



Long Term Financial Plan

2025 -2035

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Executive Summary

The Shire of Coolgardie's Long Term Financial Plan (LTFP) sets out a clear and disciplined financial strategy to guide the delivery of the community's aspirations as identified in the Strategic Community Plan over the next ten years. It establishes a framework for responsible decision making that balances the need to maintain financial sustainability with the ongoing delivery of essential services, investment in community infrastructure, and prudent management of debt and cash flow.

Covering the period from 1 July 2025 to 30 June 2035, the LTFP uses the 2024/25 Draft Annual Financial Statements as its baseline year. By grounding the model in the most current financial position, the plan provides realistic and transparent projections of income, expenditure, and capital commitments. Importantly, the LTFP is not a static document. It will be reviewed and updated annually to reflect changes in economic conditions, community priorities, and Council decisions, ensuring the strategy remains both relevant and responsive throughout the decade ahead.

The LTFP has been prepared with careful consideration of the Shire's current and future financial commitments and operational needs. It incorporates the refinancing of existing debt to ease short-term repayment pressures, while ensuring all borrowings are fully repaid by FY35. The plan also reflects the Shire's current levels of service and the staffing resources required to deliver these services, recognising that maintaining service standards is a key community expectation. In developing the financial projections, Council has factored in existing expenditure trends and organisational spending habits, alongside a conservative approach to forecasting future revenue sources to avoid over reliance on uncertain income streams. This balanced approach ensures the LTFP remains realistic, financially sustainable, and responsive to both current circumstances and long-term objectives

To ensure the plan remains both responsible and achievable, Council will undertake regular reviews of its financial position. Expenditure will be systematically evaluated to identify efficiencies, revenue streams will be closely monitored to assess performance and long-term sustainability, and opportunities for the sale or rationalisation of non-core infrastructure will be actively explored. Collectively, these measures will provide the flexibility to adapt to changing circumstances while ensuring resources are directed towards the services and infrastructure of greatest value to the community.

Importantly, the LTFP serves as a critical framework for Council's decision making by linking financial capacity with strategic priorities. This alignment ensures that resources are allocated efficiently, projects are delivered within realistic funding parameters, and the community can have confidence that the Shire is operating in a prudent, transparent, and accountable manner.

Purpose and Context

The Shire has made significant investments in strategic infrastructure such as Bluebush Village, the Coolgardie Waste Facility and the Kambalda Aerodrome. These initiatives were designed to diversify revenue streams, reduce reliance on rates, and position the Shire for long-term economic growth. While these investments have generated additional cash flow, progress has been slower than anticipated and has resulted in high debt levels and early period cash flow pressures.

This level of debt, combined with slower than expected returns on the new infrastructure assets has placed considerable pressure on the Shire's liquidity and restricted its ability to deliver new projects or maintain existing services without urgent financial management interventions. Cash flow issues became particularly evident in late 2024, leading to a temporary freeze on non-discretionary expenditure and the deferral of several capital works projects until stability could be restored.

At 30 June 2024, the Shire's total debt stood at \$30.50 million, a level that was creating significant cash flow pressures and limiting financial flexibility. To address this, all loan borrowings were refinanced in the first half of FY25. This loan refinancing provided immediate relief to the Shire's cash flow position by restructuring repayment schedules, extending loan terms, and introducing interest-only repayment periods in the early years. This restructuring has created essential breathing space, enabling the Shire to maintain core services, recommence deferred infrastructure works, and rebuild reserves while still being able to meet its long term repayment obligations in future years.

But importantly, despite these refinancings, the LTFP projects that all debt will be fully extinguished within the 10-year period, with borrowings reducing from \$27.62 million in FY25 to nil by FY35. This outcome reflects the Shire's strong commitment to financial discipline and ensures that short-term measures to relieve cash flow pressures do not compromise the long term goal of achieving complete debt repayment and financial sustainability.

To further strengthen this commitment, a dedicated reserve, recommended to be titled the Debt Management Reserve, will be established with any surplus funds in the early years of the plan to be transferred into this reserve. This will support cash flow management and provide the Shire with the capacity to meet future loan repayments as they fall due. This proactive approach ensures that surplus operating capacity is directed towards reducing debt exposure, rather than being absorbed into recurrent spending.

Actions to Stabilise and Strengthen Finances

This plan outlines the actions that have been 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 10-year horizon, while avoiding the need for any new borrowings during this period.

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. This backlog will be fully cleared in the first year of the Long Term Financial Plan without the need for any additional borrowings. Eliminating the backlog not only ensures that critical infrastructure requirements are addressed promptly but also allows the Shire to return to normal operational rhythms and commence the process of rebuilding both cash reserves and unrestricted cash. Over the 10 year 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 10-year 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 \$9.53 million in annual capital expenditure across the 10-year period, supported by rate increases of no more than 4% between FY27 and FY35 with 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 such funding is not achieved.

The plan is structured around achieving a balanced budget from FY26 onwards, with an optimum unrestricted cash target of between \$3-5 million. This level of liquidity ensures the Shire can comfortably meet financial obligations in the months leading into the annual rates collections and financial assistance grant receipts.

