



Shire of Coolgardie

Long Term Financial Plan 2027 – 2037

Table of Contents

Executive Summary.....	1
Background	4
Introduction	7
Strategic Direction	8
Model Assumptions	11
Financial Assumptions	11
Revenue Assumptions	11
Expenditure Assumptions.....	14
Capital Assumptions	16
Financial Reporting	17
Statement of Comprehensive Income	18
Statement of Financial Activity	19
Statement of Cash Flows	20
Statement of Financial Position.....	21
Statement of Reserves	22
Infrastructure Renewal Program	24
Sensitivity Analysis	25
Rates	25
Fees and Charges	26
Employee Costs.....	27
Materials and Contracts	28
Financial Ratios.....	29
Current Ratio	29
Operating Surplus Ratio.....	30
Debt Service Coverage Ratio.....	31
Net Financial Liabilities Ratio	32
Local Government Financial Indicator	33
Review of Long Term Financial Plan.....	34

Executive Summary

The Shire of Coolgardie's Long Term Financial Plan (LTFP) provides a clear and disciplined financial strategy to support the delivery of the community's aspirations identified in the Council Plan. It provides a framework for sound financial decision making, balancing the need to maintain long-term financial sustainability with the continued delivery of essential services, investment in community infrastructure, and prudent management of debt and cash flow.

Covering the period from 1 July 2026 to 30 June 2037, the LTFP uses the adopted 2026/27 Annual Budget as its baseline year. Using the Shire's most current financial position as the foundation for the model provides realistic and transparent projections of future income, expenditure and capital commitments. The LTFP is intended to remain a dynamic planning document and will be reviewed and updated annually to reflect changes in economic conditions, community priorities, Council decisions and the Shire's financial position. This ongoing review process will ensure the Plan remains relevant and responsive throughout the duration of the plan.

The LTFP has been developed having regard to the Shire's existing financial commitments, future obligations and operational requirements. It incorporates the refinancing of existing debt to manage short-term repayment pressures, while providing for borrowings to be substantially repaid over the life of the Plan. The financial projections also recognise the Shire's current levels of service and the staffing resources necessary to maintain those services, acknowledging the importance of maintaining appropriate service standards for the community.

In preparing the projections, Council has considered existing expenditure patterns and operational requirements, while adopting a prudent approach to forecasting future revenues and avoiding undue reliance on uncertain or non-recurrent income sources. This approach is intended to ensure that the LTFP remains realistic, financially sustainable and capable of responding to both current circumstances and the Shire's longer-term objectives.

To support the continued achievement of these objectives, Council will regularly review the Shire's financial position and underlying assumptions. Expenditure will continue to be assessed to identify potential efficiencies, revenue streams will be monitored for performance and ongoing sustainability, and opportunities to rationalise or dispose of non-core infrastructure and assets will be considered where appropriate. Together, these measures provide Council with the flexibility to respond to changing circumstances while ensuring available resources remain focused on the services and infrastructure that provide the greatest benefit to the community.

Importantly, the LTFP provides a key framework for Council decision making by aligning the Shire's financial capacity with its strategic priorities. This alignment supports the efficient allocation of resources, ensures projects and services are planned within realistic funding parameters, and provides the community with confidence that the Shire continues to manage its financial resources in a prudent, transparent and accountable manner.

Purpose and Context

The Shire has made significant investments in strategic infrastructure over recent years, including Bluebush Village, the Coolgardie Waste Facility and the Kambalda Aerodrome. These investments were undertaken to diversify revenue streams, reduce reliance on rates and support longer-term economic development within the district. While these initiatives generated additional revenue and economic opportunities, the timing and level of financial returns from some investments were below initial expectations, contributing to elevated debt levels and significant cash flow pressures.

The level of debt, together with the delayed financial performance of these assets, placed considerable pressure on the Shire's liquidity and reduced its financial flexibility. These pressures became particularly evident during late 2024, resulting in the implementation of tighter expenditure controls and the deferral of a number of capital works and other non-essential expenditure while the Shire focused on stabilising its financial position.

As at 30 June 2024, the Shire's total debt was approximately \$30.50 million, creating significant cash flow constraints and limiting the capacity to respond to emerging priorities. In response, the Shire undertook a refinancing program during FY25 which restructured repayment schedules, extended loan terms and incorporated interest-only periods. These measures provided important short-term cash flow relief and supported the continued delivery of core services while the Shire progressed a broader program of financial recovery.

A significant milestone in this recovery was the sale of Bluebush Village during FY26. Following the sale, Council resolved to apply the proceeds toward the reduction of borrowings, resulting in a substantial decrease in the Shire's overall debt position and significantly improving its long-term financial outlook.

The reduction in borrowings has materially improved the Shire's financial position by reducing the ongoing burden of principal and interest repayments and improving cash flow flexibility. The remaining debt is considered manageable within the Shire's long-term financial capacity and is progressively reduced over the life of the LTFP.

To support the management of future debt obligations, Council has established a Debt Management Reserve, with funds set aside to assist with future principal and interest repayments. This prudent approach strengthens the Shire's financial resilience while allowing it to continue rebuilding reserves and unrestricted cash balances.

The sale of Bluebush Village, reduction in borrowings and establishment of the Debt Management Reserve represent important components of the Shire's broader financial recovery strategy. Together with continued expenditure discipline and careful cash flow management, these measures have strengthened the Shire's financial position and provide greater capacity to sustainably fund service delivery, asset renewal and future capital investment.

This improved position allows the LTFP to focus on consolidating the Shire's financial recovery, rebuilding reserves and unrestricted cash, and maintaining a sustainable balance between community service delivery, infrastructure investment and long-term financial capacity.

Actions to Stabilise and Strengthen Finances

This plan outlines the actions that have, and will, be taken to stabilise the Shire's finances, pay down debt, rebuild reserves, and ensure the Shire's financial position is secure. A key focus is the management of the Shire's high debt levels, which were incurred as a result of strategic infrastructure investment. The LTFP sets out a pathway to gradually reduce borrowings to nil over the course of the plan, while avoiding the need for any additional borrowings beyond the refinancing of existing debt.

In parallel, the plan places strong emphasis on improving cash flow management. A key objective is to rebuild unrestricted cash reserves, ensuring the Shire has sufficient liquidity to comfortably meet its financial commitments during the period leading up to the annual collection of rates and receipt of grant funding. Achieving reserve targets will also strengthen the Shire's capacity to manage unexpected costs or delays in external funding, providing a financial buffer that enables Council to maintain stability, avoid disruption to essential services, and respond proactively to emerging community needs or investment opportunities.

Equally important is the Shire's commitment to maintaining operating efficiency. The plan includes a comprehensive review of all services, operations, and staffing levels to ensure costs are controlled without compromising the delivery of essential services to the community. By implementing more efficient service delivery models, identifying savings opportunities, and leveraging external funding where available, the Shire can maintain service quality while steadily reducing reliance on rate increases. Together, these measures provide a disciplined and responsible framework that not only addresses immediate financial challenges but also positions the Shire for long term sustainability and growth.

Strategic Priorities

At the commencement of FY26, the Shire faced a significant backlog of capital infrastructure works. During FY26, the Shire successfully cleared the backlog of road works, representing an important step in restoring the delivery of its capital program to a sustainable and manageable level. A number of other infrastructure projects were deferred and have subsequently been incorporated into the FY27 Annual Budget for completion.

Over the life of the plan, the Shire will continue to invest heavily in its asset base, ensuring that infrastructure is maintained, renewed or expanded in a sustainable and financially responsible manner.

Key priority projects to be incorporated into the plan:

- Road Infrastructure Renewal Program
- Kambalda Aged Accommodation
- Coolgardie Swimming Pool Refurbishment
- Waste and Sewerage Facility Upgrades
- Bayley Street Revitalisation
- Micro Grid System
- Plant Replacement Program

Financial Capacity

The LTFP demonstrates the Shire's capacity to sustain an average of \$10.39 million in annual capital expenditure across the Plan, supported by assumed annual rate increases of approximately 4% and minimal forecast growth. Funding of major projects is contingent on securing external grant funding and, in some cases, projects may be deferred or not delivered if the required funding is not secured.

Financial Outcomes

Key financial highlights of the LTFP include:

- Debt reduction: total borrowings reduced from \$25.71 million in FY26 to nil by FY36.
- No additional borrowings proposed beyond the refinancing of existing debt.
- Cash flow recovery: cash and cash equivalents of \$9.03 million by FY37.
- Reserves growth: reserves increase from \$0.69 million in FY26 to \$6.06 million in FY37.
- Unrestricted cash of \$2.97 million

Rating Strategy

This year Council reviewed its rating strategy to introduce additional Unimproved Value (UV) rating categories for Prospecting, Exploration, and Other Mining. This change ensures that rating categories more accurately reflect the differing levels of land usage and impact associated with each activity. A similar review will be undertaken in coming years for Gross Rental Value (GRV) categories, with the aim of refining residential, commercial, and industrial classifications to maintain fairness and equity across the rating system.

The overall strategy has been developed with long-term financial sustainability in mind. For modelling purposes, the LTFP assumes annual rate increases of approximately 4% over the planning period, providing a stable basis for forecasting future revenue while recognising that actual rates will continue to be determined annually through the budget process.

Risks and Funding Dependencies

A key risk within the LTFP is the reliance on external grant funding for several major community projects. While most funding allocations are confirmed, three projects include unconfirmed external contributions:

- Coolgardie Swimming Pool Refurbishment: \$3 million grant funding required for the \$6 million project.
- Bayley Street Revitalisation: \$6 million grant funding required for the \$9 million project.
- Micro Grid Facility: \$3 million grant funding required for the \$4 million project.

It would be unrealistic not to include these projects within the LTFP, as excluding them would leave the Shire unable to responsibly plan for their completion. Their inclusion demonstrates both the Shire's intent and preparedness to deliver should funding be secured. However, there remains a risk that some projects may need to be deferred, re-scoped, or not completed if the required funding cannot be obtained.

Measuring Performance

The LTFP will be monitored against the Local Government Financial Indicator (LGFI) to assess performance and sustainability over time. The LTFP forecasts the LGFI to achieve a score of 78 by the end of FY27, before peaking at 96 at the conclusion of the plan in FY37. This improvement demonstrates the effectiveness of the strategies implemented, and the Shire's strengthened financial position.

This is a significant improvement from FY24 when the LGFI score was 27. This substantial improvement highlights the Shire's commitment to long-term sustainability, prudent financial management, and the delivery of stable, reliable services to the community.

The Shire of Coolgardie's LTFP provides a realistic and responsible roadmap for delivering on the community's aspirations while ensuring financial sustainability. Through disciplined financial management, a focus on building reserves and unrestricted cash, and a commitment to reducing debt, the Shire is well placed to meet current challenges and secure long-term prosperity for its community.

Background

Gold Discovery and Establishment

The development of the Shire of Coolgardie has been closely linked to the economic cycles of the Eastern Goldfields region of Western Australia. This historical overview provides context for the Long-Term Financial Plan by outlining key events that have shaped the Shire's development, economic structure and financial environment.

1890's – Gold Discovery and Establishment of the District

1892 – Gold was discovered in the region by Arthur Bayley and William Ford, triggering one of the largest gold rushes in Australian history.

1893–1895 – Coolgardie rapidly became the administrative and commercial centre of the Eastern Goldfields and one of the largest towns in Western Australia at the time.

1895 – Establishment of the Coolgardie Municipality to provide local governance during the peak of the Goldfields boom.

During this period the region experienced rapid population growth and significant infrastructure development including roads, water supply infrastructure and civic facilities.

Early 1900's – Regional Consolidation

As mining activity stabilised and populations shifted towards Kalgoorlie, Coolgardie transitioned from the primary Goldfields centre to a regional service hub.

Local government structures evolved over time through the consolidation of municipalities and road districts to reflect changing population patterns, eventually resulting in the formation of the modern Shire of Coolgardie local government district.

1960's – Nickel Boom and Development of Kambalda

1966 – Discovery of significant nickel deposits near Kambalda by Western Mining Corporation.

Late 1960s – 1970s – Rapid development of Kambalda East and Kambalda West to support the nickel mining industry.

The nickel boom resulted in significant population growth, large-scale housing and infrastructure development, and expansion of community services and facilities across the district.

1980's – 2000's – Mining Cycles and Population Change

The latter decades of the 20th century saw several cycles of growth and contraction in the mining industry.

Key impacts included fluctuations in population levels, changing housing demand, periodic mine closures and restarts, and varying levels of economic activity within the Kambalda region.

These cycles influenced the Shire's long-term planning requirements and infrastructure demand.

2000's to 2010's – Regional Stabilisation

During the early 2000s the Shire experienced a period of relative stability, with mining activity continuing across the region and the Shire maintaining a range of community infrastructure and services.

The Shire continued to manage extensive assets including road networks, community and recreation facilities, waste management infrastructure, public buildings and community services.

As with many regional local governments, the cost of maintaining infrastructure relative to the Shire's population base has remained an ongoing challenge.

2010's – Infrastructure Investment and Strategic Projects

Over the past decade the Shire has pursued several strategic initiatives aimed at improving regional liveability, supporting economic activity and enhancing community infrastructure.

These initiatives have included upgrades to community infrastructure, development of regional tourism and recreation assets, and investment in municipal infrastructure.

