	Performance Measure
PRIORITY 5: Maximise Revenue Opportunities	Secure long-term contracts for Bluebush Village (if not sold), Coolgardie Waste Facility, and Kambalda Aerodrome.	CEO	Ongoing	Dec-26	Progress measured quarterly against LTFP targets.
	Review and adjust fee structures annually to reflect market rates.	CEO	Ongoing	Jul-25	Progress measured quarterly against LTFP targets.
	Develop and pursue new income opportunities aligned with Shire assets and services.	CEO	Ongoing	Jun-26	Progress measured quarterly against LTFP targets.
	Maintain proactive engagement with mining companies and industry stakeholders.	CEO	Ongoing	Jul-25	Progress measured quarterly against LTFP targets.

Strategic Priority	Action	Responsible Officer	Frequency	Time Frame	Performance Measure
PRIORITY 6: Appropriately Manage Infrastructure	Align capital works programs with Asset Management Plans.	CEO	Annually	Jun-26	Progress measured quarterly against LTFP targets.
	Prioritise asset renewal over new projects unless externally funded.	CEO	Annually	Jun-26	Progress measured quarterly against LTFP targets.
	Monitor Asset Sustainability, Asset Consumption, and Asset Renewal Funding ratios.	Finance Manager	Annually	Jun-26	Progress measured quarterly against LTFP targets.
	Establish reserve allocations for asset renewal as cash flow improves.	Finance Manager	Annually	Jun-26	Progress measured quarterly against LTFP targets.

Strategic Priority	Action	Responsible Officer	Frequency	Time Frame	Performance Measure
PRIORITY 7: Maintain and Improve Service Levels	Protect community services while targeting administrative efficiencies.	CEO	Ongoing	Dec-25	Levels of service provided and community satisfaction.
	Engage with the community to prioritise service delivery where budget constraints apply.	Communication Engagement & Grants Officer	Annually	Dec-25	Progress measured quarterly against LTFP targets.
	Monitor service quality through community satisfaction surveys.	Communication Engagement & Grants Officer	Quarterly	Sep-25	Progress measured quarterly against LTFP targets.
	Explore technology solutions to maintain service standards at lower operating cost.	CEO	Ongoing	Jun-26	Progress measured quarterly against LTFP targets.

Strategic Priority	Action	Responsible Officer	Frequency	Time Frame	Performance Measure
PRIORITY 8: Reduce Non-Discretionary Expenditure	Undertake annual reviews of service delivery models and staffing levels for efficiency gains.	CEO	Quarterly	Sep-25	Progress measured quarterly against LTFP targets.
	Apply prudent escalation rates for employee costs, materials, and contracts, reviewed annually.	Finance Manager	Annually	Jun-26	Progress measured quarterly against LTFP targets.
	Centralise procurement to achieve better value for money.	Finance Manager	Ongoing	Dec-26	Progress measured quarterly against LTFP targets.
	Freeze recruitment for non-essential positions during the recovery period.	CEO	Ongoing	Aug-25	Progress measured quarterly against LTFP targets.

7. Bluebush Village – Disposal Scenarios

Bluebush Village is a major factor in the Shire of Coolgardie's Financial Recovery Plan and draft LTFP. The facility was constructed to provide a reliable revenue stream and was financed through $22.5 million in borrowings and $5.64 million in lease-to-buy arrangements. The decision to repay these funds over a 5 year and shorter period has created significant pressure on the Shire's cash flow. With 328 rooms available for rent, the Village has potential to generate substantial revenue, but its financial performance depends heavily on occupancy levels, which remain tied to demand from the mining sector.

Operating Scenario

The draft LTFP assumes the Shire continues to operate the Village at 50% occupancy for the first five years and 25% for the final five years. This generates projected revenue of $53.56 million over 10 years. However, after operating costs ($40.62 million), interest ($5.56 million), loan repayments ($16 million), and lease payments ($1.4 million), the result is a net negative cash flow of $10.05 million. This result has been taken into consideration within this Financial Recovery Plan.

Sale Scenario

If sold, a conservative sale price of $19 million has been assumed. The proceeds would enable repayment of existing loans, reduce interest expenses, and provide surplus funds for reinvestment. This scenario delivers positive cash flows of $10.68 million, derived from surplus sale proceeds, $1.12 million in rates revenue, $5.47 million in interest savings, and $1.09 million from investment income. The overall difference compared with operating is $20.73 million over 10 years.

Strategic Considerations

- Asset Value – Selling would remove an estimated $20 million asset from the Shire's balance sheet.
- Revenue Potential – Occupancy improvements could enhance long-term returns if the Shire retains ownership.
- Risk Profile – Ongoing ownership exposes the Shire to occupancy volatility and mining sector cycles, while selling transfers this risk.
- Financial Flexibility – Sale proceeds would reduce debt, strengthen reserves, and provide immediate liquidity.

Bluebush Village is the single largest variable in the Financial Recovery Plan. Continuing operations provides potential but results in forecast negative cash flows, while a sale delivers a material $20.73 million cash benefit over the plan's life, alongside reduced debt and improved financial flexibility. The decision ultimately rests on the Shire's balance between retaining a strategic asset with long-term potential versus securing immediate financial certainty.

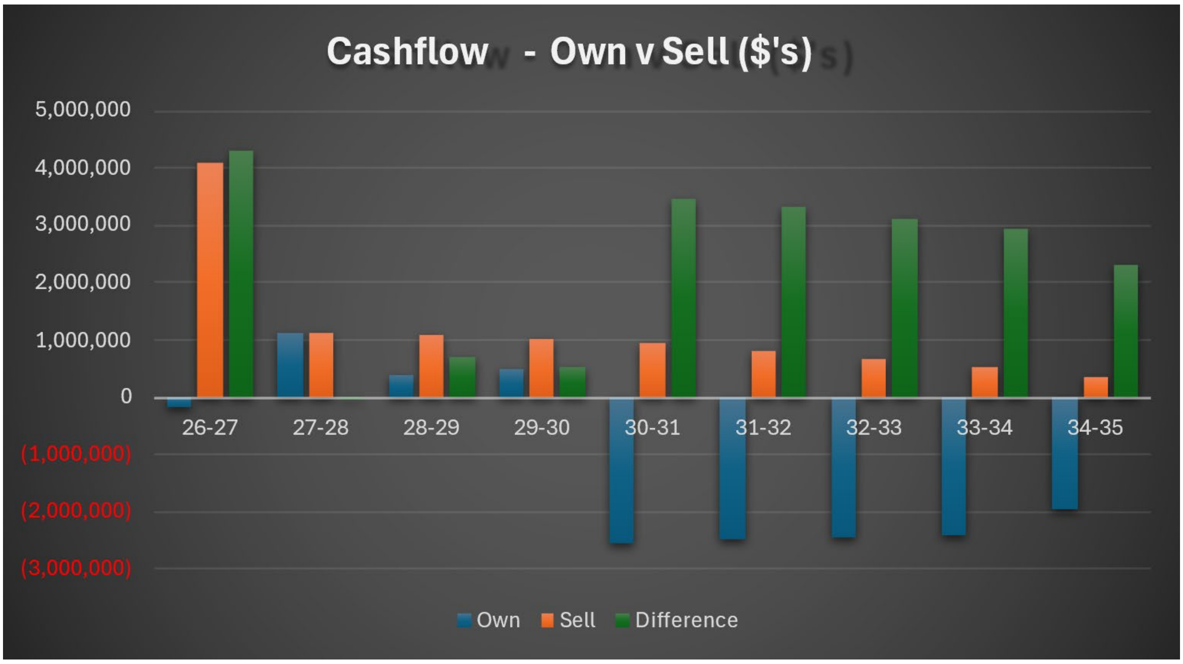
The graphs presented on the following page illustrate some of the key financial and operational factors associated with Bluebush Village. They highlight projected occupancy levels, revenue and expenditure forecasts, and the overall cash flow impacts under both the operating and sale scenarios. Collectively, these visuals reinforce the strategic importance of the Village in the Shire's recovery planning and the scale of the financial impact that future decisions regarding its ownership will have.