Financial Outcomes

Key financial highlights of the LTFP include:

- Debt reduction: total borrowings reduced from \$27.52 million in FY25 to nil by FY35.
- No new borrowings proposed.
- Cash flow recovery: cash and cash equivalents of \$15.36 million by FY35.
- Reserves growth: reserves increase from \$0.26 million in FY25 to \$10.91 million in FY35.
- Unrestricted cash of \$4.45 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 designed with long-term financial sustainability in mind. It applies a modest 4% annual rate increase from FY27–FY35, ensuring stability in revenue generation without overburdening ratepayers. In particular, UV valuations are reviewed annually and can have a significant impact on the Shire's rate revenue. By carefully adjusting the rate in the dollar, Council will ensure that any future rate increases take into account changes in property valuations provided by Landgate, maintaining fairness and stability across the rating system.

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: \$5 million grant funding required for the \$7.5 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 Long Term Financial Plan will be monitored against the Local Government Financial Indicator (LGFI) to assess performance and sustainability over time. In FY24, the Shire's LGFI score was 28, reflecting the current financial challenges and recovery measures underway. By the conclusion of the plan in FY35, this score is projected to improve significantly to 92, demonstrating the effectiveness of the strategies implemented and the Shire's strengthened financial position. 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.

Executive Summary

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

The Shire of Coolgardie is located approximately 550 kilometres East of Perth. It encompasses an area of 30,400 km² and includes the towns of Coolgardie, Kambalda, Widgiemooltha and the Aboriginal community of Kurrawang.

Over 3,600 people live in the Shire and enjoy a relaxed lifestyle complemented by a stunning natural environment.

Celebrated for the gold and nickel discoveries in Coolgardie and Kambalda, the Shire continues to thrive with a multitude of mining and processing companies operating in the area. The Shire is the largest producer of minerals in the region with gold and nickel mining operations supporting globally significant regional exports.

Rich in the gold-rush era history, the towns feature some magnificent historical buildings, unique natural assets and museum collections offer extraordinary tourism experiences.

Coolgardie saw the biggest movement of people in Australian history when gold was found in 1892. At the height of the gold rush in 1897, Coolgardie was Western Australia's third largest town servicing a population of 25,000 residents and over 700 mining companies.

The name Coolgardie is derived from the Aboriginal name "Kurl-Kurti" that refers to a type of Mulga tree which grew near a waterhole. The waterhole was shown to the first Europeans in the area by Nyunbuning.

Coolgardie has some of the grandest surviving goldrush-era historical buildings and collections which include the Goldfields Exhibition Museum, Post Office Complex, Pharmaceutical Museum, Railway Museum and Warden Finnerty's Residence.

Kambalda, established in 1897, was also a gold mining town until 1966 when the first of many large deposits of nickel was found in the town. These rich nickel deposits were profitably developed by Western Mining Corporation which marked the beginning of Western Australia's 'nickel boom'.

Widgiemooltha is located between Kambalda and Norseman on the southern shoreline of a significant salt lake and tourist attraction called Lake Lefroy. In the 1890s, gold was discovered in the area and Widgiemooltha had a population of 112 people. The name of the town is Aboriginal in origin and is thought to be derived from the Aboriginal word Wadjimoola (meaning crows nose).

Kurrawang is an Aboriginal community located between Coolgardie and the Shire of Kalgoorlie-Boulder. It was established as a mission settlement in 1953 on a Crown Land Title reserve and in 1995, the Kurrawang Aboriginal Christian Community was issued with the title to land in freehold. Today, the community hosts a range of facilities including a school, shop, and adult learning centre.

Coolgardie, Kambalda and their surrounds are places of natural beauty and economic strength – the social, cultural and economic heart of the Goldfields located in a region rich in cultural diversity and natural resources.

The Shire has a developed economy including extensive infrastructure and services, strong governance structures and a young and diverse population profile. The Shire has social infrastructure and a vibrant populace enabling continued growth and presenting unique opportunities to be leveraged in future development.

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 spans a ten (10) year period and is designed to ensure that the Shire of Coolgardie is well positioned to achieve the objectives of its overarching Strategic Community 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 simply increasing rates is not a sustainable solution to meeting the Shire's financial and service delivery demands. Council is committed to providing infrastructure and services to the community in a manner that is both affordable and financially responsible.

To achieve this, the Shire will continue to diversify revenue sources, review service delivery models, and contain 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 provide support to community organisations.
- Promote greater use of Shire operated facilities.
- Acknowledge that not all facilities can operate on a full cost recovery basis.
- Increase revenue from non-rating sources wherever possible.
- Maximise grant funding opportunities to support both operational activities and infrastructure requirements.
- Apply cost recovery practices to services deemed to be commercial in nature.
- Regularly review service delivery methods to identify alternative or more efficient approaches.
- Identify services that could benefit from a regional or shared delivery model.
- Invest in new technologies that deliver long-term operational efficiencies.
- Implement and maintain responsible debt management practices to maximise economic opportunities.
- Maintain existing infrastructure to an acceptable and sustainable standard.
- Seek a minimum of 50% external funding support for new community facilities.
- Where appropriate, replace existing facilities with multi-purpose facilities to reduce future capital and operational expenditure.