While these initiatives have delivered benefits to the community, they have also contributed to financial pressures when projects have required borrowing or generated ongoing operational costs.

2024-2025 – Financial Challenges and Recovery Measures

During the period leading up to the 2024–2025 financial year the Shire faced increasing financial pressures associated with debt obligations related to previous capital projects, constrained cash reserves, infrastructure maintenance demands and limited revenue growth due to a relatively small ratepayer base.

In response, the Shire implemented a Financial Recovery Plan aimed at strengthening governance, improving financial oversight and establishing a pathway to long-term financial sustainability.

Present Day

Today the Shire continues to play an important role in supporting the Goldfields economy and community. While challenges remain, particularly in relation to financial sustainability and asset management, the Shire has taken steps to improve its financial position and governance framework.

The preparation of the Long-Term Financial Plan is a key component of the Shire's financial recovery and strategic planning processes and will guide responsible financial decision-making over the coming decade.

The table below shows the key characteristics of the Shire of Coolgardie as per the 2021 Census data provided.

Category Description	2021 Coolgardie Census Data	2021 State (WA) Census Data
People and Population		
Population	3478	2,660,026
Male: Female ratio	54:46:00	50:50
Median age	38	38
Children and young teens (0-14)	20.0%	19.0%
Working age (15-64)	68.7%	65.0%
Seniors (65+)	11.3%	16.1%
Median household income	1893	1,815
Tertiary qualification	6.5%	21.3%
Weekly rent	200	340
Rent affordability (as a % household income)	10.6%	18.7%
Cultural Diversity (Ancestry)		
Australian	22.2%	29.7%
English	30.2%	37.6%
Australian Aboriginal	8.9%	3.0%
Scottish	7.8%	8.7%
Irish	6.4%	8.8%
Religion		
Catholic	10.4%	18.7%
Anglican	8.6%	10.1%
Christian	3.0%	3.4%
No Religion / Not Stated	43.1%	42.5%
Employment Status		
Worked full-time	63.9%	57.1%
Worked part-time	20.9%	32.0%
Away from work	9.5%	5.8%
Unemployed	5.5%	5.1%
Industry of Employment		
Gold Ore Mining	30.7%	1.3%
Local Government Administration	4.1%	1.4%
Other Mining Support Services	3.8%	0.7%
Supermarket and Grocery Stores	3.6%	2.4%
Other Basic Non Ferrous Metal Manufacturing	3.4%	0.1%

Introduction

Long Term Financial Plan

The LTFP is designed to ensure that the Shire of Coolgardie is well positioned to achieve the objectives of its overarching Council Plan. The LTFP is a key component of the Shire's integrated planning framework, providing the financial foundation to guide internal decision making and confirm that the planned capital program is both deliverable and sustainable, without placing the long term financial health of the organisation at risk.

Recognising the dynamic nature of the assumptions on which it is based, the LTFP will be reviewed regularly and updated as required to ensure it remains relevant and fit for purpose. Unforeseen events, shifts in strategic direction, or the availability of additional grant funding are all factors that must be carefully considered in relation to the currency of the plan. Even seemingly minor variations can have a cumulative effect on the Shire's long-term financial position and its capacity to deliver capital works, underscoring the importance of continuous monitoring and adjustment.

Long Term Financial Plan Objectives

The financial objectives of the LTFP are to:

- Develop an adaptable, forward-looking financial model that provides a clear indication of the sustainability of Council's proposed actions, enabling the organisation to respond effectively to the evolving needs of the community.
- Ensure that all strategic decisions are made within Council's agreed parameters and financial benchmarks.
- Strengthen transparency and accountability in Council's financial management, providing the community with confidence in decision-making processes.
- Promote continuous financial improvement by encouraging cost control, fostering the early identification of financial challenges, and supporting the consideration of alternative funding models where appropriate.

Financial Strategies

The Shire of Coolgardie recognises that increasing rates alone is not a sustainable solution to meeting the Shire's ongoing financial and service delivery requirements. Council remains committed to providing infrastructure and services to the community in a manner that is affordable, efficient and financially responsible.

To achieve this, the Shire will continue to diversify its revenue base, pursue external funding opportunities, regularly review service delivery models and carefully manage expenditure to ensure value for money for ratepayers. Accordingly, the LTFP is underpinned by the following financial strategies and principles:

- Maintain a fair and equitable rating structure.
- Continue to support community organisations where appropriate and financially sustainable.
- Encourage greater utilisation of Shire-operated facilities.
- Recognise that not all community facilities and services can operate on a full cost recovery basis.
- Increase revenue from non-rating sources wherever practicable.
- Maximise grant funding and other external funding opportunities to support operational activities and infrastructure investment.
- Apply appropriate cost recovery principles to services that are commercial in nature.
- Regularly review service delivery methods to identify opportunities for improved efficiency and value for money.
- Identify services that may benefit from regional collaboration or shared service delivery arrangements.
- Invest in technology and systems that deliver sustainable operational efficiencies and improved service delivery.
- Maintain prudent debt management practices and ensure future borrowings are only undertaken where financially sustainable and strategically justified.
- Maintain and renew existing infrastructure at an appropriate and sustainable standard.
- Seek a minimum of 50% external funding support for new community facilities, wherever practicable.
- Where appropriate, rationalise or replace existing facilities with multi-purpose facilities to reduce future capital renewal and operating costs.
- Continue to strengthen cash reserves and unrestricted cash to improve the Shire's long-term financial resilience and capacity to respond to future priorities.

Strategic Direction

The LTFP demonstrates the Shire's capacity to deliver on the goals and aspirations identified in the Council Plan which has integrated the Strategic Community Plan and Corporate Business Plan. It extends the financial outlook beyond the four-year aspect of the Council Plan to provide an assessment of the Shire's longer-term financial capacity and sustainability.

The primary purpose of the LTFP is to assess whether the strategic direction established through the Shire's integrated planning framework can be achieved without compromising the long-term financial sustainability of the organisation. It provides an important link between Council's strategic priorities and the financial resources available to deliver them, while ensuring the ongoing viability of Shire operations.

The LTFP provides information to assist Council in assessing the financial resources required to achieve community objectives in a responsible and sustainable manner. Financial projections are based on the best information, assumptions and estimates available at the time of preparation and are intended to provide an indication of likely future outcomes rather than represent fixed commitments. As priorities, operating conditions and financial circumstances change, the LTFP will be reviewed and updated to ensure it remains current and aligned with the Shire's strategic direction.

The LTFP also forms an integral part of the Shire's Integrated Planning and Reporting Framework, linking the Council Plan with the Shire's Asset Management Plans, Workforce Plan, issue- and area-specific plans and Annual Budget. Collectively, these documents establish an ongoing cycle of planning, resourcing, delivery and review, ensuring the Shire's activities remain strategically focused, financially sustainable and responsive to the needs and priorities of the community.



Council Plan 2026–2036

The Shire of Coolgardie's Council Plan 2026–2036 is the Shire's highest-level planning document and establishes the strategic direction for the Shire and its communities over the next ten years. The Council Plan integrates the 10-year vision, aspirations and priorities of the Strategic Community Plan with the four-year delivery program of the Corporate Business Plan, providing a single framework to guide Council decision making, service delivery, investment and resource allocation.

The Council Plan was developed following extensive community engagement undertaken during 2026 and reflects the priorities identified by residents, businesses, community groups, Elected Members and staff. It provides the basis for the Shire's annual budgets and is supported by the Long Term Financial Plan, Asset Management Plan and Workforce Plan to ensure Council's priorities are considered against the Shire's available financial, asset and workforce capacity.

Community Vision

A connected, progressive and welcoming community.

Strategic Pillars and 10-Year Goals

The Council Plan establishes four strategic pillars — Community, Economy, Environment and Governance, supported by 10-year goals that reflect the priorities identified through community engagement.

Community

- 1.1 Support the health, wellbeing and safety of our communities.
- 1.2 Foster a connected, inclusive and culturally respectful community through Shire facilities and services.
- 1.3 Celebrate and promote the Shire of Coolgardie's unique heritage and culture.

Economy

- 2.1 Grow tourism across the Shire.
- 2.2 Enabling services and infrastructure support economic growth.
- 2.3 Secure external funding opportunities for strategic projects.
- 2.4 Plan, deliver and maintain infrastructure across the Shire in a sustainable and cost-effective manner.

Environment

- 3.1 Provide compliant and efficient environmental infrastructure and services that protect public health and preserve the environment.

Governance

- 4.1 Provide a high standard and responsive customer service.
- 4.2 Maintain transparent, accountable and effective governance across the Shire.
- 4.3 Maintain a capable, efficient and collaborative organisation.

The Long Term Financial Plan is an important resourcing component of the Council Plan, providing the longer-term financial framework against which Council can assess the affordability and sustainability of its strategic priorities. The Council Plan specifically identifies financial sustainability, debt reduction, cash flow recovery and reserve growth as important organisational objectives, reinforcing the direct relationship between the Council Plan and the financial strategies contained within this LTFP.

Annual Budget

The annual budget process is guided by the Shire's strategic and business planning activities and is undertaken in accordance with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996. It is reviewed each year to ensure compliance, accuracy, and relevance, and serves as the mechanism for updating the Council Plan and other associated planning documents within the Shire's Integrated Planning and Reporting Framework.

Importantly, the annual budget represents the operational expression of the Shire's long term planning. It translates the community's aspirations, as outlined in the Council Plan, into funded projects and services, while also ensuring alignment with the financial parameters set out in the LTFP. In this way, the budget provides the bridge between strategy and delivery, ensuring that resources are directed towards the highest priorities in a responsible and sustainable manner.

Workforce Plan

The Workforce Plan outlines the human resources required to deliver the objectives of the Council Plan and sets out the strategies to address the challenges facing the Shire's workforce. It provides a strategic framework for managing both current and future organisational needs, ensuring that the Shire is equipped with the right skills, capacity, and structure to achieve its goals.

Key objectives of the Workforce Plan include:

- Identifying critical skills and positions within the organisation.
- Assessing gaps between the current workforce and future workforce requirements.
- Analysing internal and external challenges that may impact workforce capability.
- Developing strategies to address these gaps and mitigate risks associated with workforce challenges.

Asset Management Plan

The Asset Management Plan (AMP) provides a detailed assessment of the status of the Shire's infrastructure assets and identifies the renewal requirements necessary to maintain or enhance the Shire's levels of service to the community. A revised AMP was endorsed in FY26 and will continue to be updated as the Shire undertakes condition assessments of all infrastructure.

The plan adopts a whole-of-life approach, integrating operational, maintenance, renewal, and acquisition planning with appropriate funding levels to ensure that assets continue to deliver the required standard of service. The AMP also outlines the levels of infrastructure maintenance required to sustain service delivery, ensuring that the Shire can meet community expectations in a way that is both affordable and sustainable.

In addition, the AMP will assess whether certain assets should be maintained, renewed, or rationalised on a cost-versus-usage basis, ensuring that investment in infrastructure is directed towards assets that provide the greatest value to the community relative to their upkeep. This approach supports responsible asset management by aligning renewal decisions with actual demand, service outcomes, and long-term financial sustainability.

Reported levels of service and associated risks are carefully considered in the development of these plans, and asset performance will be regularly measured, monitored, and reported to support accountability and continuous improvement.

Importantly, the AMP plays a critical role in informing the LTFP by identifying the timing and cost of future renewal and replacement needs. This ensures that capital works programs are financially sustainable, renewal backlogs are managed responsibly, and infrastructure funding requirements are accurately reflected in the Shire's forward financial projections. In this way, the AMP provides the evidence base for long-term investment decisions, ensuring that the Shire's assets are managed in a way that supports community expectations, service delivery outcomes, and overall financial sustainability.

Risk Management

The Shire has established a Risk Management Framework aligned with the International Standard for Risk Management AS/NZS ISO 31000:2018. The current Risk Management Framework will be reviewed in FY27. The risk framework provides a structured and consistent approach to identifying, assessing, and managing risks across all areas of the organisation. By embedding risk management into everyday operations, the Shire ensures that potential threats are identified early, mitigation strategies are implemented, and opportunities for improvement are realised.

The framework is designed to be proactive rather than reactive, ensuring that the quality and continuity of service delivery are not adversely affected by unforeseen events or emerging challenges. It also ensures that risks are considered in the context of the Shire's strategic objectives, financial capacity, and community expectations, rather than being treated in isolation.

Risk management is fully integrated into the Shire's business planning processes, including the development of the Council Plan, LTFP, and supporting strategies. This integration ensures that exposure to risk is minimised and that decision-making is informed, transparent, and accountable. Regular monitoring, reporting, and review processes will ensure that the framework remains relevant and responsive to changing circumstances.

Importantly, the framework also informs the development of the LTFP by identifying and assessing risks associated with financial sustainability, asset renewal, service delivery, and external funding. Specific risks relevant to the Shire include:

- Downturns in the mining sector, which could significantly reduce activity at the Coolgardie Waste Facility and Kambalda Aerodrome, while also impacting broader employment and economic activity within the Shire.
- Closure or reduction of mining operations, which would have a direct effect on the Shire's rates base and lead to a decline in rates revenue.

By proactively identifying and planning for these risks, the Shire is better positioned to safeguard its financial position, protect essential services, and maintain long-term sustainability in the face of changing economic conditions.