Option 1 – Shire Owns & Runs

	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	TOTAL
Revenue	7,265,491	7,556,111	7,858,355	8,172,689	4,192,348	4,360,042	4,534,443	4,715,821	4,904,454	53,559,753
Expenditure	(5,066,965)	(5,255,302)	(5,450,741)	(5,653,556)	(3,579,024)	(3,707,356)	(3,840,377)	(3,978,261)	(4,121,188)	(40,652,770)
Loan Repayments	0	(281,713)	(1,160,844)	(1,227,863)	(2,448,225)	(2,587,912)	(2,737,986)	(2,895,977)	(2,655,326)	(15,995,847)
Lease Repayments	(1,398,272)	0	0	0	0	0	0	0	0	(1,398,272)
Interest Payments	(982,566)	(898,603)	(861,837)	(794,817)	(702,476)	(562,789)	(412,715)	(254,725)	(87,520)	(5,558,048)
Surplus / Deficit	**(182,312)**	**1,120,493**	**384,933**	**496,453**	**(2,537,378)**	**(2,498,016)**	**(2,456,635)**	**(2,413,141)**	**(1,959,580)**	**(10,045,184)**

Option 2 – Shire Sells

Sale of Bluebush										
Proceeds from Sale	19,000,000									19,000,000
Loan Payout	(15,995,847)									(15,995,847)
Surplus Funds	**3,004,153**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3,004,153**
Rates	105,281	109,493	113,872	118,427	123,164	128,091	133,215	138,543	144,085	1,114,172
Interest Revenue	105,145	108,825	112,634	116,577	120,657	124,880	129,251	133,774	138,456	1,090,199
Interest Savings	897,217	898,603	861,837	794,817	702,476	562,789	412,715	254,725	87,520	5,472,699
Additional Revenue / Savings	1,107,644	1,116,921	1,088,344	1,029,821	946,297	815,760	675,180	527,042	370,062	7,677,071
Net Cash Flows	**4,111,797**	**1,116,921**	**1,088,344**	**1,029,821**	**946,297**	**815,760**	**675,180**	**527,042**	**370,062**	**10,681,224**



8. Financial Forecast & Modelling

The following analysis examines the potential financial impacts of applying different escalation rates to the Shire's key revenue and expenditure streams over the 10-year life of the Long Term Financial Plan (LTFP). This analysis is designed to test the resilience of the Shire's financial projections under varying economic conditions and to identify the potential risks associated with external cost pressures and revenue fluctuations.

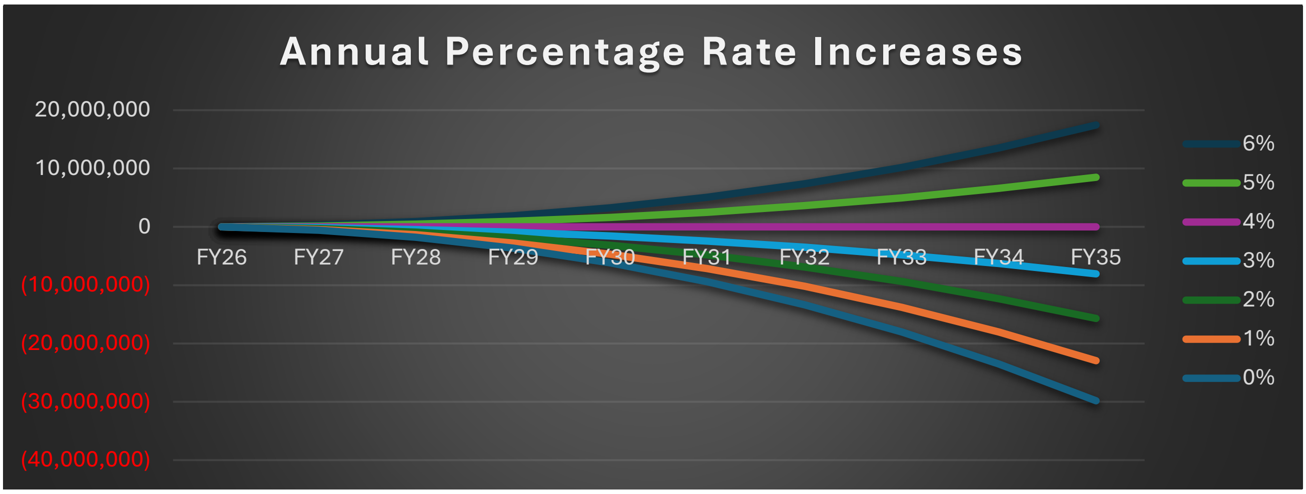
The external benchmarks used in the modelling include the Perth Consumer Price Index (CPI) for June 2025 as published by the Australian Bureau of Statistics, the Perth Wage Price Index for March 2025, and the Reserve Bank of Australia (RBA) 10-year bond rate. These indicators provide a realistic basis for assessing likely movements in operating costs, wage growth, and the cost of capital over the planning horizon.

By modelling a range of escalation scenarios for rates revenue, employee costs, and materials and contracts expenditure, the analysis highlights both the opportunities for cost containment and the risks of increased financial pressure. The outcomes guide the selection of prudent escalation rates for inclusion in the LTFP and provide a framework for annual review to ensure assumptions remain aligned with prevailing economic conditions.

Rates

The sensitivity analysis undertaken for the LTFP examined a range of scenarios to assess the revenue impacts of different annual rate increases over the 10-year period.

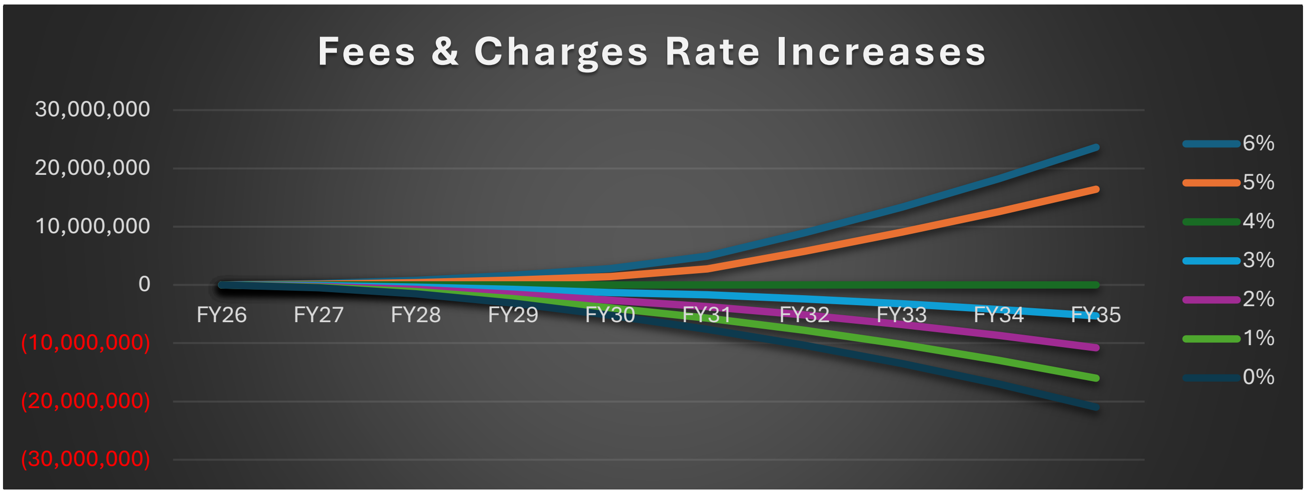
The draft LTFP applies a 4% annual increase in rate revenue, compared to the Reserve Bank of Australia's 10-year bond rate of 4.21% at June 2025. The modelling indicates that maintaining rates at current levels with no annual increase would result in a cumulative revenue loss of $29.82 million over the 10 years, while applying a 6% annual increase would generate an additional $17.46 million in rates revenue over the same period. The Shire considers the 4% escalation to be a sustainable and balanced approach but notes that all underlying assumptions will be reviewed annually as part of the budget and rating review process.



Fees and Charges

The draft LTFP applies a 4% annual increase in line with rate revenue increases, compared to the Reserve Bank of Australia's 10-year bond rate of 4.21% at June 2025. The modelling indicates that maintaining fees and charges at current levels with no annual increase would result in a cumulative revenue loss of $20.92 million over the 10 years, while applying a 6% annual increase would generate an additional $23.62 million in fees and charges revenue over the same period.