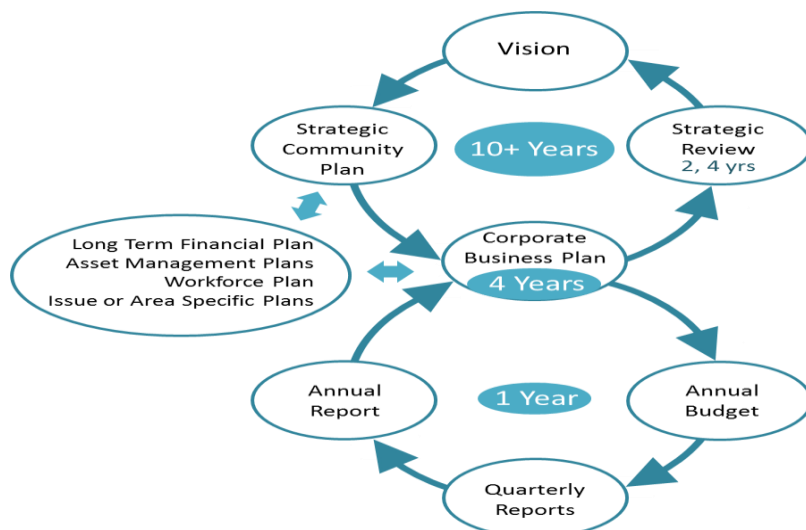
Strategic Direction

The LTFP highlights the Shire's capacity to deliver on the goals and aspirations identified in the Community Strategic Plan and Corporate Business Plan. It extends the financial outlook beyond the four-year Corporate Business Plan to cover a ten-year period, providing an indicative assessment of the Shire's long-term financial sustainability.

The primary purpose of the LTFP process is to assess whether the strategic intent outlined in the Shire's integrated planning documents can be achieved without compromising the long term financial stability of the organisation. It serves as a vital tool for aligning available resources with community priorities while ensuring the ongoing viability of Shire operations.

The LTFP provides essential information for evaluating resourcing requirements to achieve community objectives in a financially sustainable manner. While the financial projections are based on current assumptions and estimates, they are intended to present an overview of likely outcomes. As the Shire's operations evolve, changes to the Corporate Business Plan may necessitate regular updates to the LTFP to ensure ongoing accuracy and relevance.

The LTFP also forms a key component of the Integrated Planning and Reporting Framework which brings together the Community Strategic Plan, Corporate Business Plan, Asset Management Plans, Workforce Plans, Issue- and Area-Specific Plans, the Long-Term Financial Plan, and the Annual Budget. Together, these documents create a cycle of planning, delivery, and review that ensures the Shire's activities remain strategically focused, financially sustainable, and responsive to community needs.



Strategic Community Plan

The Shire's Strategic Community Plan 2018–2028 is a key document that helps guide the future direction of the Shire, with a strong focus on capturing and advancing the aspirations and goals of the community. A full review of the document will be undertaken following the October 2025 local government elections, with the review to be completed during the 2025–26 financial year.

Community Vision

A connected, progressive and welcoming community.

Strategic Priorities

Each theme has several strategic priorities feeding into it, as shown below. While current activities and service levels will continue over the short to medium term in many cases, the priorities show what the Shire will focus on over the coming years. These priorities will be updated at least every four years as the Plan is reviewed and refreshed.

Accountable and Effective Leaders

- Engagement and consultation
- Transparent, accountable and effective governance
- Advocate for the community

An Inclusive, Safe and Vibrant Community

- Build a sense of place and belonging
- A safe and healthy community
- Celebrate our culturally diverse community

A Thriving Economy

- Build economic capacity
- Facilitate local business development and retention
- Provide support for traineeship development

Effective Management of Infrastructure, Heritage and Environment

- Value local culture and heritage
- Sustainable management resources
- Enhance our built environment

Corporate Business Plan

The Corporate Business Plan is the key document responsible for translating the strategic direction of the Shire, as articulated in the Strategic Community Plan 2018–2028 into practical actions. The Corporate Business Plan is currently under review and is scheduled for completion in the 2025–26 financial year

Delivering on the community's aspirations and goals requires the development and implementation of strategies identified within the Strategic Community Plan. Given the limitations of available financial resources, this requires careful operational planning and prioritisation to ensure strategies are delivered in a way that is both achievable and sustainable.

The Corporate Business Plan formalises this process by outlining the specific initiatives, projects, and services to be delivered, and by aligning them with the Shire's financial capacity. It serves as the critical link between the Strategic Community Plan and the Annual Budget, putting the Shire's long-term vision into action through clearly defined, resourced, and measurable commitments.

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 Corporate Business 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 Strategic Community 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 Community Strategic 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. The Workforce Plan will be reviewed in the 2025/26 financial year.

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.

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 the 2025/26 financial year. 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 Strategic Community Plan, Corporate Business 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:

- Bluebush Village occupancy levels, which directly affect revenue streams and the viability of the facility.
- 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
- Kambalda Aged Accommodation
- Waste Management Facilities
- Sewerage Upgrades
- Coolgardie Swimming Pool Refurbishment
- Bayley Street Upgrade
- Micro Grid System
- Kambalda Youth Centre

Key Assumptions

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

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Rates*	8.00%	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%

* Rate increases for FY26 is the percentage increase applied to the rate in the dollar before any differential rating has been applied. Rate increases for FY27-35 reflect increases on rates revenue generated from the previous year.

Revenue Assumptions

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

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Rates*	8.00%	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	8.00%	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%

* Rate increases for FY26 are the percentage increases applied to the rate in the dollar before any differential rating has been applied. Rate increases for FY27-35 reflect increases on rates revenue generated from the previous year.

REVISED MODEL ASSUMPTIONS

Based on current trends observed during the first three months of the 2025–26 financial year, the LTFP has incorporated several major assumptions to ensure forecasts remain accurate and reflective of current conditions. It is important to note that, at this stage, these assumptions have not yet been formally adopted by Council through a budget amendment.

Rates Revenue

The LTFP includes provisions to address historical rating issues:

- 2022–23: Incorrect differential rating applied to transient workforce accommodation. Provision has been made in 2025–26 for a worst case full repayment.
- 2023 SAT Decision: A mining company was incorrectly rated. The Shire is negotiating the refund, with provision made for repayment in two equal instalments across 2025–26 and 2026–27.