Model Assumptions

Financial Assumptions

Like any plan there are underlying assumptions on which the basis of the plan is derived. It is important to emphasise that the projects identified in the LTFP are to be used as guidance and do not financially commit the Shire to implement those projects identified. Rather, they act as a guide towards drafting the Annual Budget and as such the LTFP, along with other associated plans, will be reviewed each year by Council during the Annual Budget process.

Underlying Principles

The following principles have been applied within the plan;

- Existing service levels will be maintained to meet community expectations.
- A fair, equitable, and sustainable rating strategy will be applied to ensure the long term financial stability of the Shire.
- Funding opportunities will be actively pursued to support the delivery of new infrastructure and the renewal of existing assets.
- Existing infrastructure will be maintained in line with agreed service level reviews, ensuring assets remain fit for purpose and financially sustainable.

Major Projects

The following key projects have been identified as priorities within the plan;

- Road Infrastructure Renewal Program
- Housing & Aged Accommodation
- Waste Management Facilities
- Sewerage Upgrades
- Coolgardie Swimming Pool Refurbishment
- Bayley Street Upgrade
- Micro Grid System

Key Assumptions

The following table summarises the two key variables applied within the plan;

Description	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Rates*	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
CPI	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Revenue Assumptions

The following table summarises the key revenue assumptions applied within the plan;

Description	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Rates*	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Operating Grants	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Fees & Charges	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Capital Grants	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Revenue	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

RATES

Rates and Annual Charges represent the Shire's principal source of operating revenue, accounting for approximately 67% of total revenue, excluding capital grants, in FY27. The Shire's rating base remains heavily influenced by the resources sector, with approximately 76% of total rates revenue derived from mining-related properties and activities.

The FY27 rates forecast includes a provision for back rates adjustments, which temporarily reduces the level of rates revenue recognised in that year. The resulting increase in rates revenue from FY27 to FY28 therefore reflects the removal of this one-off provision as the rating base returns to a more normalised position, rather than an equivalent increase in the underlying rate burden.

From this normalised base, the LTFP provides for rate increases of approximately 4% per annum over the remainder of the planning period, consistent with the assumptions incorporated within the Council Plan 2026–2036. This approach seeks to maintain a sustainable revenue base while keeping future rate increases reasonable and affordable for the community.

Annual rate setting will continue to be considered through the budget process, having regard to the Shire's financial position, service delivery requirements, infrastructure needs and prevailing economic conditions. This supports Council's commitment to responsible financial management while maintaining sufficient capacity to deliver services, renew infrastructure and progress the priorities identified in the Council Plan.

FEES AND CHARGES

Fees and Charges represent an important source of non-rating revenue for the Shire, with approximately \$5.56 million forecast in FY27, representing around 25% of total revenue excluding capital grants. This is substantially lower than FY26, primarily reflecting the sale of Bluebush Village and the removal of revenue associated with that facility.

The Shire's principal sources of fees and charges are the Kambalda Aerodrome, Coolgardie Waste Facility, bin collection and sewerage operations, which collectively account for approximately 75% of total fees and charges revenue. Rental and leasing arrangements contribute a further 19%, with the balance generated from other services and statutory fees.

The LTFP includes a conservative reduction in Kambalda Aerodrome landing fee revenue in FY33, contributing to the decline in fees and charges forecast for that year.

Maintaining strong non-rating revenue remains an important component of the Shire's long-term financial strategy, reducing reliance on rates and supporting service delivery, asset renewal and future investment. While some revenue streams remain influenced by activity in the resources sector, this exposure is recognised as an ongoing financial risk and will continue to be monitored through the annual budget and LTFP review process.

The Shire will continue to pursue opportunities to diversify and strengthen its revenue base while maximising sustainable returns from its existing facilities and services.

OPERATIONAL GRANTS, SUBSIDIES AND CONTRIBUTIONS

The Shire historically receives approximately 6% of its operating revenue from operating grants and contributions, providing an important source of funding for the delivery of services and activities across the district.

A number of these grants, including the Commonwealth Financial Assistance Grant and Main Roads Direct Grant, are untied and received on a recurring basis. These funding streams have historically provided a relatively reliable source of revenue and have generally increased over time. Other grants, including funding supporting the Coolgardie and Kambalda Community Resource Centres, are tied to the delivery of specific services but have also remained relatively consistent from year to year.

Other operating grants and contributions are associated with specific programs, projects or funding agreements and are therefore less certain over the longer term. The Shire has, for example, received funding to support the delivery of community-led services; however, where continuation of this funding has not been confirmed, revenue has not been assumed beyond the current funding arrangements.

The LTFP therefore adopts a prudent approach to operating grants and contributions, recognising recurring funding where there is a reasonable expectation that it will continue, while excluding uncertain or short-term funding beyond confirmed arrangements. This approach avoids placing reliance on revenue that may not eventuate and ensures that ongoing service delivery is not dependent on unconfirmed external funding.

This also aligns well with the new Council Plan, which identifies financial sustainability and reliance on external funding as a strategic risk and assumes the Shire will continue to actively pursue State and Commonwealth funding opportunities.

INVESTMENT INCOME

The Shire will continue to invest funds that are surplus to its immediate operational requirements in accordance with its adopted investment policies. Surplus funds are assumed to be invested in an appropriate portfolio of term deposits and/or other permitted investments, with consideration given to security, liquidity and return.

The improvement in the Shire's cash position has resulted in a corresponding increase in investment income. This represents a significant benefit arising from the Shire's improved liquidity and its ability to maintain greater cash balances available for investment.

For long-term financial modelling purposes, the LTFP assumes that investment returns will broadly align with the CPI assumptions applied throughout the Plan. No attempt has been made to forecast short-term movements in interest rates, recognising the inherent uncertainty associated with future market conditions. This provides a consistent and prudent basis over the planning period.

As the Shire continues to strengthen its cash reserves and unrestricted cash position, investment income is expected to remain a useful supplementary source of revenue. Importantly, this revenue also provides a further indication of the Shire's improved financial position, while the primary objective remains the prudent and responsible management of available funds.

REIMBURSEMENTS AND OTHER REVENUE

The Shire receives minor revenue and reimbursements from a range of sources which, collectively, represent a relatively small proportion of its overall operating revenue.

Historically, this category has also included insurance recoveries. These amounts are generally associated with corresponding expenditure and therefore typically have little or no net impact on the Shire's overall financial position.

For the purposes of the LTFP, no allowance has been made for future insurance recoveries due to their uncertain and non-recurring nature. Other minor revenue streams are projected to increase broadly in line with CPI over the life of the Plan.

This conservative approach ensures that the LTFP does not rely on incidental or uncertain revenue sources to support ongoing operations or service delivery.

CAPITAL GRANTS AND CONTRIBUTIONS

The Shire receives capital grants and contributions to fund or subsidise the delivery of road infrastructure, community facilities and other strategic capital projects. External funding remains an important component of the Shire's capital investment program and assists in reducing the financial burden on municipal funds.

Recurring road related funding streams, including the Regional Road Group program, have been projected to increase broadly in line with CPI. Roads to Recovery funding has also been incorporated beyond the current funding program ending in FY29, reflecting the ongoing importance of this funding source to the Shire's road renewal program.

Other capital grant programs are less certain and can vary considerably depending on government funding priorities and the availability of individual grant programs. Accordingly, the LTFP adopts a prudent approach and only recognises capital funding where there is a reasonable level of confidence that funding will be available.

Where future strategic projects are dependent upon external funding, their delivery will remain subject to the Shire securing all, or a substantial proportion, of the required project funding. This is consistent with the Council Plan's emphasis on actively pursuing external funding for strategic projects and ensuring delivery remains subject to confirmed funding and the Shire's financial capacity.

This approach ensures that the capital works program remains realistic and financially sustainable, while maintaining the flexibility to take advantage of new funding opportunities as they arise. It also limits the Shire's exposure to significant unfunded capital commitments and supports the longer-term objective of strengthening reserves and unrestricted cash.

Expenditure Assumptions

The following table summarises the key expenditure assumptions applied within the plan;

Description	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Employee Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Materials & Contracts	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Utility Charges	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Finance Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Insurance	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Expenditure	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

EMPLOYEE COSTS

Employee costs encompass salaries and wages, leave entitlements, superannuation contributions, training, and workers' compensation expenses. They represent significant operating expenditure for the Shire, accounting for approximately 27% of forecast operating expenses in FY27.

For the purposes of the LTFP, employee costs have been projected to increase in line with CPI, estimated at 3% per annum over the course of the plan. This approach reflects both anticipated cost pressures and the Shire's commitment to ensuring that workforce resources remain sufficient to deliver the service levels expected by the community.

It also recognises that service levels must be reviewed regularly to ensure staffing levels remain appropriate and sustainable. This process ensures that the organisation can adapt to changing community needs, manage costs effectively, and align workforce capacity with the Shire's financial and strategic priorities.

MATERIALS AND CONTRACTS

Materials, contracts and other expenses include the expenditure required to maintain Shire facilities and infrastructure and deliver services to the community. This category represents the largest operating expense for the Shire, accounting for approximately 35% of forecast operating expenditure in FY27.

Following the sale of Bluebush Village, expenditure within this category is more evenly distributed across the Shire's operations. The Kambalda Aerodrome represents approximately 13% of total materials, contracts and other expenses, followed by waste management operations at 8%, road and town maintenance at 7%, and sewerage operations at 6%. The balance relates to the Shire's broader range of facilities, services and operational activities.

The LTFP includes a reduction in Kambalda Aerodrome operating costs in FY33, reflecting the corresponding forecast reduction in passenger activity and landing fee revenue. This recognises that some operating costs are variable and are expected to reduce where activity levels decline.

While some expenditure remains influenced by activity in the resources sector, this exposure is recognised as an ongoing financial risk and will continue to be monitored through the annual budget and LTFP review process. Expenditure will also be regularly reviewed to ensure services continue to be delivered efficiently and provide value for money.

For the purposes of the LTFP, materials, contracts and other expenses have otherwise generally been projected to increase in line with the relevant inflation assumptions over the life of the Plan.

FINANCE COSTS

Although interest on borrowings represents a relatively small proportion of total operating expenditure, the management of debt remains an important component of the Shire's long-term financial strategy. The significant reduction in borrowings following the sale of Bluebush Village has substantially reduced the Shire's exposure to interest costs and improved its overall cash flow position.

During FY26, Bluebush Village was sold and Council resolved to apply the sale proceeds towards the repayment of borrowings. This resulted in a substantial reduction in the Shire's overall debt position, with the remaining borrowing requirement of approximately \$5.46 million refinanced.

The LTFP provides for the progressive repayment of the remaining debt over the planning period and makes no provision for additional borrowings. Council has also established a Debt Management Reserve to quarantine funds for future principal and interest commitments, providing greater certainty that these obligations can be met without placing undue pressure on future operating cash flows.

This approach reflects Council's continued commitment to prudent debt management and financial sustainability. With debt now at a significantly more manageable level, the Shire is better positioned to direct future financial capacity towards rebuilding reserves and unrestricted cash, maintaining existing assets and services, and funding future capital priorities through a combination of municipal funds and external grants.

By reducing the principal outstanding, the application of sale proceeds will materially lower the total interest burden across the plan, improving overall financial sustainability.

UTILITY COSTS

Utility costs represent approximately 4% of the Shire's total operating expenditure. For the purposes of the LTFP, these costs have been forecast to increase at a rate equivalent to 1.5 times the CPI, reflecting ongoing upward pressure on energy and utility pricing.

These assumptions recognise recent volatility in utility markets; however, they will be subject to ongoing monitoring and review as part of the annual LTFP update process to ensure they remain aligned with prevailing market conditions.

INSURANCE COSTS

Insurance costs represent approximately 2% of the Shire's operating expenditure. For the purposes of the LTFP, these costs have been projected to increase in line with CPI, consistent with historical trends. Insurance coverage will be reviewed regularly to ensure that appropriate levels of protection are maintained, and any changes in the Shire's risk profile, asset base, or operating environment are reflected in future forecasts.

OTHER COSTS

Other costs represent approximately 6% of the Shire's operating expenditure. This category typically includes expenditure associated with health service arrangements, elected member costs, and rates recovery activities, as well as a range of minor costs such as statutory fees and charges, taxes, provisions for bad debts, and donations or subsidies provided to community groups.

FAIR VALUE ADJUSTMENTS

The Shire of Coolgardie holds non-current assets which are required under Regulation 17A of the Local Government (Financial Management) Regulations 1996 to be revalued at least once every 5 years. The LTFP does not include any projections related to fair value adjustments to avoid an inaccurate representation of the Shire of Coolgardie's asset base.

Capital Assumptions

CAPITAL WORKS AND INFRASTRUCTURE

The Shire of Coolgardie has developed an Infrastructure Renewal Program which outlines the proposed expenditure requirements for new infrastructure assets, ongoing asset management and the replacement of existing assets. This program provides a forward-looking view of the Shire's anticipated capital works requirements over the next decade.

The Infrastructure Renewal Program is not a formally adopted plan of Council, but rather an indicative estimate based on the best available information at the time of preparation. The cost and timing estimates, together with the assumptions underpinning the program, are prepared by management using the most recent and reliable data available. As such, the program should be viewed as a planning tool to guide future decision-making and prioritisation, with all projects subject to Council approval and the availability of funding at the time of implementation.