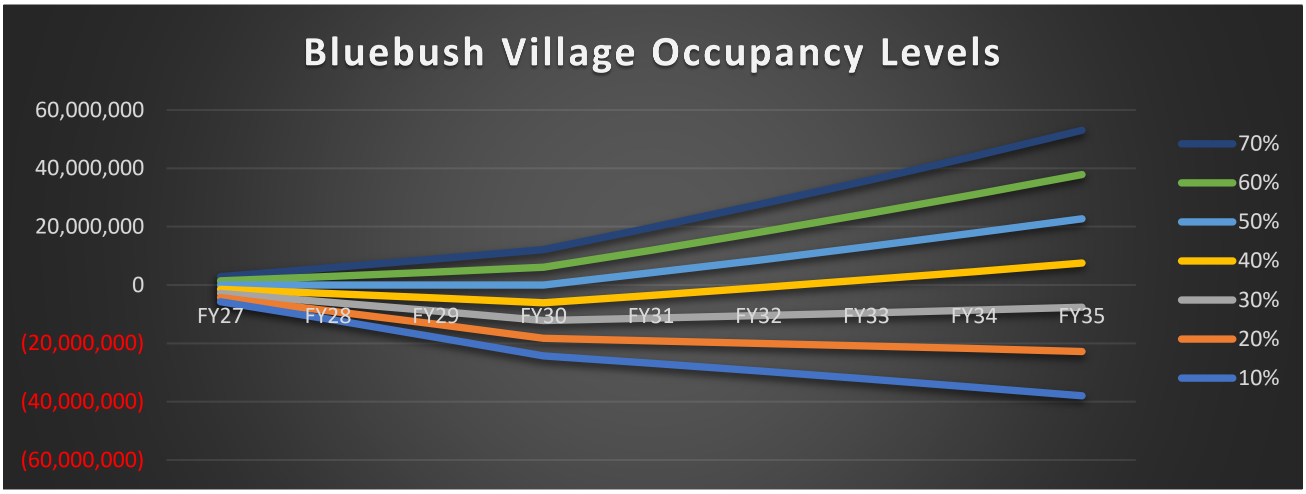
The Shire considers the 4% escalation to be a sustainable and balanced approach but notes that all underlying assumptions will be reviewed annually as part of the budget process.



Bluebush Village

The LTFP conservatively assumes Bluebush Village occupancy (if retained) of 50% for the first five years and 25% for the last five years. Sensitivity analysis tested scenarios between 10% and 70% occupancy for FY27–FY35.

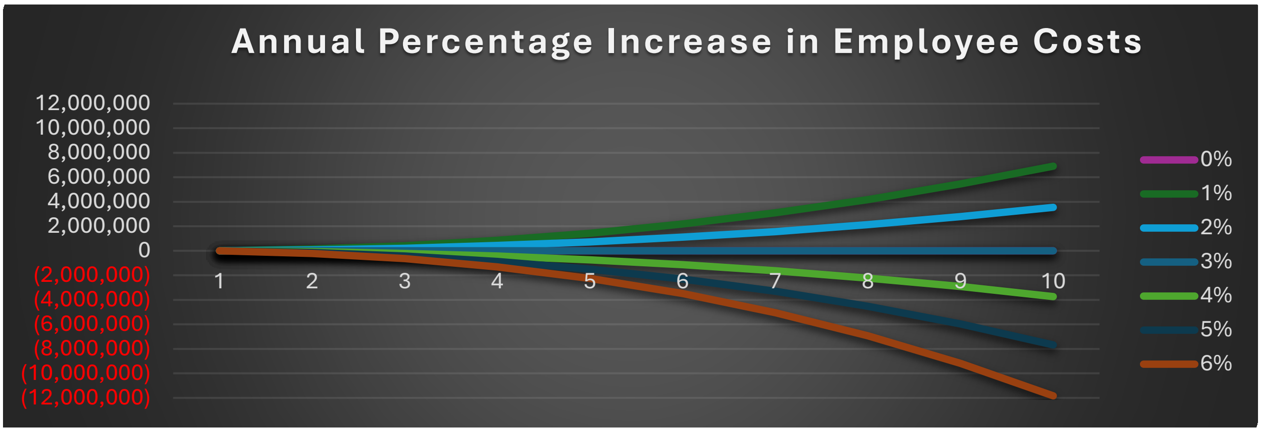
At 20% occupancy, income would fall by $22.80m, while maintaining 50% or reaching 70% would increase income by $22.71m and $53.05m respectively. Although higher occupancy would also increase management fees and some operating costs, it shows strong potential for future revenue if demand continues. Conversely, occupancy levels of 35% or lower would significantly impact the Shire, reinforcing the need to consider the option of selling Bluebush Village freehold to reduce debt, improve cash flow, and remove occupancy risk.



Employee Costs

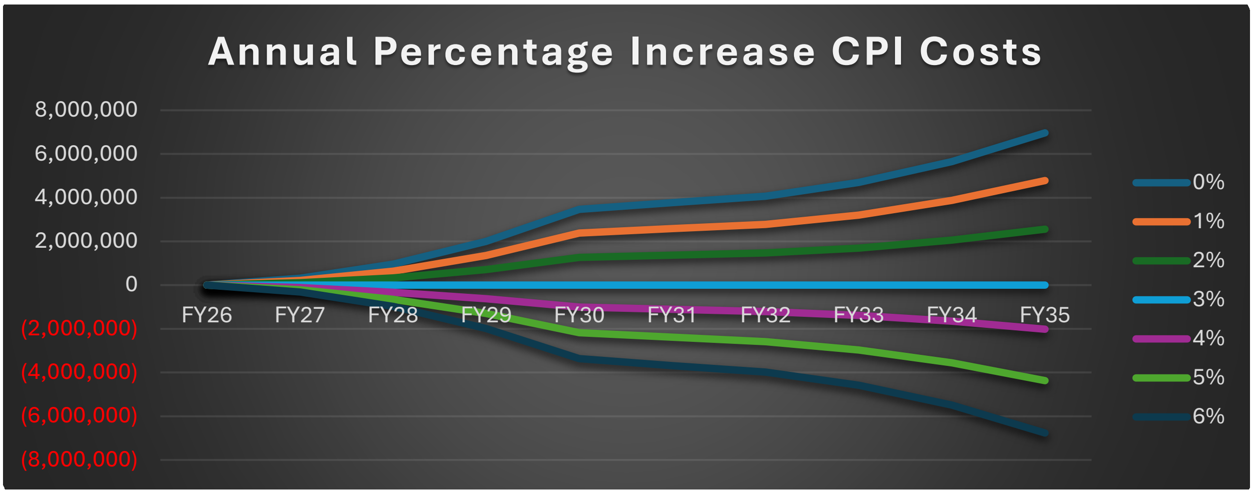
The sensitivity analysis undertaken for the draft LTFP examined various scenarios to assess the cost impacts of different rate increases for employee costs over the 10-year period. The draft LTFP applies a 3% annual increase for employee costs, compared to the current WA Wage Price Index of 3.7% for the 12 months to March 2025. While this index is higher than the current CPI rate of 3%, it does not account for the fact that Shire salaries are already significantly above the minimum wage due to the Shire's location and staff availability to which the index is often applied.

The analysis indicates that maintaining employee costs at current levels with no annual increase would result in total savings of $10.09 million over the 10 years, while applying a 6% annual increase would add $11.86 million in additional costs over the same period. Based on these findings, the Shire considers the 3% rate applied in the LTFP to be appropriate at this stage, with the understanding that this assumption will be reviewed annually as part of the LTFP update process.



Materials and Contracts

The draft LTFP applies a 3% annual escalation for these costs, compared to the Perth Consumer Price Index (CPI) of 2.7% for the 12 months to June 2025. The modelling shows that maintaining materials and contract costs at current levels with no annual increase would generate total savings of $6.97 million over the 10 years, while applying a 6% annual increase would add $6.77 million in additional costs over the same period. Based on this analysis, the Shire considers the 3% escalation factor to be appropriate at present; however, all cost assumptions will be reviewed and adjusted annually as part of the LTFP update process.



9. Risk Management

Key risk factors to the successful implementation of the Financial Recovery Plan include:

- **Certainty of Revenue Streams** – Many of the Shire's newer income sources are market-dependent and may not achieve forecast returns, particularly in the early years of operation.
- **Economic Conditions** – Broader economic factors such as inflation, interest rate fluctuations, commodity market volatility, and cost-of-living pressures could affect both revenue generation and operating costs.
- **Funding for New and Infrastructure Renewal** – Limitations on available funding may impact the Shire's ability to deliver new infrastructure or renew existing assets at the required standard.
- **Impairment or Deterioration of Assets** – Failure to maintain and renew assets could lead to deterioration or impairment, reducing their service potential and financial value.
- **Accuracy of Expenditure Forecasting** – Inaccurate projections for operational or capital expenditure could lead to budget overruns and cash flow strain.
- **Debt Servicing Capacity** – Rising interest rates or unexpected revenue shortfalls could affect the Shire's ability to meet its debt obligations while maintaining service levels.
- **Regulatory and Policy Changes** – Amendments to State or Federal legislation, or changes to funding programs, could alter the Shire's financial assumptions and forecasts.
- **Operational Capacity and Workforce Stability** – Inability to retain or attract skilled staff could hinder service delivery, project management, and financial control.
- **Natural Disasters and External Shocks** – Events such as floods, bushfires, or global economic downturns could result in unplanned expenditure, reduced revenue, and damage to infrastructure.