Impact: A total reduction of **\$1.83 million** in rates revenue across two years

Fees and Charges

Several key assumptions have been updated based on actual data from the first quarter of 2025–26:

- Bluebush Village occupancy levels have exceeded forecasts, with contracts secured until February 2026. Revenue projections have therefore been conservatively increased by \$1.8 million.
- Landing fee revenue has been reduced by \$600,000 to reflect current passenger numbers.
- Associated expenditure has been adjusted in line with these revised activity levels.

Net Impact: These revisions result in an additional **\$1.2 million increase** in the LTFP compared to the adopted budget.

Materials and Contracts

Following the first quarter review of 2025–26:

- An additional \$1.05 million has been conservatively allocated for Bluebush Village accommodation management and general maintenance. Actual costs are expected to be lower, but a conservative approach has been taken for cost estimates.
- Expenditure for Kambalda Aerodrome maintenance has been reduced by \$450,000 in line with decreased passenger flights.
- Further savings of \$357,800 have been identified through operational efficiencies.

Net Impact: An overall **increase of \$242,200** in materials and contracts for 2025–26.

Employee Costs

Ongoing reviews of staffing requirements have identified sustainable savings:

- Employee costs have been reduced by \$500,000 against the adopted 2025–26 budget.
- These reductions are based on aligning staffing with the resources required to deliver services and manage infrastructure effectively.
- These savings will carry forward across future years of the LTFP.

Impact: Long-term structural efficiencies embedded into the Shire's workforce planning

RATES

Rates and Annual Charges represent the Shire's principal source of revenue, accounting for approximately 45% of total revenue (before Capital Grants) in FY26. The Shire's rates base is heavily influenced by the resources sector, with around 78% of total rates revenue generated from mining related properties and services.

The LTFP also assumes that rate increases will be capped at no more than 4% per annum from FY27 through to FY35, balancing the Shire's need to generate sufficient revenue with the importance of maintaining affordability for ratepayers. This disciplined approach to rate setting reflects Council's commitment to responsible financial management, while continuing to deliver services and infrastructure that meet community expectations.

FEES AND CHARGES

Fees and Charges represent the Shire's second largest source of revenue, accounting for approximately 46% of total revenue (before Capital Grants) in FY26.

Revenue of \$14.11 million is forecast to be raised in FY26, with the majority generated from the Bluebush Village accommodation facilities in Kambalda. Bluebush Village is expected to generate approximately \$8.40 million, representing 60% of total fees and charges revenue for the year.

Other significant contributors include:

- Coolgardie Waste Facility – 10%
- Kambalda Aerodrome – 9%
- Mining Lease Agreements – 4%

Additional revenue streams include charges for waste management services (domestic and commercial bin collection), sewerage and liquid waste services, and a smaller proportion from statutory services such as animal registrations, building approvals, and town planning application fees.

The generation of strong operating revenues from these non-rating sources reduces reliance on rates and enables Council to apply operating surpluses towards reinvestment in strategic projects, supporting the delivery of new infrastructure, service improvements, and long-term community benefits.

However, there is inherent risk surrounding the assumptions underpinning fees and charges revenue, as much of it is dependent on the strength of the mining sector. The three largest sources; Bluebush Village, Kambalda Aerodrome and the Coolgardie Waste Facility are all directly linked to mining activity. The LTFP adopts a conservative approach to mitigate this risk, modelling only 50% occupancy at Bluebush for Years 1–5 of the plan, and reducing this further to 25% occupancy in Years 6–10. Even with these cautious assumptions, a sudden downturn in mining activity would significantly affect all three major revenue streams. While some associated costs would also decrease in such a scenario, the net impact on the Shire's finances would remain material.

This risk is not unique to the Shire of Coolgardie, it is a reality for all local governments whose economies are tied to the mining sector. Accordingly, the Shire recognises the importance of pursuing opportunities outside of mining, while also leveraging the current strength of the sector to diversify income sources and build long term financial resilience.

OPERATIONAL GRANTS, SUBSIDIES AND CONTRIBUTIONS

The Shire historically receives approximately 8% of its operating revenue from various operational grants.

Some of these grants, such as the Commonwealth Financial Assistance Grant and the Main Roads Direct Grant, are untied and received annually. These funding streams provide a reliable source of income and have historically increased in line with CPI. Other funding sources, such as support for the Community Resource Centres in Coolgardie and Kambalda, are tied to the delivery of specific services. While these grants are service based, they have been relatively consistent from year to year and have also generally been indexed in line with CPI.

In contrast, certain funding sources are more project-specific and therefore less predictable. For example, the Shire has recently received other funding to deliver community led support services. However, as future allocations remain uncertain, this revenue has not been projected beyond the current funding arrangements in the LTFP.

This approach ensures that the plan remains financially prudent by only including operational grants where there is a reasonable degree of certainty, while acknowledging the risks associated with short term or project specific funding.

INVESTMENT INCOME

The Shire will invest funds that are surplus to its immediate operational requirements. Within the LTFP, it is assumed that any surplus funds will be invested in a diversified portfolio of term deposits and/or securities, in accordance with the Shire's investment policies.

For the purposes of long term financial modelling, interest rates have been aligned with the CPI applied throughout the plan. The LTFP has intentionally not sought to speculate on potential interest rate volatility, ensuring that projections remain conservative, transparent, and free from undue assumptions about future market fluctuations.