Some of the highlights throughout the course of the plan include;

Project	Estimated Cost	Timing
Road Infrastructure Renewal Program	\$41,131,924	FY27-37
Land & Buildings Renewal	\$10,820,000	FY27-37
Waste Management Facilities	\$9,400,000	FY27-37
Bayley Street Upgrade	\$9,025,000	FY29-30
Plant Replacement Program	\$7,674,000	FY27-37
Coolgardie Sewerage Upgrades	\$7,500,000	FY27-37
Other Infrastructure Renewal	\$7,140,000	FY27-37
Coolgardie Swimming Pool	\$6,150,000	FY27-28
Micro Grid System	\$4,000,000	FY31-32
Parks, Ovals & Playground Renewal	\$4,835,000	FY27-37
Footpath Renewal Program	\$4,800,000	FY27-37
ICT & Equipment Renewal	\$1,339,000	FY27-37
ERP Implementation	\$500,000	FY29

DEPRECIATION

Depreciation is the systematic allocation of the cost of the Shire's infrastructure, property, plant, and equipment over their estimated useful lives, and it represents approximately 26% of the Shire's operating expenditure. Depreciation is calculated in accordance with Australian Accounting Standards and the Local Government (Financial Management) Regulations 1996, ensuring consistency and compliance across reporting periods.

While it accounts for a significant proportion of reported costs, depreciation is a non-cash item, meaning it does not represent an actual outflow of funds and therefore does not directly impact the Shire's cash flow position. Instead, it reflects the gradual consumption of the economic value of assets over time. Depreciation rates are reviewed regularly to ensure they accurately reflect the useful life of the Shire's assets.

The table below shows the current details of the asset classes and useful lives applied to each of them;

Asset Class	Useful Life
Land & Buildings	3-50 years
Furniture & Equipment	3-40 years
Plant & Equipment	5-20 years
Roads - Formation	not depreciated
Roads	15-90 years
Footpaths	20-60 years
Drainage	75 years
Parks & Ovals	5-50 years
Sewerage	10-100 years
Kerbing	60 years
Other Infrastructure	2-50 years
Landfill Assets	6.5 years
Right of Use Assets	3-7 years

Financial Reporting

The LTFP and the assumptions and projections used within are supported by a resulting suite of financial statements covering the period FY27 to FY37.

The financial suite of documents used to support the LTFP includes;

(a) Statement of Comprehensive Income

This statement outlines all Council's sources of income, including Capital Grants and contributions and all operating expenses, including depreciation. This statement does not include capital expenditure. The net operating result for each year is calculated as total operating income less total operating expenses. The result is then shown as a surplus or a (deficit) and is a measure of Council's performance.

(b) Statement of Financial Activity

This is a forecast summary starting with the operating surplus or (deficit) from each year and adding back depreciation being a non-cash item. The summary considers other funding inflows and outflows to display a net cash result, which is then managed via the reserves to ensure that Council maintains appropriate funding levels to support activities.

(c) Statement of Financial Position

The Statement of Financial Position details what Council owns (assets) and what it owes (liabilities) at a given point in time. Council's net worth is determined by deducting total liabilities from total assets, which results in Equity.

(d) Statement of Cash Flows

The Statement of Cash Flows summarises the actual flows of cash for each year and explains the change in cash balance held from the start of the year to the end of the year. The report shows where Council has received cash from and what it has spent it on.

(e) Statement of Reserves

The Statement of Reserves details Council's reserve balances at the start of each year and the end of each year. All reserves are cash backed assets. Reserves are held to provide for future upgrade or provision of new infrastructure and assets.

(f) Infrastructure Renewal Program

This is a summary of the proposed capital expenditure for existing or proposed new infrastructure throughout the course of the plan. The summary includes depreciation and information relating to the disposal of any assets within each of the asset classifications.

Statement of Comprehensive Income

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE											
Rates	15,162	16,577	17,240	17,930	18,647	19,393	20,168	20,975	21,814	22,687	23,594
Operating Grants & Contributions	1,451	2,328	2,396	2,466	2,539	2,613	2,690	2,769	2,850	2,934	3,021
Fees & Charges	5,562	6,040	6,270	6,510	6,760	7,020	6,247	6,487	6,736	6,995	7,264
Interest on Investments	321	267	274	259	323	369	365	463	576	566	572
Other Revenue	106	109	112	116	119	123	126	130	134	138	142
TOTAL REVENUE	22,601	25,321	26,292	27,281	28,388	29,518	29,597	30,824	32,111	33,320	34,593
EXPENDITURE											
Employee Costs	7,281	7,000	7,210	7,426	7,649	7,878	8,115	8,358	8,609	8,867	9,133
Materials & Contracts	9,637	8,406	8,647	8,895	9,150	9,413	9,683	9,962	10,249	10,545	10,850
Utility charges	1,000	1,045	1,092	1,142	1,193	1,247	1,303	1,361	1,423	1,487	1,553
Depreciation	7,038	6,465	6,694	7,033	7,313	7,540	7,807	8,031	8,225	8,504	8,793
Interest expense	331	296	268	241	211	180	147	113	75	39	0
Insurance expense	537	553	570	587	604	623	641	660	680	701	722
Other expenditure	1,556	1,600	1,647	1,695	1,745	1,797	1,850	1,904	1,960	2,018	2,078
TOTAL EXPENDITURE	27,382	25,365	26,128	27,018	27,865	28,677	29,545	30,390	31,222	32,161	33,129
Loss on Disposal of Assets	(185)	0	0	0	0	0	0	0	0	0	0
Profit on Disposal of Assets	34	0	0	0	0	0	0	0	0	0	0
Capital Grants & Contributions	3,280	3,404	6,071	5,283	2,100	3,600	3,600	2,100	2,100	2,200	2,500
NET RESULT FOR PERIOD	(1,651)	3,359	6,235	5,545	2,623	4,441	3,652	2,534	2,989	3,359	3,964
Changes in asset revaluation surplus	0	0	0	0	0	0	0	0	0	0	0
TOTAL COMPREHENSIVE INCOME FOR PERIOD	(1,651)	3,359	6,235	5,545	2,623	4,441	3,652	2,534	2,989	3,359	3,964

Statement of Financial Activity

	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000	2033 \$'000	2034 \$'000	2035 \$'000	2036 \$'000	2037 \$'000
Opening Surplus / (Deficit)	(319)	0	0	0	0	0	0	0	0	0	0
Result from Operating Activities	(4,931)	(45)	164	262	523	841	52	434	889	1,159	1,464
NON CASH AMOUNTS EXCLUDED FROM OPERATING ACTIVITIES											
(Profit) / Loss on Sale of Assets	151	0	0	0	0	0	0	0	0	0	0
Depreciation	7,038	6,465	6,694	7,033	7,313	7,540	7,807	8,031	8,225	8,504	8,793
Movements in assets and liabilities	37	36	0	(600)	0	0	(947)	(1,698)	0	0	0
Amount attributable to Operating Activities	7,226	6,500	6,694	6,433	7,313	7,540	6,860	6,334	8,225	8,504	8,793
INVESTING ACTIVITIES											
Purchase of Property, Plant & Equipment	(1,283)	(1,075)	(1,550)	(1,075)	(1,125)	(1,425)	(1,425)	(1,925)	(2,525)	(2,925)	(4,000)
Purchase of Infrastructure	(7,319)	(8,015)	(11,353)	(9,938)	(7,816)	(10,379)	(7,635)	(5,595)	(8,507)	(8,440)	(8,985)
Capital grants, subsidies and contributions	3,280	3,404	6,071	5,283	2,100	3,600	3,600	2,100	2,100	2,200	2,500
Proceeds from sale of assets	65	240	240	240	240	240	240	240	240	400	400
Amount attributable to investing activities	(5,257)	(5,446)	(6,592)	(5,490)	(6,601)	(7,964)	(5,220)	(5,180)	(8,692)	(8,765)	(10,085)
FINANCING ACTIVITIES											
Proceeds from Borrowings	5,462	0	0	0	0	0	0	0	0	0	0
Repayment of Borrowings	(309)	(431)	(459)	(486)	(515)	(547)	(580)	(614)	(651)	(870)	0
Repayment of Lease Liabilities	(229)	(12)	(8)	0	0	0	0	0	0	0	0
Transfers from Reserves	0	727	1,029	727	816	996	1,256	1,227	569	184	0
Transfers to Reserves	(1,643)	(1,293)	(829)	(1,446)	(1,535)	(866)	(2,367)	(2,201)	(340)	(213)	(172)
Amount attributable to financing activities	3,281	(1,010)	(267)	(1,206)	(1,234)	(416)	(1,691)	(1,588)	(422)	(898)	(172)
Operating Surplus / (Deficit)	0	0	0	0	0	0	0	0	0	0	0

Statement of Cash Flows

	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000	2033 \$'000	2034 \$'000	2035 \$'000	2036 \$'000	2037 \$'000
Cashflows from Operating Activities											
Rates	15,137	17,180	17,240	17,930	18,647	19,393	20,168	20,975	21,814	22,687	23,594
Operating Grants & Contributions	2,944	2,328	2,396	2,466	2,539	2,613	2,690	2,769	2,850	2,934	3,021
Fees & Charges	5,562	6,393	6,270	6,510	6,760	7,020	6,247	6,487	6,736	6,995	7,264
Other Revenue	427	376	386	374	442	492	491	594	710	704	714
Employee Costs	(7,389)	(7,000)	(7,210)	(7,426)	(7,649)	(7,878)	(8,115)	(8,358)	(8,609)	(8,867)	(9,133)
Materials & Contracts	(14,732)	(9,898)	(8,847)	(8,895)	(9,150)	(9,413)	(9,683)	(9,962)	(10,249)	(10,545)	(10,850)
Utility charges	(1,000)	(1,045)	(1,092)	(1,142)	(1,193)	(1,247)	(1,303)	(1,361)	(1,423)	(1,487)	(1,553)
Finance costs	(331)	(296)	(268)	(241)	(211)	(180)	(147)	(113)	(75)	(39)	0
Insurance paid	(537)	(553)	(570)	(587)	(604)	(623)	(641)	(660)	(680)	(701)	(722)
Other Expenditure	(1,226)	(2,050)	(1,647)	(1,695)	(1,745)	(1,797)	(1,850)	(1,904)	(1,960)	(2,018)	(2,078)
Net Cash Provided (or Used) in Operating Activities	(1,146)	5,435	6,659	7,296	7,835	8,381	7,859	8,465	9,114	9,663	10,257
Cashflows of Investing Activities											
Proceeds from sale of Property, Plant & Equipment	65	240	240	240	240	240	240	240	240	400	400
Capital Grants & Contributions	2,676	3,404	6,071	5,283	2,100	3,600	3,600	2,100	2,100	2,200	2,500
Payments for purchase of Property, Plant & Equipment	(1,283)	(1,075)	(1,550)	(1,075)	(1,125)	(1,425)	(1,425)	(1,925)	(2,525)	(2,925)	(4,000)
Payments for construction of Infrastructure	(7,319)	(8,015)	(11,353)	(9,938)	(7,816)	(10,379)	(7,635)	(5,595)	(8,507)	(8,440)	(8,985)
Net Cash Provided (or Used) in Investing Activities	(5,860)	(5,446)	(6,592)	(5,490)	(6,601)	(7,964)	(5,220)	(5,180)	(8,692)	(8,765)	(10,085)
Cashflows of Financing Activities											
Proceeds from Borrowings	5,462	0	0	0	0	0	0	0	0	0	0
Repayment of Borrowings	(309)	(431)	(459)	(486)	(515)	(547)	(580)	(614)	(651)	(870)	0
Repayment of Lease Liabilities	(229)	(12)	(8)	0	0	0	0	0	0	0	0
Net Cash Provided (or Used) in Financing Activities	4,923	(443)	(467)	(486)	(515)	(547)	(580)	(614)	(651)	(870)	0
Net increase (decrease) in cash held	(2,083)	(454)	(400)	1,320	719	(130)	2,058	2,671	(229)	29	172
Cash and cash equivalents at beginning of year	5,360	3,276	2,823	2,423	3,743	4,461	4,331	6,390	9,061	8,832	8,860
Cash and cash equivalents at the end of the year	3,276	2,823	2,423	3,743	4,461	4,331	6,390	9,061	8,832	8,860	9,032