The table below represents the Shire's Financial Recovery Risk Register:

Risk Factor	Description	Likelihood	Impact	Mitigation Strategies
Certainty of Revenue Streams	Potential fluctuations in key revenue sources such as fees, charges, and grants, leading to budget shortfalls.	High	High	Adopt conservative revenue forecasts; diversify income streams; implement regular reviews.
Economic Conditions	Changes in interest rates, inflation, and broader economic downturns affecting costs and revenues.	Medium	Medium	Monitor economic trends; adjust budgets accordingly; maintain contingency reserves.
Funding for New and Infrastructure Renewal	Limited ability to secure funding for critical infrastructure upgrades or renewals.	Medium	Medium	Prioritise projects; seek alternative funding sources such as grants or partnerships.
Impairment or Deterioration of Assets	Deterioration or impairment of key assets increasing maintenance and replacement costs.	Medium	High	Implement regular asset condition assessments and planned maintenance programs.
Accuracy of Expenditure Forecasting	Inaccurate forecasting of operational and capital expenditure, impacting budget reliability.	Medium	Medium	Strengthen budgeting processes; implement rolling forecasts; improve data accuracy.

10. Monitoring & Reporting

Measures of financial sustainability will be assessed against the Local Government Financial Health Indicators (LGHI), specifically the Current Ratio, Debt Service Coverage Ratio, Operating Surplus Ratio, and Net Financial Liabilities Ratio.

Meeting the minimum standards for each of these ratios will be a key deliverable of the Financial Recovery Plan, demonstrating the Shire's ability to meet short-term obligations, service debt, generate sufficient operating surpluses, and manage liabilities within sustainable limits.

These indicators will be monitored regularly, with results reported to Council to ensure transparency, enable timely corrective action, and confirm that the Shire remains on track to achieve long-term financial stability.

In addition to the key LGHI measures, other ratios such as the Asset Sustainability Ratio, Asset Consumption Ratio, and Asset Renewal Funding Ratio will also be considered.

These indicators will be applied in line with the deliverables of the Shire's Asset Management Plans to ensure that infrastructure is maintained, renewed, and replaced in a manner that supports long-term service delivery.

Monitoring these ratios alongside the financial indicators will provide a balanced view of both the Shire's financial position and the condition of its assets, ensuring that recovery efforts do not compromise the sustainability and functionality of essential infrastructure.

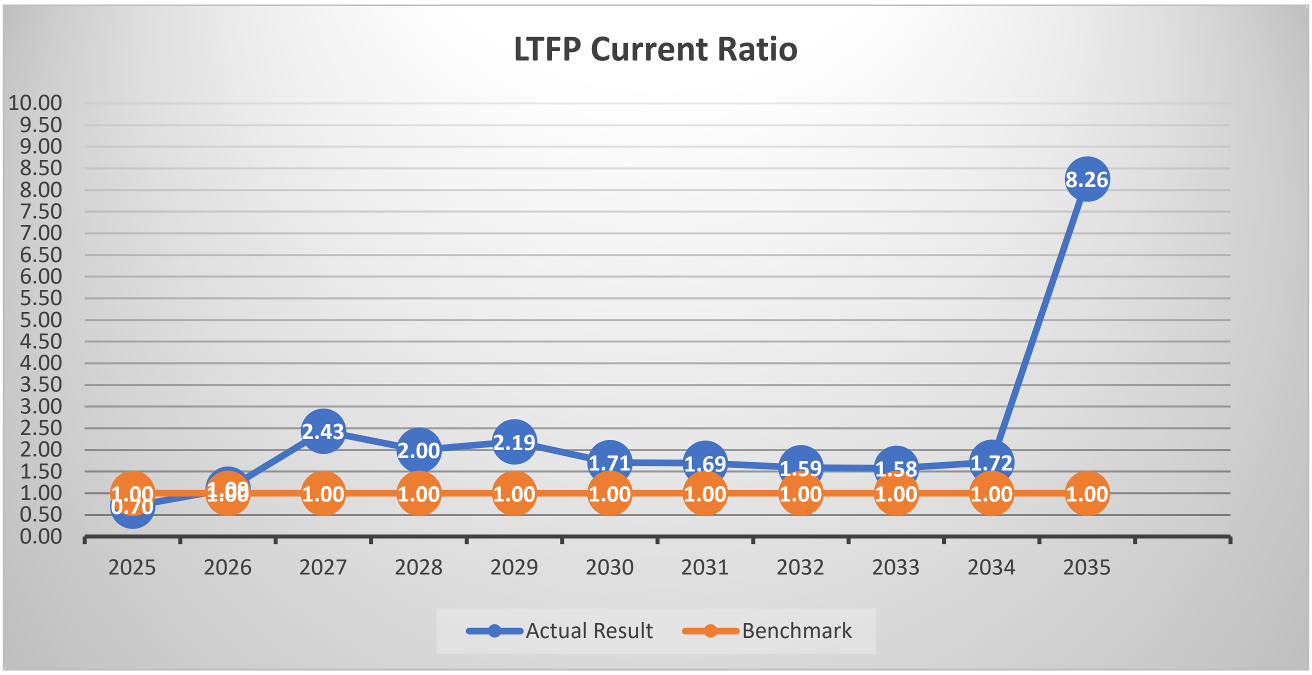
As demonstrated in the table below, the Shire is projected to show a significant improvement across the Local Government Financial Health Indicators over the life of the Recovery Plan. The modelling indicates that the Shire will meet or be very close to meeting the recommended industry benchmarks for all key indicators, reflecting a stronger financial position and improved long-term sustainability. The only exception is the Net Financial Liabilities Ratio, which will not align with the recommended standard until loan repayments recommence in the 2027–28 financial year. From that point forward, the ratio shows steady improvement as borrowings are progressively reduced.

Ratio	Industry Benchmark	30-Jun-24	30-Jun-25	30-Jun-26
Current Ratio	≥ 1.0	0.20	0.70	1.09
Debt Service Coverage Ratio	≥ 2.0	1.01	1.27	4.20
Operating Surplus Ratio	0% to +15%	(17%)	0%	7%
Net Financial Liabilities Ratio	< 60%	133%	103%	83%