REIMBURSEMENTS AND OTHER REVENUE

The Shire receives minor revenue and reimbursements from a range of sources, which collectively form a small component of overall income, contributing just 1% of total revenue (before Capital Grants) in FY26.

Historically, this account has also included insurance recoveries, though it is important to note that such recoveries are typically offset by matching expenses and therefore have no net financial impact.

For the purposes of the LTFP, no assumptions have been made regarding future insurance recoveries, reflecting a conservative approach to forecasting. Other minor revenue streams are projected to increase in line with CPI over the duration of the plan.

CAPITAL GRANTS AND CONTRIBUTIONS

The Shire receives regular Capital Grants to fund or subsidise the delivery of strategic capital projects.

Road-related funding streams, such as the Regional Road Group program, have been indexed in line with CPI, while Roads to Recovery funding has been included past the current program which ends in FY29.

The certainty of other grant programs, such as the Local Roads and Community Infrastructure Program, remains less predictable. Accordingly, the LTFP only includes funding allocations that are considered highly likely to be received. Projects identified over the 10-year life of the plan are included on the basis that they will only proceed where all, or a substantial proportion of, external funding is secured to cover their costs.

This approach ensures that the capital works program remains both realistic and financially sustainable, avoiding undue reliance on uncertain funding while still positioning the Shire to leverage opportunities as they arise.

Expenditure Assumptions

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

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
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	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
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 22% of forecast operating expenses in FY26.

For the purposes of the LTFP, employee costs have been projected to increase in line with CPI, estimated at 3% per annum over the life 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 all expenditures required to maintain Shire facilities and deliver services to the community. This category represents the largest fixed expense for the Shire of Coolgardie, accounting for approximately 36% of forecast operating expenses in FY26.

The most significant component within this category relates to the management and maintenance of the Kambalda accommodation facilities, which represents around 41% of total costs. Additional major costs include the operation of the Kambalda Aerodrome (8%) and the Coolgardie Waste Facility (6%). Collectively, approximately 55% of material and contract costs in FY26 are attributable to facilities in some way linked to the mining sector services, which the Shire has strategically developed to diversify its revenue base beyond rates.

While these facilities are central to the Shire's revenue diversification strategy, they also expose the Shire to sector-specific risks. Any downturn in the mining industry could have a significant impact on both revenues and associated costs. For this reason, ongoing review of operations and service delivery models is critical to ensure financial sustainability, efficiency, and value for money.

All costs in this category have been indexed in line with CPI for the duration of the LTFP.

FINANCE COSTS

Although interest on loans represent only around 5% of operating expenditure, they remain a significant financial commitment for the Shire. Recognising this, Council has placed strong emphasis on the importance of repaying borrowings as a priority, with the aim of improving cash flow and strengthening the Shire's financial position in the short to medium term.

Minimising exposure to rising interest rates is paramount, and as such the Shire has adopted a cautious approach to debt management. Where possible, any surplus funds will be applied to accelerate debt reduction, further reducing financial risk and improving long term sustainability.

In line with this commitment, the LTFP makes no provision for additional borrowings. Instead, the focus is on steadily reducing the existing debt portfolio and ensuring that future capital projects are funded through a combination of external grants, prudent financial management, and the progressive rebuilding of reserves.

UTILITY COSTS

Utility costs represent approximately 6% of the Shire's operating expenditure. For the purposes of the LTFP, these costs have been projected to increase in line with CPI. However, they will need to be monitored carefully, as historically utility costs, particularly energy, have often increased at a rate significantly higher than CPI.

A key driver of current expenditure is the reliance on temporary generator power at the Bluebush Village, Kambalda Aerodrome, and the Coolgardie Waste Facilities. These arrangements are being reviewed, as they represent a significant ongoing cost. In the longer term, the Shire intends to pursue more permanent energy solutions to reduce reliance on generators. While this will likely require some initial capital investment, it is expected to generate substantial operating cost savings over time.

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 that any changes in the Shire's risk profile, asset base, or operating environment are reflected in future forecasts.

OTHER COSTS

Other costs represent approximately 4% 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 a ten (10) year 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.

It is important to note that 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	\$29,647,551	FY25-35
Kambalda Aged Accommodation	\$8,000,000	FY27
Land & Buildings Renewal	\$7,870,965	FY25-35
Bayley Street Upgrade	\$7,550,000	FY28-29
Coolgardie Swimming Pool	\$6,200,000	FY27-28
Plant Replacement Program	\$5,950,000	FY25-35
Footpath Renewal Program	\$5,417,187	FY25-35
Coolgardie Sewerage Upgrades	\$5,275,686	FY25-35
Waste Management Facilities	\$4,750,000	FY25-35
Micro Grid System	\$4,000,000	FY31-32
Other Infrastructure Renewal	\$3,922,884	FY25-35

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 27% 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	20 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 10 year period FY25 to FY35.