Statement of Financial Position

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS											
Cash and cash equivalents	3,276	2,823	2,423	3,743	4,461	4,331	6,390	9,061	8,832	8,860	9,032
Rate receivables	1,103	500	500	500	500	500	500	500	500	500	500
Trade receivables	853	500	500	500	500	500	500	500	500	500	500
Inventories	10	10	10	10	10	10	10	10	10	10	10
Other Assets	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	5,243	3,833	3,433	4,753	5,471	5,341	7,400	10,071	9,842	9,870	10,042
NON-CURRENT ASSETS											
Trade and other receivables	236	236	236	236	236	236	236	236	236	236	236
Other financial assets	194	194	194	194	194	194	194	194	194	194	194
Property, plant and equipment	37,007	36,649	36,746	36,307	35,899	35,766	35,604	35,912	36,779	37,832	39,892
Infrastructure	116,464	119,207	125,079	129,257	131,054	135,211	136,387	135,328	137,027	138,436	140,167
Right-of-use assets	0	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	153,901	156,286	162,254	165,994	167,382	171,407	172,420	171,669	174,236	176,697	180,489
TOTAL ASSETS	159,144	160,119	165,687	170,746	172,853	176,748	179,820	181,740	184,078	186,567	190,531
CURRENT LIABILITIES											
Trade and other payables	2,691	1,200	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Lease liabilities	12	8	0	0	0	0	0	0	0	0	0
Borrowings	431	459	486	515	547	580	614	651	870	0	0
Employee related provisions	352	352	352	352	352	352	352	352	352	352	352
Other Provisions	450	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	3,936	2,019	1,838	1,868	1,899	1,932	1,966	2,004	2,222	1,352	1,352
NON-CURRENT LIABILITIES											
Lease liabilities	8	0	0	0	0	0	0	0	0	0	0
Borrowings	4,721	4,263	3,777	3,261	2,715	2,135	1,521	870	0	0	0
Employee related provisions	114	114	114	114	114	114	114	114	114	114	114
Other provisions	4,386	4,386	4,386	4,386	4,386	4,386	4,386	4,386	4,386	4,386	4,386
Total Non-Current Liabilities	9,230	8,763	8,277	7,761	7,214	6,635	6,021	5,369	4,500	4,500	4,500
TOTAL LIABILITIES	13,166	10,782	10,115	9,629	9,113	8,567	7,987	7,373	6,722	5,852	5,852
NET ASSETS	145,978	149,337	155,572	161,118	163,740	168,181	171,833	174,367	177,356	180,715	184,679
EQUITY											
Retained surplus	52,720	55,513	61,948	66,774	68,677	73,249	75,789	77,349	80,567	83,898	87,690
Reserve accounts	2,333	2,900	2,700	3,419	4,138	4,008	5,120	6,093	5,864	5,893	6,064
Revaluation surplus	90,925	90,925	90,925	90,925	90,925	90,925	90,925	90,925	90,925	90,925	90,925
TOTAL EQUITY	145,978	149,337	155,572	161,118	163,740	168,181	171,833	174,367	177,356	180,715	184,679

Statement of Reserves

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
LEAVE RESERVE											
Opening Balance	50	130	134	138	142	146	151	655	674	695	715
Transfer to Reserve	80	4	4	4	4	4	504	20	20	21	21
Transfer from Reserve	0	0	0	0	0	0	0	0	0	0	0
Balance at 30 June	130	134	138	142	146	151	655	674	695	715	737
PLANT RESERVE											
Opening Balance	130	285	293	302	411	424	436	949	978	1,007	1,037
Transfer to Reserve	155	9	9	109	12	13	513	28	29	30	31
Transfer from Reserve	0	0	0	0	0	0	0	0	0	0	0
Balance at 30 June	285	293	302	411	424	436	949	978	1,007	1,037	1,069
SEWERAGE RESERVE											
Opening Balance	142	288	337	387	498	1,193	1,040	1,071	643	823	887
Transfer to Reserve	146	49	50	112	695	76	71	72	180	65	27
Transfer from Reserve	0	0	0	0	0	(230)	(40)	(500)	0	0	0
Balance at 30 June	288	337	387	498	1,193	1,040	1,071	643	823	887	914
LANDFILL REINSTATEMENT RESERVE											
Opening Balance	50	100	103	106	109	113	116	119	923	951	979
Transfer to Reserve	50	3	3	3	3	3	3	804	28	29	29
Transfer from Reserve	0	0	0	0	0	0	0	0	0	0	0
Balance at 30 June	100	103	106	109	113	116	119	923	951	979	1,009
INFRASTRUCTURE RENEWAL RESERVE											
Opening Balance	142	427	922	647	1,062	1,005	995	585	1,108	1,141	1,176
Transfer to Reserve	285	494	28	415	32	30	30	523	33	34	35
Transfer from Reserve	0	0	(302)	0	(89)	(40)	(440)	0	0	0	0
Balance at 30 June	427	922	647	1,062	1,005	995	585	1,108	1,141	1,176	1,211

Statement of Reserves (continued)

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
AGED ACCOMMODATION RENEWAL RESERVE											
Opening Balance	136	179	185	190	264	322	332	847	872	899	926
Transfer to Reserve	43	5	6	74	58	10	515	25	26	27	28
Transfer from Reserve	0	0	0	0	0	0	0	0	0	0	0
Balance at 30 June	179	185	190	264	322	332	847	872	899	926	953
ROAD CONTRIBUTIONS RESERVE											
Opening Balance	40	97	100	103	106	109	112	66	68	70	72
Transfer to Reserve	57	3	3	3	3	3	3	2	2	2	0
Transfer from Reserve	0	0	0	0	0	0	(50)	0	0	0	0
Balance at 30 June	97	100	103	106	109	112	66	68	70	72	72
AERODOME RESERVE											
Opening Balance	0	100	100	100	100	100	100	100	100	100	100
Transfer to Reserve	100	0	0	0	0	0	0	0	0	0	0
Transfer from Reserve	0	0	0	0	0	0	0	0	0	0	0
Balance at 30 June	100	100	100	100	100	100	100	100	100	100	100
DEBT MANAGEMENT RESERVE											
Opening Balance	0	727	727	727	727	727	727	727	727	179	0
Transfer to Reserve	727	727	727	727	727	727	727	727	22	5	0
Transfer from Reserve	0	(727)	(727)	(727)	(727)	(727)	(727)	(727)	(569)	(184)	0
Balance at 30 June	727	727	727	727	727	727	727	727	179	0	0
TOTAL RESERVES											
Opening Balance	690	2,333	2,900	2,700	3,419	4,138	4,008	5,120	6,093	5,864	5,893
Transfer to Reserve	1,643	1,293	829	1,446	1,535	866	2,367	2,201	340	213	172
Transfer from Reserve	0	(727)	(1,029)	(727)	(816)	(996)	(1,256)	(1,227)	(569)	(184)	0
TOTAL RESERVES AT 30 JUNE	2,333	2,900	2,700	3,419	4,138	4,008	5,120	6,093	5,864	5,893	6,064

Infrastructure Renewal Program

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
PROPERTY, PLANT & EQUIPMENT											
Opening Balance	48,881	49,948	50,543	51,613	52,208	52,853	53,798	54,743	56,188	58,233	60,358
Accumulated Depreciation	(11,539)	(12,941)	(13,894)	(14,868)	(15,901)	(16,955)	(18,032)	(19,139)	(20,277)	(21,454)	(22,527)
Sub-total	37,342	37,007	36,649	36,746	36,307	35,899	35,766	35,604	35,912	36,779	37,832
Asset Revaluations	0	0	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0	0	0
Acquisitions											
- Capital New	454	0	0	0	0	0	0	0	100	100	100
- Capital Renewal	829	1,075	1,550	1,075	1,125	1,425	1,425	1,925	2,425	2,825	3,900
Disposal	(216)	(480)	(480)	(480)	(480)	(480)	(480)	(480)	(480)	(800)	(800)
Depreciation	(1,402)	(953)	(974)	(1,033)	(1,053)	(1,077)	(1,107)	(1,137)	(1,177)	(1,072)	(1,139)
Sub-total	37,007	36,649	36,746	36,307	35,899	35,766	35,604	35,912	36,779	37,832	39,892
Proceeds from Sale of PPE	65	240	240	240	240	240	240	240	240	400	400
Book Value of PPE Disposed	216	240	240	240	240	240	240	240	240	400	400
Profit / (Loss) on PPE	(151)	0	0	0	0	0	0	0	0	0	0
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INFRASTRUCTURE											
Opening Balance	203,964	211,282	219,298	230,650	240,588	248,404	258,783	266,419	272,014	280,520	288,961
Accumulated Depreciation	(89,427)	(94,819)	(100,091)	(105,571)	(111,331)	(117,350)	(123,573)	(130,032)	(136,686)	(143,493)	(150,525)
Sub-total	114,537	116,464	119,207	125,079	129,257	131,054	135,211	136,387	135,328	137,027	138,436
Asset Revaluations	0	0	0	0	0	0	0	0	0	0	0
Acquisitions											
- Capital New	1,668	1,100	1,100	1,100	1,100	1,300	1,300	1,300	1,300	1,500	1,500
- Capital Renewal	5,651	6,915	10,253	8,838	6,716	9,079	6,335	4,295	7,207	6,940	7,485
Depreciation	(5,391)	(5,272)	(5,480)	(5,760)	(6,019)	(6,222)	(6,459)	(6,654)	(6,807)	(7,032)	(7,254)
Sub-total	116,464	119,207	125,079	129,257	131,054	135,211	136,387	135,328	137,027	138,436	140,167
TOTAL NET ASSETS	153,471	155,857	161,825	165,564	166,952	170,977	171,991	171,240	173,806	176,267	180,060

Sensitivity Analysis

The following analysis examines the potential financial impacts of applying different escalation rates to the Shire’s key revenue and expenditure streams over the life of the 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 CPI for June 2026 as published by the Australian Bureau of Statistics, the Western Australian Wage Price Index for June 2026, 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.

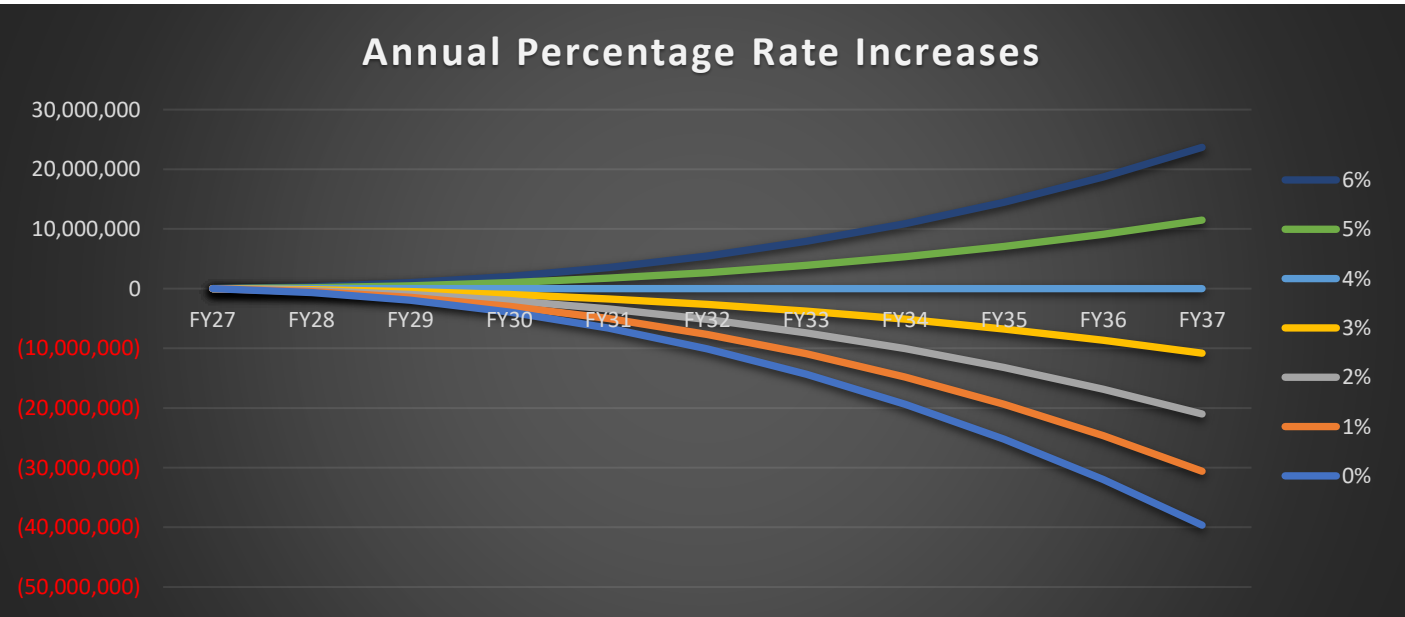
By modelling a range of escalation scenarios for rates revenue, employee costs, and materials and contracts expenditure, the analysis highlights both the opportunities for cost containment and the risks of increased financial pressure. The outcomes guide the selection of prudent escalation rates for 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 course of the plan.

The FY27 rates forecast includes a provision for back rates adjustments, which temporarily reduces the level of rates revenue recognised in that year. The resulting increase in rates revenue from FY27 to FY28 therefore reflects the removal of this one-off provision as the rating base returns to a more normalised position, rather than an equivalent increase in the underlying rate burden.

The draft LTFP applies a 4% annual increase in rate revenue, compared to the Reserve Bank of Australia’s 10-year bond rate of 4.83% at June 2026. The modelling indicates that maintaining rates at current levels with no annual increase would result in a cumulative revenue loss of \$39.63 million over the next 10 years, while applying a 6% annual increase would generate an additional \$23.67 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 LTFP applies a 4% annual increase in fees and charges, consistent with the projected growth in rate revenue. This assumption has been benchmarked against the Reserve Bank of Australia 10-year government bond rate, which was approximately 4.83% as at June 2026.