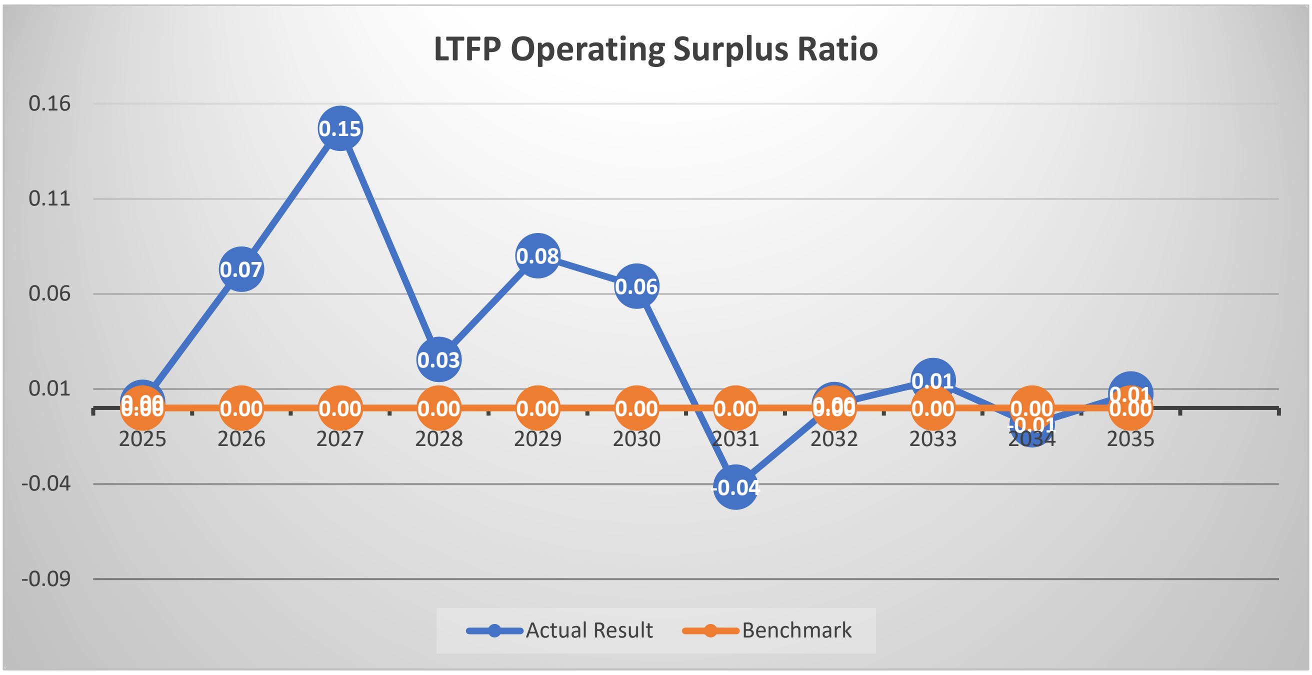
As the Shire's Asset Management Plans are progressively reviewed and updated, they will provide a more accurate reflection of the infrastructure requirements and renewal needs of the community. Once these updated plans are in place, the Shire will report more comprehensively against the key asset management ratios, including the Asset Sustainability Ratio, Asset Consumption Ratio, and Asset Renewal Funding Ratio. These measures will provide Council and the community with greater clarity on the condition of infrastructure, the adequacy of renewal spending, and the long-term funding position required to maintain service levels.

The graphs below represent ratios based on the Long Term Financial Plan.

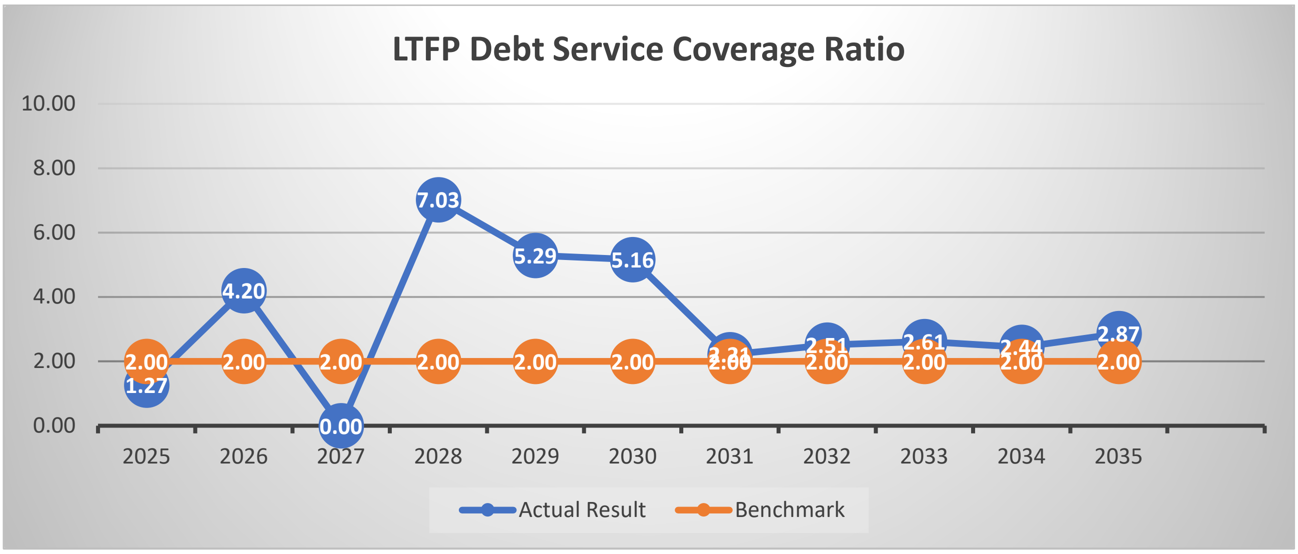
LTFP Current Ratio



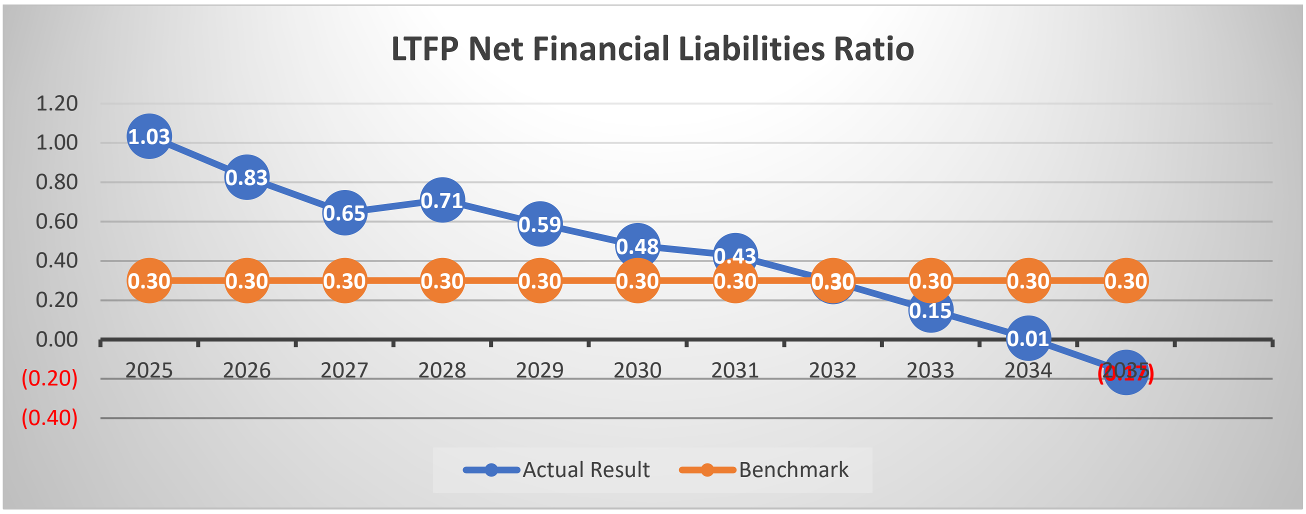
LTFP Operating Surplus Ratio



LTFP Debt Service Coverage Ratio



LTFP Net Financial Liabilities Ratio



11. Stakeholder Updates

It is the Shire's intention that this Financial Recovery Plan is **updated quarterly** in the first 12 months of implementation to reflect its progress.

As financial goals are achieved, the Shire will provide public stakeholder and community updates. Regular communication on the Shire's progress will be vital toward restoring stakeholder confidence and trust.

Below is summary of the key stakeholders identified as part of the Financial Recovery Plan process:

Stakeholder Group	Purpose
Elected Members	Decision-making, policy direction, plan endorsement.
Shire Executive & Staff	Implementation of plan actions, operational feedback, service delivery alignment.
Residents & Ratepayers	Understanding of impacts, service levels, rate strategy, and debt management.
Mining Companies & Major Industry	Input into rates strategy, long-term infrastructure planning, partnership opportunities.
Community & Sporting Groups	Awareness of potential impacts on facilities and services; opportunities for collaboration.
State Government & DLGSC	Compliance and guidance.
Funding Partners	Assurance of financial management; ongoing viability for project delivery.
Suppliers & Contractors	Awareness of procurement processes and payment practices.

APPENDICES

Appendix 1:
Draft Long Term Financial Plan Extract

Extract from Draft Long Term Financial Plan

The draft LTFP is an essential component in implementing the Shire's Financial Recovery Plan. It provides the framework for aligning day to day financial management with the strategic goal of restoring the Shire's long-term financial sustainability. The LTFP sets out a clear and achievable pathway over a 10-year horizon, demonstrating how debt will be managed, service levels maintained, and financial health indicators progressively improved.

The following extracts from the draft LTFP are provided to give additional context and support for the Financial Recovery Plan. Most significantly, the Shire's cash position shows a marked turnaround across the life of the draft Long-Term Financial Plan. Commencing with an unrestricted cash deficit of -$934,081 at 30 June 2024, the projections demonstrate a steady recovery that culminates in a peak of $11.05 million in cash and cash reserves by 2034/35.