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 then 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 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

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE											
Rates	12,711	13,783	14,708	16,077	16,720	17,388	18,084	18,807	19,560	20,342	21,156
Operating Grants & Contributions	1,894	2,354	2,330	2,384	2,454	2,526	2,600	2,676	2,755	2,836	2,919
Fees & Charges	15,291	14,110	12,595	13,093	13,611	14,149	10,502	10,015	10,409	10,820	11,247
Interest on Investments	58	112	180	295	324	354	472	576	620	698	769
Capital Grants & Contributions	676	5,866	9,721	3,254	5,588	4,567	1,900	3,400	3,400	1,950	1,950
Other Revenue	786	371	363	374	385	396	408	420	433	446	459
Profit on Disposal of Assets	190	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE	31,606	36,596	39,897	35,477	39,082	39,380	33,966	35,894	37,177	37,092	38,500
EXPENDITURE											
Employee Costs	6,289	6,657	6,857	7,062	7,274	7,492	7,717	7,949	8,187	8,433	8,686
Materials & Contracts	11,438	11,694	10,525	11,415	11,801	12,200	9,006	9,606	9,917	10,239	10,572
Utility charges	1,761	1,838	1,838	1,952	2,011	2,071	2,133	2,197	2,263	2,331	2,401
Depreciation	8,462	8,791	9,299	9,232	9,583	9,944	10,274	10,465	10,694	10,924	11,132
Interest expense	1,862	1,583	1,447	1,445	1,394	1,302	1,162	932	685	425	150
Insurance expense	562	610	628	647	667	687	707	728	750	773	796
Other expenditure	1,852	1,359	1,395	1,436	1,478	1,521	1,566	1,612	1,660	1,709	1,759
Loss on Disposal of Assets	3	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURE	32,229	32,532	31,989	33,189	34,208	35,217	32,565	33,489	34,156	34,834	35,496
NET RESULT FOR PERIOD	(623)	4,064	7,908	2,288	4,874	4,163	1,401	2,405	3,021	2,258	3,004
Changes in asset revaluation surplus	326	0	0	0	0	0	0	0	0	0	0
TOTAL COMPREHENSIVE INCOME FOR PERIOD	(297)	4,064	7,908	2,288	4,874	4,163	1,401	2,405	3,021	2,258	3,004

Statement of Financial Activity

	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000	2033 \$'000	2034 \$'000	2035 \$'000
Opening Surplus / (Deficit)	(5,259)	(1,636)	0	0	0	0	0	0	0	0	0
Result from Operating Activities	(1,299)	(1,802)	(1,813)	(966)	(714)	(404)	(499)	(995)	(379)	308	1,054
NON CASH AMOUNTS EXCLUDED FROM OPERATING ACTIVITIES											
(Profit) / Loss on Sale of Assets	(186)	0	0	0	0	0	0	0	0	0	0
Fair value adjustments through profit & loss	4	0	0	0	0	0	0	0	0	0	0
Depreciation	8,462	8,791	9,299	9,232	9,583	9,944	10,274	10,465	10,694	10,924	11,132
Movements in assets and liabilities	(25)	50	(1,000)	0	0	(1,000)	0	0	0	(500)	(1,500)
Amount attributable to Operating Activities	8,255	8,841	8,299	9,232	9,583	8,944	10,274	10,465	10,694	10,424	9,632
INVESTING ACTIVITIES											
Purchase of Property, Plant & Equipment	(576)	(899)	(9,950)	(1,650)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,600)
Purchase of Infrastructure	(800)	(8,194)	(4,321)	(9,154)	(11,054)	(8,750)	(4,750)	(6,715)	(6,750)	(5,825)	(5,325)
Capital grants, subsidies and contributions	676	5,866	9,721	3,254	5,588	4,567	1,900	3,400	3,400	1,950	1,950
Proceeds from sale of assets	328	0	0	300	240	240	240	240	240	240	240
Amount attributable to investing activities	(371)	(3,226)	(4,550)	(7,250)	(6,726)	(5,443)	(4,110)	(4,575)	(4,610)	(5,135)	(4,735)
FINANCING ACTIVITIES											
Proceeds from Borrowings	4,889	0	0	0	0	0	0	0	0	0	0
Repayment of Borrowings	(4,324)	0	0	(385)	(1,588)	(1,680)	(3,983)	(4,213)	(4,459)	(4,719)	(4,436)
Repayment of Overdraft Facility	(1,483)	0	0	0	0	0	0	0	0	0	0
Repayment of Lease Liabilities	(2,046)	(1,817)	(230)	(12)	(8)	0	0	0	0	0	0
Transfers from Reserves	0	0	0	385	1,588	1,680	3,983	4,213	4,459	4,719	3,631
Transfers to Reserves	0	(360)	(1,706)	(1,003)	(2,135)	(3,097)	(5,665)	(4,895)	(5,705)	(5,597)	(5,146)
Amount attributable to financing activities	(2,963)	(2,177)	(1,936)	(1,015)	(2,143)	(3,097)	(5,665)	(4,895)	(5,705)	(5,597)	(5,951)
Operating Surplus / (Deficit)	(1,636)	0	0	0	0	0	0	0	0	0	0