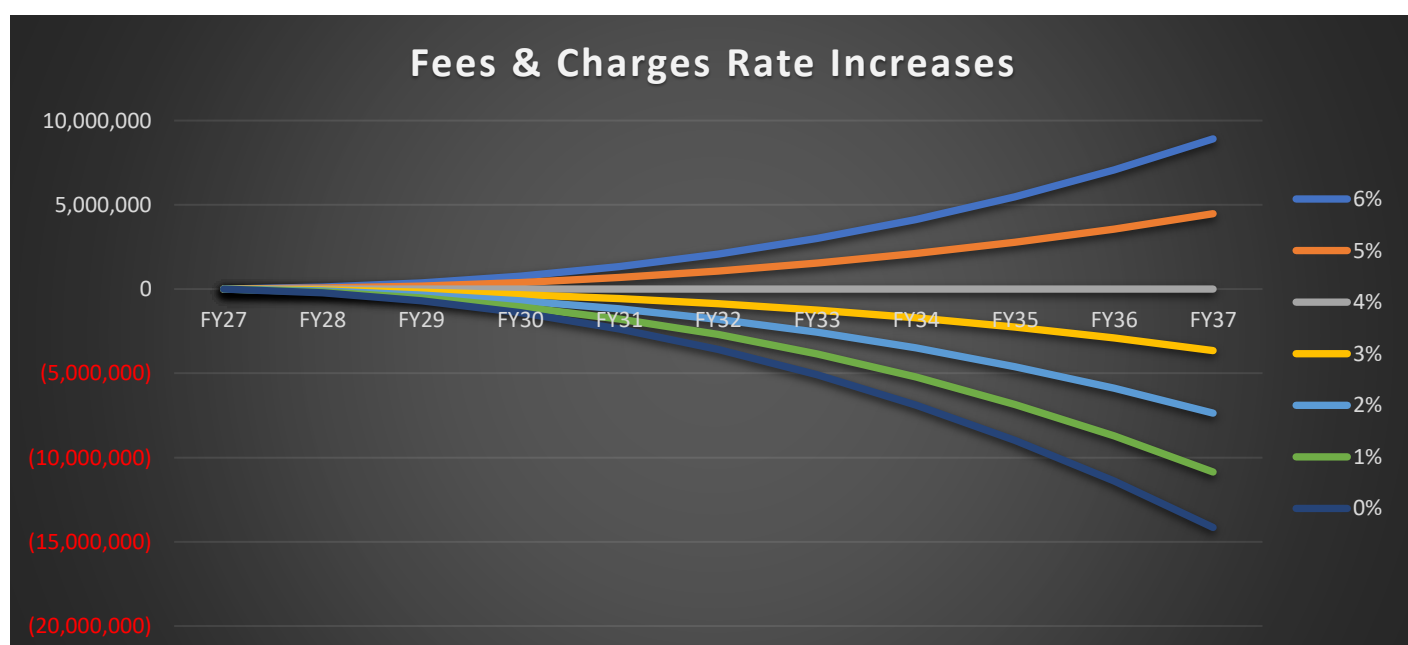
Scenario modelling indicates that maintaining fees and charges at current levels, with no annual increase, would result in a cumulative revenue reduction of approximately \$14.15 million over the 10-year period. Conversely, applying a higher escalation rate of 6% per annum would generate an additional \$8.91 million in fees and charges revenue over the same timeframe.

A key structural change reflected in the LTFP is the removal of revenue associated with Bluebush Village following its sale. While this has reduced the overall level of fees and charges revenue compared to historical periods, it has also reduced the Shire's exposure to operational and occupancy risks previously associated with the facility. As a result, the forward revenue base is considered to be more stable, albeit at a lower level.

Notwithstanding this, a significant proportion of remaining fees and charges revenue continues to be derived from major trading activities, particularly the Kambalda Aerodrome and waste management facilities. These revenue streams are inherently sensitive to external factors, including mining activity, contractor demand, and broader economic conditions. For example, reduced air traffic volumes at the Kambalda Aerodrome would directly impact landing fee revenue, although this may be partially offset by a corresponding reduction in maintenance and operating costs.

Given these dynamics, the adopted 4% escalation rate is considered to represent a balanced and prudent assumption, supporting long-term financial sustainability while recognising potential variability in demand-driven revenue streams. However, the sensitivity of fees and charges to external market conditions remains a key risk within the LTFP.

Accordingly, all underlying assumptions will be subject to ongoing monitoring and will be reviewed and refined annually as part of the budget and LTFP update process to ensure they remain aligned with prevailing economic conditions and service delivery requirements.



Employee Costs

The sensitivity analysis undertaken for the LTFP examined a range of scenarios to assess the cost impacts of varying escalation rates for employee costs over the 10-year period. The LTFP adopts increases of 3% per annum for the entirety of the plan.

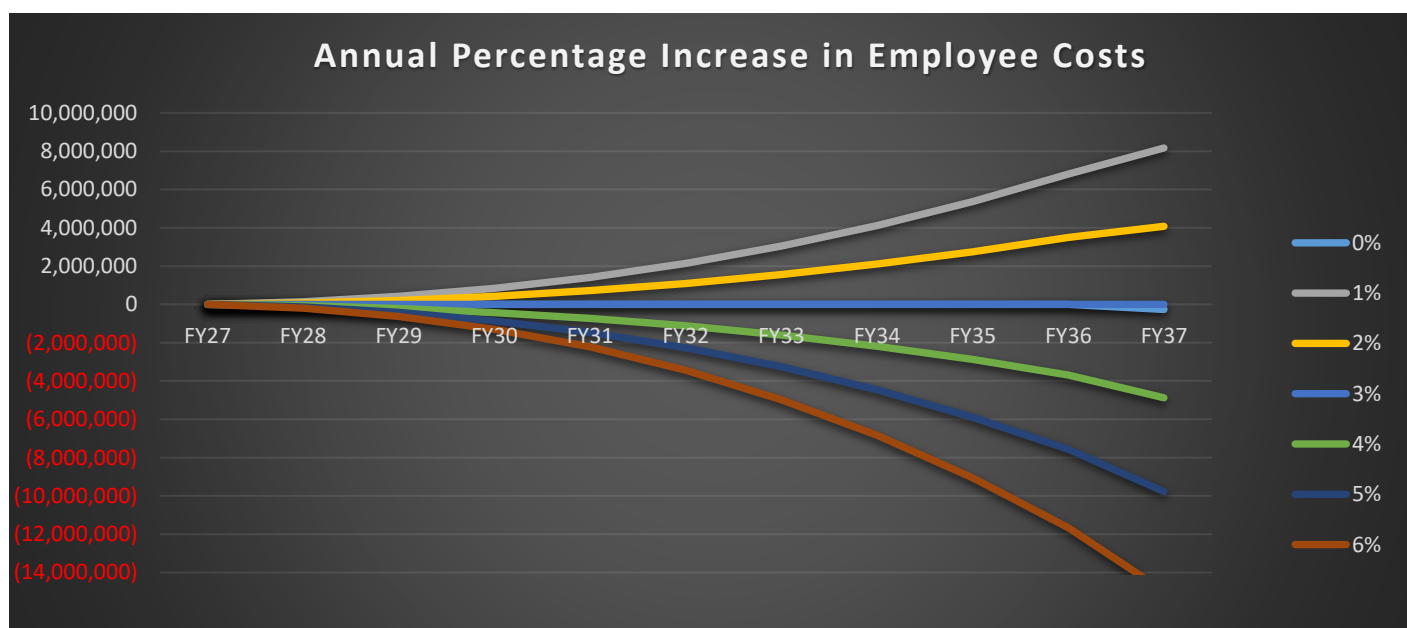
These assumptions have been considered against the Western Australia Wage Price Index (WPI), which recorded an increase of 3.3% for the 12 months to June 2026. While this is below the current Perth Consumer Price Index (CPI) of 3.8%, it is acknowledged that the WPI does not fully reflect the Shire's operating environment. In particular, salary levels within the Shire are typically above award rates due to its regional location, competition for skilled labour, and challenges associated with attracting and retaining staff in remote areas.

It is also noted that the first year of the LTFP incorporates the full financial impact of staffing changes arising from the Shire's organisational structure review. As such, the base year reflects a stabilised workforce model, with subsequent year increases primarily representing wage escalation rather than structural changes.

Scenario modelling indicates that maintaining employee costs at current levels, with no annual increase, would result in cumulative savings of approximately \$12.02 million over the 10-year period. Conversely, applying a higher escalation rate of 6% per annum would increase total employee costs by approximately \$14.97 million over the same timeframe.

Based on this analysis, the Shire considers the 3% per annum increase to be a balanced and reasonable assumption. This approach recognises current labour market pressures while also supporting long-term financial sustainability. However, employee costs remain a key cost driver within the LTFP and are sensitive to external factors, including wage movements, industrial agreements, and workforce availability.

Accordingly, all underlying assumptions will be subject to ongoing monitoring and will be reviewed and refined annually as part of the LTFP and budget update process to ensure they remain aligned with prevailing market conditions and organisational requirements.



Materials and Contracts

The LTFP incorporates an assumed escalation in materials and contract costs of 3% per annum over the planning period. These assumptions have been benchmarked against the Perth Consumer Price Index (CPI), which recorded an increase of 3.8% for the 12 months to June 2026.

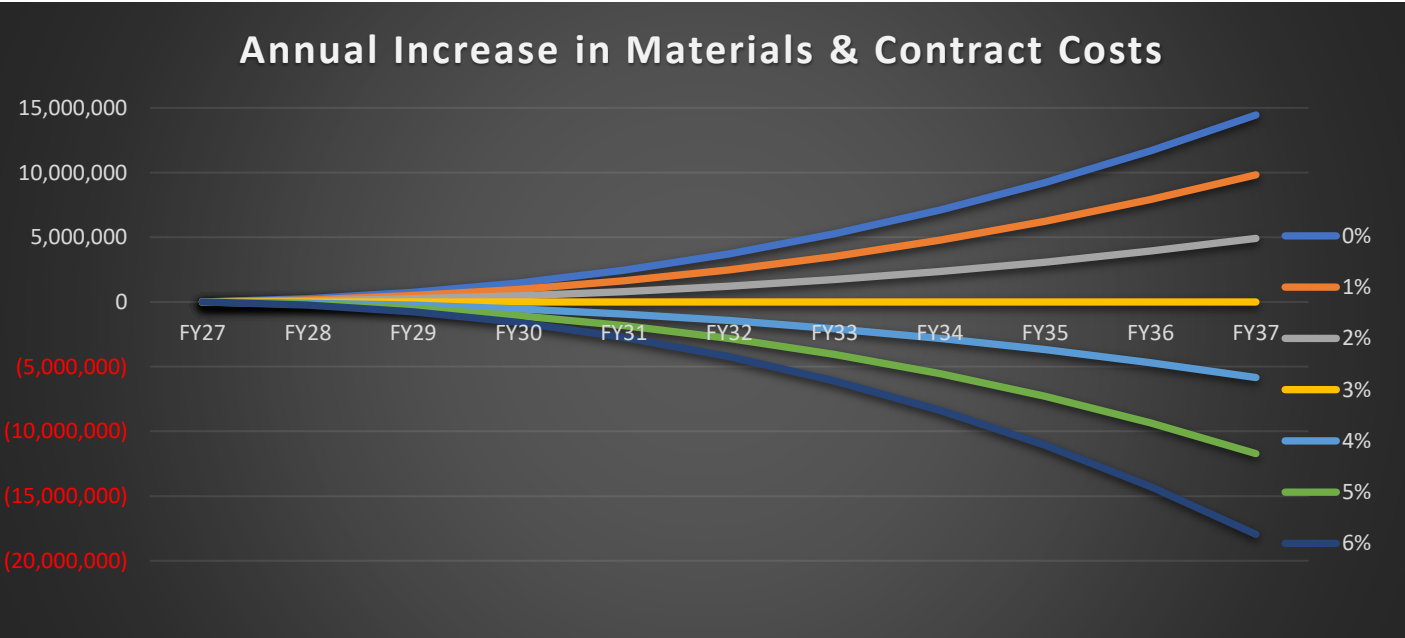
Scenario modelling indicates that maintaining materials and contract costs at current levels, with no annual escalation, would result in cumulative savings of approximately \$14.45 million over the 10-year period. Conversely, applying a higher escalation rate of 6% per annum would increase total costs by approximately \$17.96 million over the same timeframe.

Consideration has also been given to the recent short-term spike in fuel prices, which has contributed to upward pressure on materials, plant, and contract costs. The LTFP assumes that these elevated fuel costs are temporary in nature and will moderate over time, returning to more typical or “normalised” levels. This assumption is a key driver of the long-term cost projections, particularly given the Shire’s reliance on fuel-intensive activities such as road construction, waste management, and plant operations. As such, fuel cost assumptions will require ongoing monitoring and regular reassessment to ensure they continue to reflect prevailing market conditions.

In addition, the annual cost of materials and contracts has decreased significantly as a result of the sale of Bluebush Village. The divestment of this asset has reduced ongoing operating, maintenance, and contractual expenditure associated with the facility, which has been reflected in the base year cost assumptions within the LTFP.

The adjustment in FY33 reflects revised assumptions regarding activity levels at the Kambalda Aerodrome. Lower projected volumes of air traffic are expected to result in a reduction in landing fee revenue, which is partially offset by a corresponding decrease in maintenance and operating costs associated with the aerodrome.

Based on this analysis, the Shire considers the adopted 3% ongoing escalation factor to be reasonable and appropriate under current economic conditions. Notwithstanding this, all cost assumptions will be subject to annual review and adjustment as part of the ongoing LTFP update process to ensure they remain aligned with prevailing market conditions and financial sustainability objectives.