This improvement reflects the combined impact of disciplined financial management, the staged recommencement of loan repayments, and the Shire's conservative approach to forecasting expenditure and revenues. The strengthened cash position provides not only a buffer against future financial shocks but also greater flexibility to invest in infra structure renewal and community priorities once the recovery phase has been completed.

Statement of Comprehensive Income (SoCI)

	2025 $'000	2026 $'000	2027 $'000	2028 $'000	2029 $'000	2030 $'000	2031 $'000	2032 $'000	2033 $'000	2034 $'000	2035 $'000
REVENUE											
Rates	12,711	14,864	15,458	16,077	16,720	17,388	18,084	18,807	19,560	20,342	21,156
Operating Grants & Contributions	1,747	2,354	2,330	2,384	2,454	2,526	2,600	2,676	2,755	2,836	2,919
Fees & Charges	15,278	12,910	13,141	13,661	14,201	14,763	11,041	10,015	10,409	10,820	11,247
Interest on Investments	58	112	167	364	395	426	545	565	557	581	592
Capital Grants & Contributions	914	5,866	9,721	3,254	5,588	4,567	1,900	3,400	3,400	1,950	1,950
Other Revenue	641	371	363	374	385	396	408	420	433	446	459
Profit on Disposal of Assets	190	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE	**31,539**	**36,477**	**41,180**	**36,114**	**39,743**	**40,066**	**34,578**	**35,883**	**37,114**	**36,975**	**38,323**
EXPENDITURE											
Employee Costs	6,178	7,157	7,100	7,313	7,532	7,758	7,991	8,231	8,478	8,732	8,994
Materials & Contracts	11,545	11,452	10,873	11,784	12,185	12,599	10,743	10,147	10,474	10,813	11,163
Utility charges	1,761	1,838	1,838	1,952	2,011	2,071	2,133	2,197	2,263	2,331	2,401
Depreciation	8,454	8,791	9,299	9,225	9,575	9,937	10,267	10,457	10,687	10,917	11,125
Interest expense	1,623	1,583	1,447	1,445	1,394	1,302	1,162	932	685	425	150
Insurance expense	560	610	628	647	667	687	707	728	750	773	796
Other expenditure	1,661	1,359	1,395	1,436	1,478	1,521	1,566	1,612	1,660	1,709	1,759
Loss on Disposal of Assets	3	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURE	**31,785**	**32,790**	**32,580**	**33,802**	**34,842**	**35,875**	**34,569**	**34,304**	**34,997**	**35,700**	**36,388**
NET RESULT FOR PERIOD	**(246)**	**3,687**	**8,600**	**2,312**	**4,901**	**4,191**	**9**	**1,579**	**2,117**	**1,275**	**1,935**

Statement of Financial Activity (SFA)

	2025 $'000	2026 $'000	2027 $'000	2028 $'000	2029 $'000	2030 $'000	2031 $'000	2032 $'000	2033 $'000	2034 $'000	2035 $'000
Opening Surplus / (Deficit)	(5,259)	(1,259)	0	0	0	0	0	0	0	0	0
Result from Operating Activities	(1,160)	(2,179)	(1,121)	(942)	(687)	(376)	(1,891)	(1,821)	(1,283)	(675)	(15)
NON CASH AMOUNTS EXCLUDED FROM OPERATING ACTIVITIES											
(Profit) / Loss on Sale of Assets	(186)	0	0	0	0	0	0	0	0	0	0
Fair value adjustments through profit & loss	4	0	0	0	0	0	0	0	0	0	0
Depreciation	8,454	8,791	9,299	9,225	9,575	9,937	10,267	10,457	10,687	10,917	11,125
Movements in assets and liabilities	(2)	50	(500)	0	0	(1,000)	0	0	0	(500)	(1,199)
Amount attributable to Operating Activities	**8,270**	**8,841**	**8,799**	**9,225**	**9,575**	**8,937**	**10,267**	**10,457**	**10,687**	**10,417**	**9,926**
INVESTING ACTIVITIES											
Purchase of Property, Plant & Equipment	(576)	(899)	(9,450)	(1,650)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,600)
Purchase of Infrastructure	(800)	(8,194)	(4,581)	(9,154)	(11,054)	(8,750)	(4,750)	(6,750)	(6,750)	(5,825)	(5,325)
Capital grants, subsidies and contributions	914	5,866	9,721	3,254	5,588	4,567	1,900	3,400	3,400	1,950	1,950
Proceeds from sale of assets	328	0	0	300	240	240	240	240	240	240	240
Amount attributable to investing activities	**(133)**	**(3,226)**	**(4,310)**	**(7,250)**	**(6,726)**	**(5,443)**	**(4,110)**	**(4,610)**	**(4,610)**	**(5,135)**	**(4,735)**
FINANCING ACTIVITIES											
Proceeds from Borrowings	4,889	0	0	0	0	0	0	0	0	0	0
Repayment of Borrowings	(4,324)	0	0	(385)	(1,588)	(1,680)	(3,983)	(4,213)	(4,459)	(4,719)	(4,436)
Repayment of Overdraft Facility	(1,483)	0	0	0	0	0	0	0	0	0	0
Repayment of Lease Liabilities	(2,060)	(1,817)	(229)	(12)	(8)	0	0	0	0	0	0
Transfers from Reserves	0	0	0	0	0	0	36	69	0	1,000	530
Transfers to Reserves	0	(360)	(3,138)	(635)	(565)	(1,438)	(319)	118	(335)	(888)	(1,270)
Amount attributable to financing activities	(2,977)	(2,177)	(3,368)	(1,033)	(2,162)	(3,118)	(4,266)	(4,026)	(4,794)	(4,607)	(5,176)
Operating Surplus / (Deficit)	**(1,259)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Statement of Cash Flows (SoCF)	2025 $'000	2026 $'000	2027 $'000	2028 $'000	2029 $'000	2030 $'000	2031 $'000	2032 $'000	2033 $'000	2034 $'000	2035 $'000
Cashflows from Operating Activities											
Rates	11,360	14,864	15,710	16,327	16,720	17,388	18,084	18,807	19,560	20,342	21,156
Operating Grants & Contributions	2,641	2,855	2,330	2,384	2,454	2,526	2,600	2,676	2,755	2,836	2,919
Fees & Charges	15,278	12,910	13,723	13,661	14,201	14,763	11,041	10,015	10,409	10,820	11,247
Other Revenue	699	483	536	738	780	822	953	985	990	1,027	1,051
Employee Costs	(6,077)	(7,157)	(7,100)	(7,313)	(7,532)	(7,758)	(7,991)	(8,231)	(8,478)	(8,732)	(8,994)
Materials & Contracts	(13,661)	(13,103)	(12,010)	(12,384)	(12,385)	(12,599)	(10,743)	(10,147)	(10,474)	(10,813)	(11,163)
Utility charges	(1,761)	(1,838)	(1,838)	(1,952)	(2,011)	(2,071)	(2,133)	(2,197)	(2,263)	(2,331)	(2,401)
Finance costs	(1,673)	(1,583)	(1,447)	(1,445)	(1,394)	(1,302)	(1,162)	(932)	(685)	(425)	(150)
Insurance paid	(560)	(613)	(628)	(647)	(667)	(687)	(707)	(728)	(750)	(773)	(796)
Other Expenditure	(1,827)	(1,329)	(1,395)	(1,436)	(1,478)	(1,521)	(1,566)	(1,612)	(1,660)	(1,709)	(1,759)
Net Cash Provided (or Used) in Operating Activities	**4,420**	**5,489**	**7,882**	**7,933**	**8,688**	**9,561**	**8,376**	**8,636**	**9,404**	**10,242**	**11,110**
Cashflows of Investing Activities											
Proceeds from sale of Property, Plant & Equipment	328	0	0	300	240	240	240	240	240	240	240
Capital Grants & Contributions	1,896	3,471	9,721	3,254	5,588	4,567	1,900	3,400	3,400	1,950	1,950
Payments for purchase of Property, Plant & Equipment	(576)	(899)	(9,450)	(1,650)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,600)
Payments for construction of Infrastructure	(800)	(8,194)	(4,581)	(9,154)	(11,054)	(8,750)	(4,750)	(6,750)	(6,750)	(5,825)	(5,325)
Net Cash Provided (or Used) in Investing Activities	**849**	**(5,622)**	**(4,310)**	**(7,250)**	**(6,726)**	**(5,443)**	**(4,110)**	**(4,610)**	**(4,610)**	**(5,135)**	**(4,735)**
Cashflows of Financing Activities											
Proceeds from Borrowings	25,463	0	0	0	0	0	0	0	0	0	0
Repayment of Borrowings	(23,416)	0	0	(385)	(1,588)	(1,680)	(3,983)	(4,213)	(4,459)	(4,719)	(4,436)
Repayment of Overdraft Facility	(1,483)	0	0	0	0	0	0	0	0	0	0
Repayment of Lease Liabilities	(2,060)	(1,817)	(229)	(12)	(8)	0	0	0	0	0	0
Net Cash Provided (or Used) in Financing Activities	**(1,495)**	**(1,817)**	**(229)**	**(397)**	**(1,596)**	**(1,680)**	**(3,983)**	**(4,213)**	**(4,459)**	**(4,719)**	**(4,436)**
Net increase (decrease) in cash held	3,774	(1,949)	3,342	285	365	2,438	283	(187)	335	388	1,939
Cash and cash equivalents at beginning of year	39	3,814	1,865	5,206	5,492	5,857	8,295	8,578	8,392	8,727	9,115
Cash and cash equivalents at the end of the year	**3,814**	**1,865**	**5,206**	**5,492**	**5,857**	**8,295**	**8,578**	**8,392**	**8,727**	**9,115**	**11,053**