Statement of Cash Flows

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cashflows from Operating Activities											
Rates	11,380	13,783	14,925	16,327	16,720	17,388	18,084	18,807	19,560	20,342	21,156
Operating Grants & Contributions	1,467	2,354	2,330	2,384	2,454	2,526	2,600	2,676	2,755	2,836	2,919
Fees & Charges	16,537	14,639	13,288	13,093	13,611	14,149	10,502	10,015	10,409	10,820	11,247
Other Revenue	843	630	568	669	709	750	880	996	1,053	1,144	1,228
Employee Costs	(6,202)	(6,657)	(6,857)	(7,062)	(7,274)	(7,492)	(7,717)	(7,949)	(8,187)	(8,433)	(8,686)
Materials & Contracts	(13,115)	(13,494)	(12,132)	(12,015)	(12,001)	(12,200)	(9,006)	(9,606)	(9,917)	(10,239)	(10,572)
Utility charges	(1,761)	(1,838)	(1,838)	(1,952)	(2,011)	(2,071)	(2,133)	(2,197)	(2,263)	(2,331)	(2,401)
Finance costs	(1,862)	(1,583)	(1,447)	(1,445)	(1,394)	(1,302)	(1,162)	(932)	(685)	(425)	(150)
Insurance paid	(562)	(610)	(628)	(647)	(667)	(687)	(707)	(728)	(750)	(773)	(796)
Other Expenditure	(2,018)	(1,359)	(1,395)	(1,436)	(1,478)	(1,521)	(1,566)	(1,612)	(1,660)	(1,709)	(1,759)
Net Cash Provided (or Used) in Operating Activities	4,708	5,865	6,814	7,916	8,669	9,540	9,775	9,470	10,315	11,232	12,186
Cashflows of Investing Activities											
Proceeds from sale of Property, Plant & Equipment	328	0	0	300	240	240	240	240	240	240	240
Capital Grants & Contributions	1,702	3,409	9,721	3,254	5,588	4,567	1,900	3,400	3,400	1,950	1,950
Payments for purchase of Property, Plant & Equipment	(576)	(899)	(9,950)	(1,650)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,600)
Payments for construction of Infrastructure	(800)	(8,194)	(4,321)	(9,154)	(11,054)	(8,750)	(4,750)	(6,715)	(6,750)	(5,825)	(5,325)
Net Cash Provided (or Used) in Investing Activities	655	(5,683)	(4,550)	(7,250)	(6,726)	(5,443)	(4,110)	(4,575)	(4,610)	(5,135)	(4,735)
Cashflows of Financing Activities											
Proceeds from Borrowings	25,463	0	0	0	0	0	0	0	0	0	0
Proceeds from Overdraft Facility	96	0	0	0	0	0	0	0	0	0	0
Repayment of Borrowings	(24,898)	0	0	(385)	(1,588)	(1,680)	(3,983)	(4,213)	(4,459)	(4,719)	(4,436)
Repayment of Overdraft Facility	(1,578)	0	0	0	0	0	0	0	0	0	0
Repayment of Lease Liabilities	(2,046)	(1,817)	(230)	(12)	(8)	0	0	0	0	0	0
Net Cash Provided (or Used) in Financing Activities	(2,963)	(1,817)	(230)	(397)	(1,596)	(1,680)	(3,983)	(4,213)	(4,459)	(4,719)	(4,436)
Net increase (decrease) in cash held	2,400	(1,635)	2,034	268	346	2,417	1,682	682	1,246	1,378	3,015
Cash and cash equivalents at beginning of year	1,522	3,922	2,287	4,321	4,589	4,936	7,353	9,035	9,717	10,963	12,341
Cash and cash equivalents at the end of the year	3,922	2,287	4,321	4,589	4,936	7,353	9,035	9,717	10,963	12,341	15,356

Statement of Financial Position

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS											
Cash and cash equivalents	3,922	2,287	4,321	4,589	4,936	7,353	9,035	9,717	10,963	12,341	15,356
Rate receivables	967	967	750	500	500	500	500	500	500	500	500
Trade receivables	1,721	1,193	500	500	500	500	500	500	500	500	500
Inventories	161	14	10	10	10	10	10	10	10	10	10
Other Assets	21	21	0	0	0	0	0	0	0	0	0
Total Current Assets	6,792	4,482	5,581	5,599	5,946	8,363	10,045	10,727	11,973	13,351	16,366
NON-CURRENT ASSETS											
Trade and other receivables	265	265	265	265	265	265	265	265	265	265	265
Other financial assets	100	100	100	100	100	100	100	100	100	100	100
Property, plant and equipment	61,787	60,578	68,513	67,558	66,450	65,306	64,119	62,892	61,623	60,313	59,062
Infrastructure	114,029	116,859	114,391	116,618	120,457	121,668	118,590	117,328	115,912	113,384	110,188
Right-of-use assets	1,814	495	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	177,994	178,295	183,268	184,540	187,272	187,338	183,073	180,584	177,900	174,061	169,614
TOTAL ASSETS	184,786	182,777	188,849	190,140	193,218	195,700	193,118	191,311	189,873	187,412	185,980
CURRENT LIABILITIES											
Trade and other payables	5,207	3,407	1,800	1,200	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Other liabilities	2,237	0	0	0	0	0	0	0	0	0	0
Lease liabilities	1,817	230	12	8	0	0	0	0	0	0	0
Borrowings	0	0	385	1,588	1,680	3,983	4,213	4,459	4,719	4,436	0
Employee related provisions	527	527	527	527	527	527	527	527	527	527	527
Other Provisions	201	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	9,989	4,163	2,724	3,323	3,207	5,509	5,739	5,986	6,246	5,963	1,527
NON-CURRENT LIABILITIES											
Lease liabilities	250	20	8	0	0	0	0	0	0	0	0
Borrowings	25,463	25,463	25,078	23,490	21,810	17,827	13,615	9,155	4,436	0	0
Employee related provisions	115	115	115	115	115	115	115	115	115	115	115
Other provisions	4,374	4,374	4,374	4,374	4,374	4,374	4,374	4,374	4,374	4,374	4,374
Total Non-Current Liabilities	30,202	29,972	29,575	27,979	26,299	22,316	18,103	13,644	8,925	4,489	4,489
TOTAL LIABILITIES	40,191	34,136	32,299	31,302	29,505	27,825	23,843	19,630	15,171	10,452	6,015
NET ASSETS	144,596	148,642	156,550	158,838	163,712	167,875	169,276	171,681	174,702	176,960	179,965
EQUITY											
Retained surplus	53,401	57,088	63,290	64,960	69,287	72,033	71,752	73,475	75,250	76,630	78,120
Reserve accounts	258	618	2,324	2,942	3,488	4,905	6,588	7,270	8,516	9,394	10,908
Revaluation surplus	90,937	90,937	90,937	90,937	90,937	90,937	90,937	90,937	90,937	90,937	90,937
TOTAL EQUITY	144,596	148,642	156,550	158,838	163,712	167,875	169,276	171,681	174,702	176,960	179,965