Financial Ratios

The Shire of Coolgardie recognises that compliance with the financial ratios is an important focus within this plan. However, these prescribed measures do not entirely reflect the Shire's services provided to the community. As such, supplementary performance measures for the Shire's performance will be outlined in detail in the Council Plan.

In November 2024, the now Department of Local Government, Industry, Regulation and Safety, announced that the new LGFI would replace the previous Financial Health Indicator (FHI) used on the MyCouncil website and a 2 year trial of the LGFI was endorsed by the Minister for Local Government.

The new LGFI consists of four ratios:

- Debt Service Coverage Ratio
- Current Ratio
- Operating Surplus Ratio
- Net Financial Liability Ratio.

While it is accepted there may be some shortfalls within the ratios that calculate the LGFI, in the absence of any other models the LGFI has been used to assess the Shire's financial performance.

The graphs below detail the trend in the recommended financial ratios over the planning period, with the results generally demonstrating an improving financial position.

Current Ratio

Purpose

A measure of the local governments ability to meet its short term financial obligations with funds that can be accessed quickly.

Definition

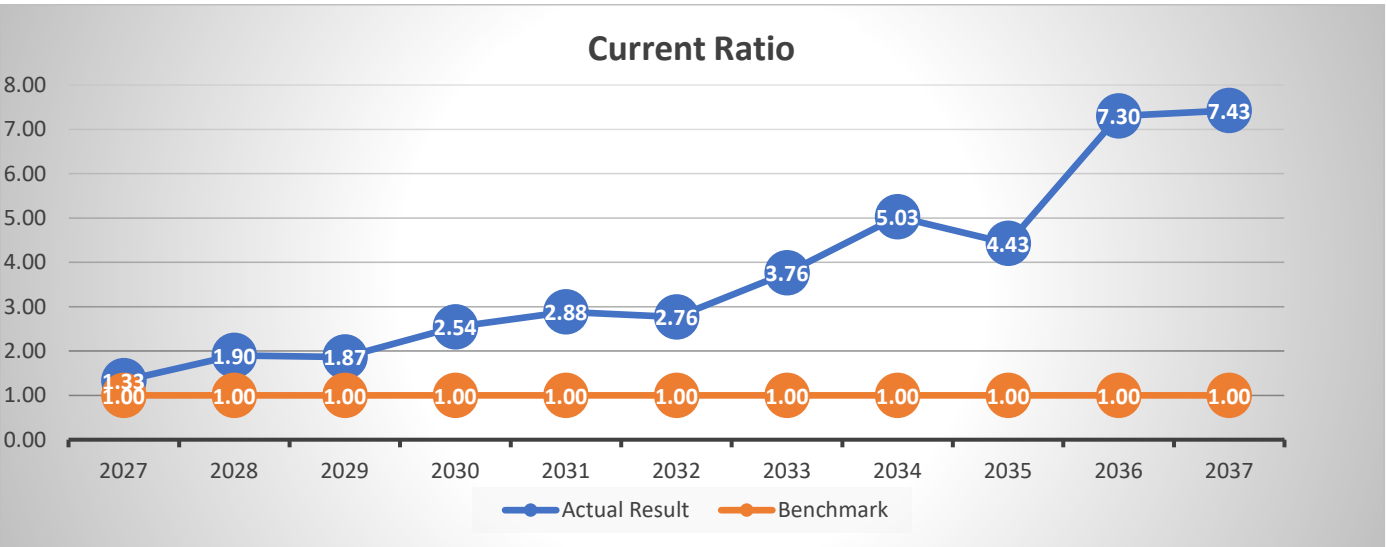
$\frac{\text{Current Assets}}{\text{Current Liabilities}}$

Comments

The standard is not met if the ratio is less than 1.00. A ratio of greater than 1.00 means that the local government has sufficient assets that can be easily turned into cash to meet its current obligations.

It is a concern if the current ratio remains below the industry standard of 1.00 for any extended period.

The ratio is above the Benchmark for all years of the LTFP peaking at 7.43 in FY37.



Operating Surplus Ratio

Purpose

A measure of the local governments ability to cover its operating costs and have money left for capital projects and other purposes.

Definition

Two components are used in calculating the ratio.

These being the Numerator which is then divided by the Denominator. The two components are calculated as follows;

Numerator

Operating Revenue

Less: Current Year Financial Assistance Grants

Plus: Prior Year Financial Assistance Grants

Plus: Grants, contributions for asset renewal

Less: Operating Expenses

= Adjusted Operating Surplus

Denominator

Operating Revenue

Less: Current Year Financial Assistance Grants

Plus: Prior Year Financial Assistance Grants

Plus: Grants and contributions received for asset renewal

= Adjusted Operating Revenue

Adjusted Operating Surplus

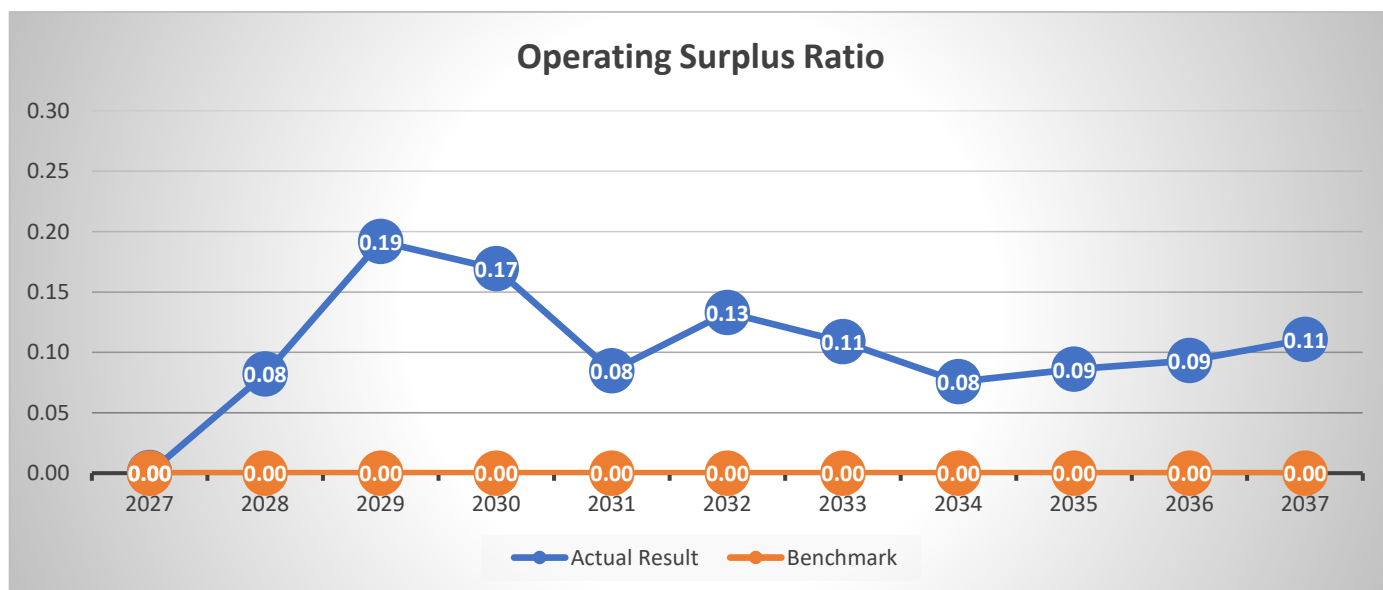
Adjusted Operating Revenue

Comments

This is usually a Shire's most difficult ratio to achieve by simple virtue of the capacity to raise rates and/or generate other revenue streams. The Operating Surplus Ratio currently contributes towards 40% of the Local Government Financial Indicator (LGFI). Therefore, the ability to meet the Benchmark goes a long way to reporting a high LGFI score.

The benchmark for this ratio is 0.00, with a score over 0.15 considered to be the optimum level to be achieved.

The ratio is above the recommended benchmark for the duration of the LTFP.



Debt Service Coverage Ratio

Purpose

A measurement of the local governments ability to repay its debt based on how much cash it can access compared to the total amount of its debt obligations.

Definition

Two components are used in calculating the ratio.

These being the Numerator which is then divided by the Denominator. The two components are calculated as follows;

Numerator

Operating Revenue

Less: Current Year Financial Assistance Grants

Plus: Prior Year Financial Assistance Grants

Less: Operating Expenses

Add: Depreciation

Add: Finance Costs

= Adjusted Operating Surplus

Denominator

Finance Costs

Plus: Repayment of Borrowings

Less: Debt Refinancing

= Debt Service Costs

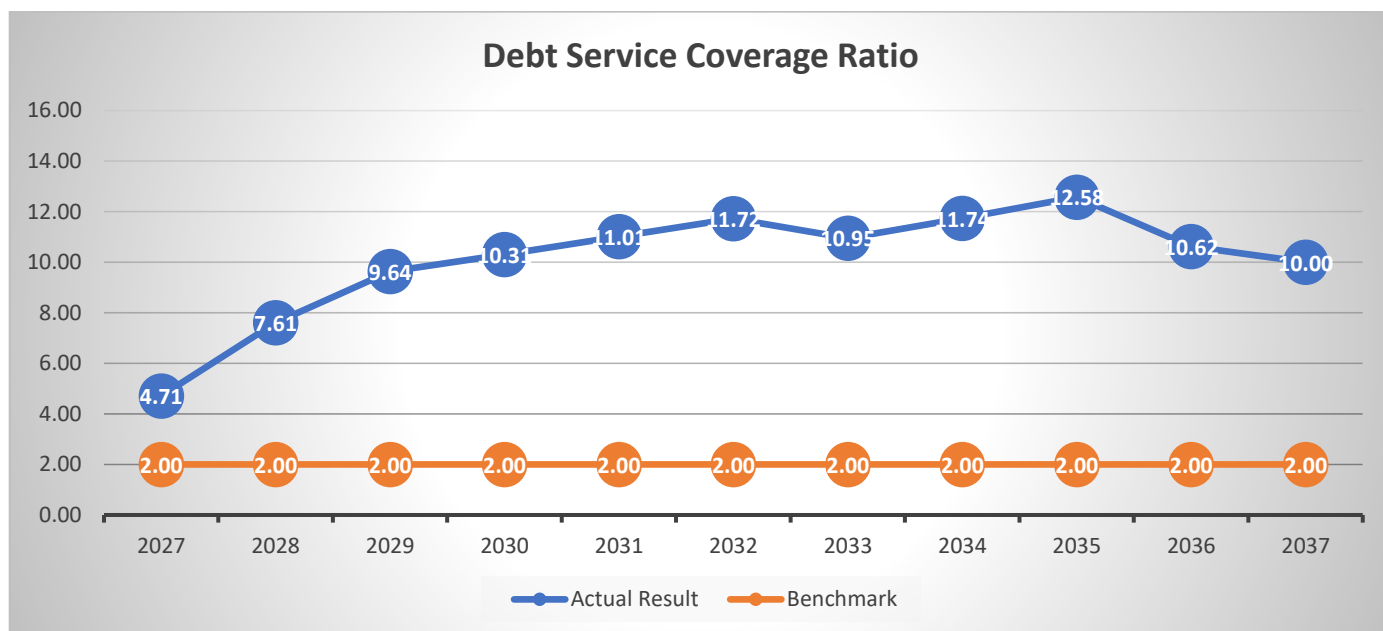
Adjusted Operating Surplus

Debt Service Costs

Comments

The Benchmark for this ratio is 2.00 or above.

The benchmark is achieved in all years of the Plan, with the ratio significantly exceeding the benchmark in some years. This reflects the substantial reduction in borrowings following the sale of Bluebush Village and the refinancing of the remaining debt, which has reduced the Shire's ongoing debt servicing commitments.



Net Financial Liabilities Ratio

Purpose

The Net Financial Liabilities ratio contrasts the level of debt of a local government to its operating revenue.

Definition

Two components are used in calculating the ratio.