Appendix 2:
Boundary Adjustment Position Paper for Minister for Local Government

Position Paper

fortheMinisterofLocal Government

Response re: Boundary Adjustment with City of Kalgoorlie-Boulder

Introduction

As requested by the Minister for Local Government; Disability Services; Volunteering; Youth; Gascoyne at a meeting with the Shire of Coolgardie and the City of Kalgoorlie-Boulder on 30 June 2025 concerning a potential boundary adjustment between the two local governments, this paper details the Shire of Coolgardie's position on the matter and options for a way forward.

It must be stated that while the Shire of Coolgardie Council accepts responsibility for the previous financial situation which has prompted the Minister's directive, a boundary adjustment was not the form of assistance or solution that the Shire was seeking from the Department.

The Shire of Coolgardie has made significant progress toward financial and organisational recovery in the 2024/25 financial year - and we feel strongly that we are able to maintain self-determination sustainably and responsibly, with support from the Department during this recovery phase.

The following outlines the Shire of Coolgardie Council Position and stance on the proposed Boundary Change/Amalgamation of the Shire of Coolgardie and the City of Kalgoorlie-Boulder.

Shire of Coolgardie Position

That the Shire of Coolgardie **maintains its independence** and be **provided time to progress with its enacted plan** to return financial sustainability and organisational stability to the Shire. This is proposed to be achieved through the following steps:

1) Prepare a formal Financial Recovery Plan for the Minister to review and invite the Department to participate in the process and formation of the plan. This plan will provide a path for the Shire to follow (as was previously discussed by the Department, with Moore Australia engaged to undertake, similar, in April 2025). The plan would incorporate the following:

a) Include the recent alteration of rating categories.

b) Increase rate revenue for 2025/26.

c) Additional funding streams for road works confirmed from Storm Damage Claim (scope being confirmed now).

d) Staff re-structure.

e) Continuation of significant cost reductions across the organisation as previously advised.

f) Additional funding streams being realised in 25/26.

2) Complete the 2024/25 Financial Audit, which recognises the Shire's positive financial achievements during the seven months since the CEO's suspension in November 2024. This action is booked in with the Auditors RSM for early October 2025.

3) Undertake the tender process to dispose of the Bluebush Village asset which will bring about significant improvement in the Shire's debt ratio and enable significant cashflow increases by removing the debt burden and potential losses of the camp.

4) Continue to engage in discussions with Key Stakeholders, who have expressed strong interest in leasing and upgrading of the Kambalda Airport.

5) Report to the Department quarterly on the Shire's financial progress, with regular updates on key outcomes, and provide Budget Reviews for the end of 31 December and 31 March periods.

6) Appoint an Independent Consultant to oversee Council decision-making and administration direction for the 2025/26 financial year and restore confidence within the Community and Ratepayers.
7) Enter into open discussions with the City of Kalgoorlie-Boulder regarding the Joint Development of Key Projects, as the City has key interests in each of the following:
    - Mungari Estate Development
    - Coolgardie Waste Site conversion to a Regional Waste Site for Class 2 waste disposal
    - Kambalda Bluebush Village
    - Development of Kambalda Airport
    - Goldfield Records Storage Facility
8) Should a Forced Amalgamation be the expressed intention of the Minister, the Shire will continue to explore its Legal Position on this matter and the use of Boundary Change legislation to enact a Forced Amalgamation.

Potential Amalgamation Position

That if the Shire of Coolgardie is required by the Minister to progress with the City **to explore the potential of a joint submission for an Amalgamation of the two Local Governments**, this would involve serious consideration and negotiation by both organisations for a significant number of key issues, outlined (but not limited to) below. It should be noted that it is the Shire's position that this is not the intent of the Boundary Change Provision and should be referred to as an Amalgamation and, as such, follow the requirements of the Act and Regulations if this was to occur.

In addition, appropriate due diligence and risk assessment, as well as seeking community input and consultation (via survey, calling for public submissions or a poll, as per the provisions of the Local Government Act*)* will need to be undertaken prior to any formal proposal to the LGAB.

1) Representation of allocated seats on the new entity Council

- Consideration for Council meetings in Kambalda and Coolgardie for a certain number of times per annum.
- What commitment/presence will the City's elected members and Shire of Coolgardie representatives have on the new entity?

2) Name of new entity

How will the new entity recognise the Shire of Coolgardie within its name, given the importance of its history, identity and culture within the Goldfields community?

3) Strategic planning assessment and combined funding allocation

- The Strategic Community Plan, Corporate Business Plan and Workforce Plan need to be considered and discussed as to how the new entity will be formed to recognise the agreed project, program and service delivery actions for the Shire of Coolgardie.
- What level of the rates expenditure from the new entity will be committed to be returned to the Shire of Coolgardie area into the future?
- Reviews of current status of key assets.
- Fees and charges' impact on service provision, especially to NFPs and community groups etc.

4) Consideration for service delivery commitments for a minimum of 5 years

- Existing GP service in Kambalda through St Johns at 1 x full time GP and medical centre provision.
- Community Assisted Transport provision in Kambalda.
- Library in Coolgardie and Kambalda provision.
- CRCs in Coolgardie and Kambalda provision.

- Provision of gym access to Coolgardie and Kambalda.
- Tourist facilities provided in Coolgardie and Kambalda.
- Short stay caravan sites Kambalda and Coolgardie.
- Support of community groups through Community Chest funding application processes.
- Arts, cultural and sporting community group commitment and support.
- Continuation of service provision from the Coolgardie and Kambalda Administrative Centres.
- Fire Brigades and Ambulance Services.
- Meals on Wheels service in both Coolgardie and Kambalda.
- School Breakfast Club.
- Youth facility in Kambalda as committed.
- Work placement program with Kambalda West District High School.
- Women's Health Clinic.
- Head Space.
- MEEDAC, Judumul, Men's Shed etc.
- School holiday programs and staff day care service.

5) Ensure preservation of iconic community events and activities

- Kambalda Community Christmas Tree
- Coolgardie Day
- Rodeo
- Community movie nights
- Kambalda Train

6) Community engagement of new entity

- Proximity to the City will be a challenge in facilitating activities and events.
- Providing community information and engagement to all residents.
- Not all residents in the Shire have access to internet or even notice boards.

7) Commitment to facility maintenance and provision

- Coolgardie and Kambalda Recreation Centres:
    - Provision of gym equipment at both sites
    - 2 indoor courts in Kambalda
    - 1 Indoor court in Coolgardie
    - CRC and library space at both sites
- Swimming pools in Coolgardie (significant work required and near-future upgrade required for the 25m pool) and Kambalda (50m pool and infant pool).
- Playground equipment and provision at both sites.
- Administrative Offices in Coolgardie and Kambalda.
- Connie's Café (Kambalda Recreation Centre).
- Pool kiosks.
- Kambalda football oval.
- Tourist facilities and historical item preservation, held in care by the Shire and community (eg, Coolgardie Museum, Warden Finnerty's House).
- Oval open space provision at Coolgardie and Kambalda East.
- Kambalda Waste Site ongoing provision (long term contaminated waste issue needing to be resolved).
- Coolgardie Waste Site continued provision.
- Coolgardie Wastewater Sewerage System and treatment ponds.