These being the Numerator which is then divided by the Denominator. The two components are calculated as follows;

Numerator

Total Liabilities

Less: Current Cash & Cash Equivalents

Less: Current Trade & Other Receivables

Less: Current Other Financial Assets

Less: Non-Current Trade & Other Receivables

Less: Non-Current Other Financial Assets

= Net Financial Liabilities

Denominator

Operating Revenue

Less: Current Year Financial Assistance Grants

Plus: Prior Year Financial Assistance Grants

= Adjusted Operating Revenue

Net Financial Liabilities

Adjusted Operating Revenue

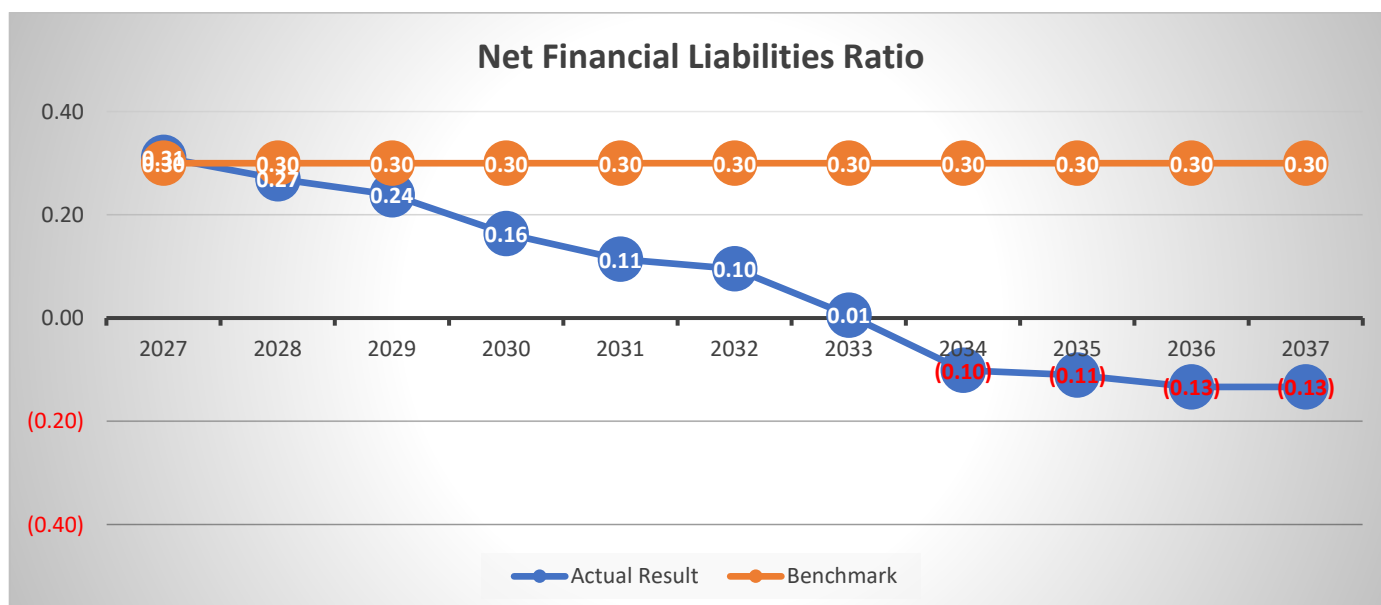
Comments

This is the new addition to the ratio calculations for the LGFI. Essentially this ratio is replacing the 3 asset ratios previously used in the calculation of the previously used Financial Health Indicator.

The Benchmark for this ratio is 0.30 and it contributes 30% towards the total ratio calculation.

While it may seem strange, a negative result is actually a good indicator of a solid Net Financial Liabilities Ratio.

This is because by virtue of the calculation of the Numerator any surplus cash, cash equivalents or other receivables are deducted from the total amount of liabilities. Therefore, the less debt and more cash an organisation has, the lower the Numerator, and this will result in a negative Net Financial Liability, which will automatically flow through to reporting a negative result. The Shire will achieve the recommended benchmark for the first time in FY28 before maintaining and improving this level for the remainder of the plan.



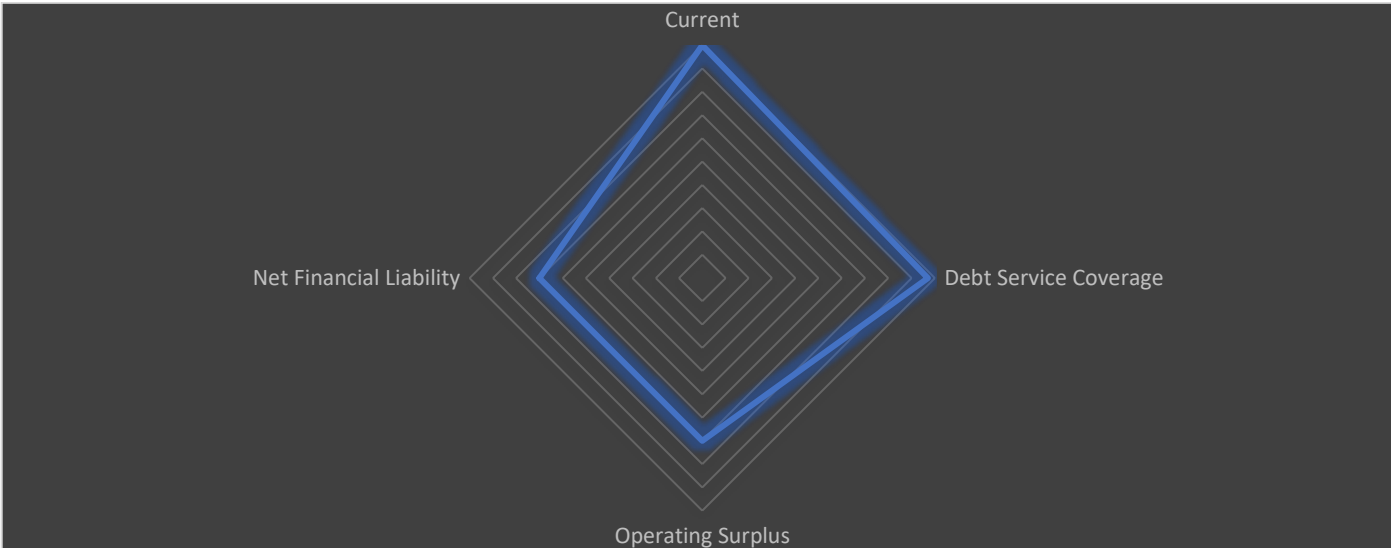
Local Government Financial Index

In November 2024 the Department of Local Government, Sport and Cultural Industries (now Department of Local Government, Industry, Regulation and Safety) announced the introduction of a new tool for the measurement of a local government's overall financial health. The Local Government Financial Index (LGFI) will be trialled for a 2 year period and consists of only four ratios – Debt Service Coverage Ratio, Current Ratio, Operating Surplus Ratio and a newly implemented Net Financial Liability Ratio.

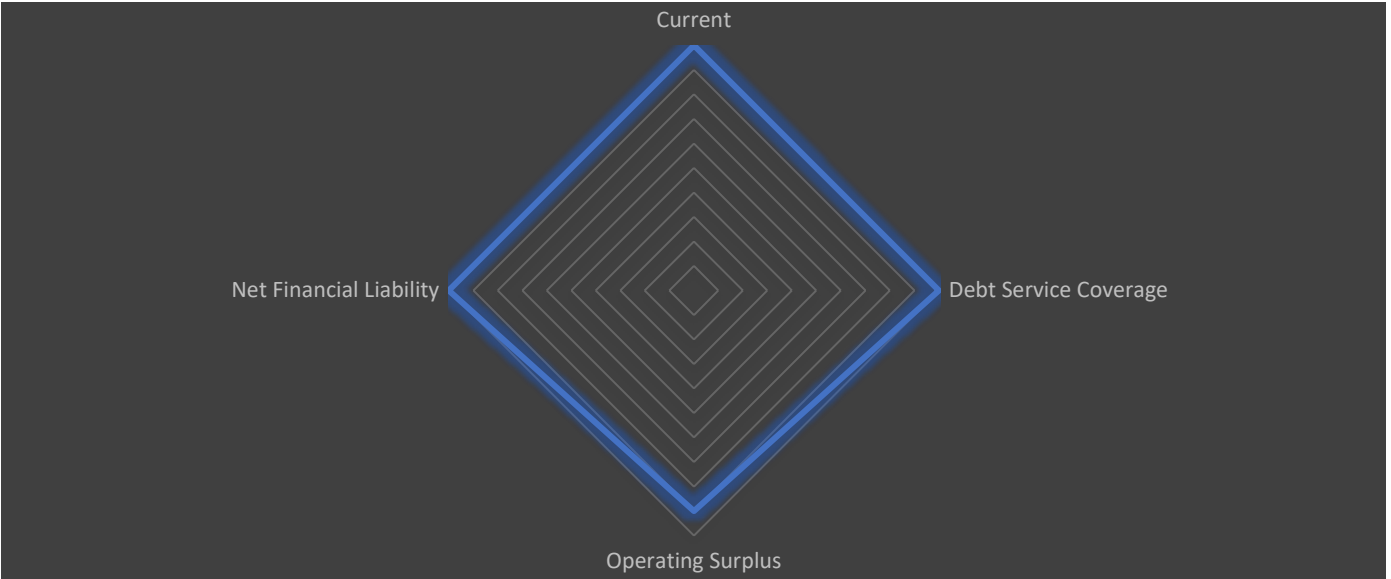
Unlike the Financial Health Indicator (FHI), the LGFI does not attempt to assess the financial sustainability of the local government. That is, there is not the same level of focus on the Shire's financial capacity to fund maintenance and asset renewal as infrastructure reaches the end of useful life. As was the case with the FHI, a result of 70 and above with the LGFI indicates solid financial health and the maximum result achievable is 100.

The LGFI is one factor to consider in assessing overall performance. Other factors include: the range of services offered; efficiency of services delivered; and community satisfaction. A low LGFI may be a prompt for questions to be asked by the community about a local government's revenue, expenses and service delivery. The LGFI is best viewed as a trend over time.

2027 LGFI Rating 78



2037 LGFI Rating 96



Review of Long Term Financial Plan

The LTFP is a dynamic document that requires regular monitoring and review to ensure its continued relevance, accuracy, and alignment with the Shire of Coolgardie's strategic priorities and financial capacity. As with all forward projections, the LTFP is based on a series of assumptions regarding revenue, expenditure, service levels, and external funding. Given the potential for changes in these assumptions, it is critical that the LTFP is reviewed systematically and updated as required.

Annual Review and Integration with Budget Process

The LTFP will be reviewed and updated annually in conjunction with the preparation of the Annual Budget. This ensures that the plan reflects the most current financial data, including updated revenue forecasts, expenditure trends, grant allocations, debt obligations, and capital works priorities. Each annual review also provides the opportunity to incorporate any changes made to the Council Plan 2026-2036 or other components of the Integrated Planning and Reporting Framework.

The annual review process is designed to:

- Align financial projections with updated strategic and operational priorities.
- Reassess key assumptions such as CPI, interest rates, grant funding, and growth expectations.
- Adjust for significant changes in external factors, such as the economic climate, State and Federal government funding, or changes in the mining sector.
- Ensure that projects included in the capital works program remain realistic and achievable within the Shire's financial capacity.
- Provide transparency and confidence to Council and the community by demonstrating that resources are being managed prudently and responsibly.

Triggers for Regular Interim Reviews

In addition to the annual review, interim updates to the LTFP may be required where there are material changes that could significantly impact the Shire's financial position or long-term sustainability. Examples of such triggers include:

- Significant shifts in the mining sector, affecting both rates revenue and demand for key facilities such as the Kambalda Aerodrome and Coolgardie Waste Facility.
- Confirmation or withdrawal of major grant funding (e.g. for the Swimming Pool Refurbishment, Bayley Street Revitalisation or Microgrid System).
- Unexpected increases in utility or insurance costs.
- Major asset revaluations under Regulation 17A of the Local Government (Financial Management) Regulations 1996, impacting depreciation or renewal projections.

Financial Strategy and Objectives

Council has adopted a financial strategy that is focused on ensuring the long-term sustainability of the organisation while continuing to deliver the existing level of services expected by the community. The strategy takes a long term view, aiming to achieve all targeted financial key performance indicators (KPIs) by the end of the plan period.

The model currently adopted in the LTFP assumes annual increases in rates and service charges, while recognising the Shire's ongoing reliance on both operating and non-operating grants to maintain adequate cash flow and support the provision of services. To reduce long-term financial risks, Council has also prioritised the progressive rebuilding of reserve balances, which are projected to grow by \$5.27 million over the course of the plan, resulting in a forecast reserve balance of \$6.06 million by FY37. These reserves will be used to help finance major projects and to build financial resilience.

Projections and Assumptions

As with all forward looking documents, the financial projections in the LTFP are estimates only, particularly in the latter years of the plan where the degree of uncertainty increases. However, the fundamental financial goals of Council remain constant:

- Repay all current debt within the timeframe of the LTFP.
- Ensure long-term sustainability through prudent financial management.
- Allocate adequate funds to reserves and unrestricted cash balances.
- Support the delivery of both operational services and strategic capital projects.

The plan has been prepared on the basis of a balanced budget. Where surplus budgets occur, Council intends to apply these funds to reducing debt, building reserves or increasing unrestricted cash.

Review Process and Accountability

It is the intention of senior management to regularly review and update the LTFP, with a minimum requirement for the plan to be updated and formally endorsed by Council as part of the Annual Budget process. Interim reviews will also be undertaken if there are material changes to key assumptions, including movements in the mining sector, grant funding availability, or changes in operating conditions. Through this structured review process, the LTFP ensures that Council's long term decision making remains financially responsible, transparent, and aligned with community priorities, while also allowing flexibility to adapt to external challenges.

Assurance of Sustainability

Through its regular review process, the LTFP ensures that Council decisions remain financially responsible, emerging risks are identified and managed early, and the Shire continues to operate in a transparent and accountable manner. Importantly, the review cycle ensures that the LTFP remains a guiding tool, not a fixed commitment, with each project and assumption subject to reconsideration and approval through the annual budget process.

Document Control

Version	Date	Author	Authorised
2026.1 Draft	16/03/2026	M. Whitely	Sabine Taylor
2026.1	24/03/2026	M. Whitely	Council Resolution #44/2026
2026.2	20/04/2026	M. Whitely	Council Resolution #72/2026
2026.3 Draft	15/09/2026	M. Whitely	Sabine Taylor