- Emergency Service Centres.
- Continuation of footpath repair and development program that the Shire has been progressing through.
- Kambalda Airport maintenance and upgrade.

8) Preservation of Shire of Coolgardie Council historical items and content in Shire owned or leased Buildings

- The Shire has an extensive collection of historical items on display in the Museum and further extensive catalogued items.
- Historical items from the Shire Council is extensive and must be preserved.
- Significant Indigenous history.
- Significant mining and prospecting history.

9) Staff commitments and assurance

- Staff are continued to be employed in their roles until a potential merger date.
- Organisational structure review undertaken prior to submission and merger.
- Staff then be provided with ongoing employment, at their place of current working, on the agreed conditions of pay etc for a period of a minimum of 2 years.
- Should an employee be requested to consider alternative employment duties, the employee does not lose pay or conditions and they are not required to relocate their place of employment unless mutually agreed.
- The Shire liaises with the City as to any vacant positions that require filling during the holding over period.
- Staff that have a contract expiring be afforded the opportunity to enter into a short-term contract to take them past the holding over period by 12 months to enable the new entity to properly consider the employment requirements, duties, numbers and locations. Ongoing provision of Shire housing for Senior
- Staff in Coolgardie and Kambalda. Provision of Shire Care for staff children during school holidays.
-

10) Road network requirements

- Road User Agreements in place.
- Haulage Campaigns.
- Maintenance agreements.
- Contracted road maintenance.
- Regional Road Group committed projects.
- Roads to Recovery projects.
- Further reduction in potential funding for the new entity if the changes to the Regional Road Group continue.
- DFES funding for storm damage from March 2024 – being finalised now.
- Continuation of the use of the depots in Coolgardie and Kambalda
- Bayley Street upgrade from electoral promise.

11) Contracts of service etc

- Cleanaway contract
- Sirrom Facility Management at Blue Bush Village
- Waste disposal agreements/contracts
- Acceptance of Waste from Esperance
- Records Storage Facility
- Buy Local Policy to support Local Businesses
- Contracts, Agreements and Leases for use of spaces/offices in these buildings.

12) What commitment is provided for the Shire of Coolgardie residents from a Boundary Change

- Will the State or the City commit to funding the refurbishment of the Coolgardie pool?
- Will the State or the City commit to resolving the contaminated waste issue in Kambalda (even though this will become the City's problem)?
- Continuation of the grant to build new Aged Units in Kambalda.
- Continuation of the grant to refurbish the units in Coolgardie.
- Completion of the 3 GROH units at Goodenia Court, Kambalda.
- Commitment to install emergency generators at the Coolgardie and Kambalda Rec Centres to facilitate evacuations and emergency incidents.
- Will the City provide a bus/transport service to support community access to services if removed from Coolgardie and Kambalda?
- Continued development of the Horse Blocks in Coolgardie and commercial land in Coolgardie.
- City understanding and position of mining exploration etc within the Coolgardie Shire communities and impacts on residents and facilities.

13) Current actions of the Shire of Coolgardie underway

- Proposed disposal of Blue Bush Village.
- Proposed lease of the Airport to MRL.
- DFES funding from March 2025 storm event.
- Finalization of outstanding RRG funded road projects

14) Once the above has been negotiated by the two Councils and an agreement in principle has been reached:

- Negotiate with State Government regarding incentive to be provided to the new entity:
    - Cost of undertaking risk and due diligence assessments of the potential merger.
    - What incentive is to be provided to the new entity in funding over and above costs:-
        - Pay out debt.
        - Cost of rehabilitation of contamination at Kambalda.
        - Cost to develop upgraded Coolgardie Waste Facility into regional site.
        - Refurbishment of the Coolgardie Pool.
        - Kalgoorlie-Boulder items.

15) Once the final outcomes of the above are committed then the Shire wishes to:

- Survey/consult with its community as to the proposal and the points of agreement or not.
- Assess the Audit findings from the 2024/25 financial year planned for October 2025.
- Assess the progression of the 2025/26 Budget and actions taken and projects completed.
- Assess the impact of the disposal of the Bluebush village on the Shire finances and loans.
- Assess the finalised financial position of the Shire of Coolgardie as at the 1 July 2026.

Conclusion

As has been presented, the Shire of Coolgardie's Position, as endorsed by Council, is to maintain its independent local government status and be allowed time to implement its Financial Recovery Plan in consultation with the Department. The Shire has seriously considered its position, as can be seen with the options provided within this brief, and would invite the Department and/or Minister's Office to engage with the Shire Council and Administration to better understand the current financial status and actions that have been put in place for the Financial Recovery.

As also detailed, the Shire's Position on a Potential Amalgamation with the City of Kalgoorlie-Boulder is not the Council's preferred option and, from early vocal indications, nor is it the Shire of Coolgardie's Community who are currently taking action into their own hands. However, if progressed would be required to be undertaken as per the Local Government Act and Regulations for an Amalgamation.

Again, Council accepts responsibility for the previous financial situation and Council are willing to take the required actions to ensure the long-term sustainability of the Shire of Coolgardie as an independent, strong and vibrant Local Government.

Appendix 3:
Financial Action Timeline

Financial Actions and Results to Date

ACTION	OUTCOME/ FINANCIAL IMPACT
Total debt as at 15 July 2025 - $27.4M	
Refinanced Shire loans into two new structures: • Loan 1: $12.5M – 10 years (3 years interest only, 7 years principal & interest) • Loan 2: $12.5M – interest only for 5 years	Increased cash flow by over $2M in 2024/25 and provides $11.4M in cash flow towards repayments over 2 years.
Converted $4M in short-term creditor debt into long-term debt	Managed under second refinanced loan
ACEO personally authorising all Purchase Orders; urgent purchases only	Estimated savings of over $500K since November
Ceased all non-essential consultants	Estimated savings of $300K
Ceased all non-essential contractor works	Estimated savings of over $1M
Ceased staff recruitment and placed vacancies on hold	Estimated saving of $400K
Sold Coolgardie Waste Site compactor	Generated $220K from sales
Resolved Coolgardie Wastewater Liner legal action	Council to receive approx. $170K in July 2025
Increased fees and charges where appropriate	Immediate revenue increase of $50K+, long-term gains expected
Increased debt recovery action	Large reduction in outstanding debtors
Reduced Waste Site hours in Coolgardie and Kambalda	Estimated annual savings of $350K+
Estimated Total Debt as at 30 June 2026 if Bluebush Village - $13.2M (with cash held in reserve est $6 - $8 Mill and any other savings surplus achieved by the Shire	
Estimated Debt if Bluebush Village is not sold as at the 30 June 2026 $25.7 Mill less any surplus achieved by Council during the year.	

Expected Benefits in 2025/26

BENEFIT	FINANCIAL IMPACT/NOTES
Repayment of remaining outstanding creditors	Full clearance expected
Loan cash flow savings	Over $3M in savings
Continued reduced staffing levels	Estimated savings of $500K (not preferred, but strategic due to potential boundary change/amalgamation)
Annual savings from reduced Waste Site hours	$500K+
Increased revenue from fees and charges	Estimated increase of $250K+
Completion of road works	Eliminates $2.5M liability; frees $1.7M in cash flow for 2026/27
Tender for sale of Bluebush Village (late July/August)	Potential to repay CBA loan(s); could result in $600K in annual interest savings
Final payment on Vestone Capital Lease (June 2026)	2026/27 savings of $1.5M in cash flow
Reduction in legal fees (post-investigations)	Estimated savings of $150K
Increase in Rate Income	Increased revenue **of $2.2 Mill**
Focus Minerals purchase of Wastewater	Potential $275K per annum

Additional Expected Benefits in 2026/27

BENEFIT	FINANCIAL IMPACT/NOTES
Repayment of one CBA loan in 25/26	Return to Council $600K in interest savings direct to cash flow.
Repayment of Vestone Lease on Camp	Return $1.7 Mill in loan repayments and interest direct to cash flow.
Ongoing waste site reduction in costs	Savings of $350K +
Continued increased rate income but minor additional increase as per Rate Strategy of 4%	Increase in rates of $592K
Additional repayment of second CBA loan minimal repayment of 50%	Increase cash flow from Interest savings of $300K +
Completion of Road works in 25/26	frees $1.7M in cash flow for 2026/27 by not having to repay this grant liability