Statement of Reserves

	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000	2033 \$'000	2034 \$'000	2035 \$'000
LEAVE RESERVE											
Opening Balance	0	0	50	52	53	55	56	258	266	589	606
Transfer to Reserve	0	50	2	2	2	2	202	8	323	18	218
Transfer from Reserve	0	0	0	0	0	0	0	0	0	0	0
Balance at 30 June	0	50	52	53	55	56	258	266	589	606	825
PLANT RESERVE											
Opening Balance	72	77	130	134	138	265	273	481	496	711	732
Transfer to Reserve	5	53	4	4	127	8	208	14	215	21	568
Transfer from Reserve	0	0	0	0	0	0	0	0	0	0	0
Balance at 30 June	77	130	134	138	265	273	481	496	711	732	1,300
SEWERAGE RESERVE											
Opening Balance	56	60	142	146	536	652	671	791	815	840	865
Transfer to Reserve	4	82	4	389	116	20	120	24	24	25	951
Transfer from Reserve	0	0	0	0	0	0	0	0	0	0	0
Balance at 30 June	60	142	146	536	652	671	791	815	840	865	1,816
LANDFILL REINSTATEMENT RESERVE											
Opening Balance	0	0	50	52	53	155	159	364	375	386	398
Transfer to Reserve	0	50	2	2	102	5	205	11	11	12	950
Transfer from Reserve	0	0	0	0	0	0	0	0	0	0	0
Balance at 30 June	0	50	52	53	155	159	364	375	386	398	1,348
INFRASTRUCTURE RENEWAL RESERVE											
Opening Balance	83	89	142	1,029	1,086	1,243	1,647	2,003	2,306	2,632	2,711
Transfer to Reserve	6	53	887	57	157	404	356	303	326	79	340
Transfer from Reserve	0	0	0	0	0	0	0	0	0	0	0
Balance at 30 June	89	142	1,029	1,086	1,243	1,647	2,003	2,306	2,632	2,711	3,051

Statement of Reserves (continued)

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
AGED ACCOMMODATION RENEWAL RESERVE											
Opening Balance	30	33	64	66	68	170	175	380	391	403	415
Transfer to Reserve	2	31	2	2	102	5	205	11	12	12	1,012
Transfer from Reserve	0	0	0	0	0	0	0	0	0	0	0
Balance at 30 June	33	64	66	68	170	175	380	391	403	415	1,428
ROAD CONTRIBUTIONS RESERVE											
Opening Balance	0	0	40	41	41	41	41	141	141	141	141
Transfer to Reserve	0	40	1	0	0	0	100	0	0	0	1,000
Transfer from Reserve	0	0	0	0	0	0	0	0	0	0	0
Balance at 30 June	0	40	41	41	41	41	141	141	141	141	1,141
DEBT MANAGEMENT RESERVE											
Opening Balance	0	0	0	805	967	908	1,882	2,169	2,480	2,814	3,525
Transfer to Reserve	0	0	805	548	1,529	2,654	4,269	4,524	4,793	5,430	106
Transfer from Reserve	0	0	0	(385)	(1,588)	(1,680)	(3,983)	(4,213)	(4,459)	(4,719)	(3,631)
Balance at 30 June	0	0	805	967	908	1,882	2,169	2,480	2,814	3,525	0
TOTAL RESERVES											
Opening Balance	241	258	618	2,324	2,942	3,488	4,905	6,588	7,270	8,516	9,394
Transfer to Reserve	17	360	1,706	1,003	2,135	3,097	5,665	4,895	5,705	5,597	5,146
Transfer from Reserve	0	0	0	(385)	(1,588)	(1,680)	(3,983)	(4,213)	(4,459)	(4,719)	(3,631)
TOTAL RESERVES AT 30 JUNE	258	618	2,324	2,942	3,488	4,905	6,588	7,270	8,516	9,394	10,908

Infrastructure Renewal Program

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
PROPERTY, PLANT & EQUIPMENT											
Opening Balance	71,508,028	71,958,715	72,857,431	82,807,431	83,857,431	84,877,431	85,897,431	86,917,431	87,937,431	88,957,431	89,977,431
Accumulated Depreciation	(8,871,585)	(10,171,915)	(12,279,887)	(14,294,840)	(16,299,543)	(18,426,996)	(20,591,849)	(22,798,002)	(25,045,455)	(27,334,208)	(29,664,261)
Sub-total	62,636,443	61,786,800	60,577,544	68,512,591	67,557,888	66,450,435	65,305,582	64,119,429	62,891,976	61,623,223	60,313,170
Asset Revaluations	0	0	0	0	0	0	0	0	0	0	0
Acquisitions											
- New	575,965	575,000	0	0	0	0	0	0	0	0	100,000
- Capital Renewal	0	323,716	9,950,000	1,650,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Disposal	(125,278)	0	0	(600,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)
Depreciation	(1,300,330)	(2,107,972)	(2,014,953)	(2,004,703)	(2,127,453)	(2,164,853)	(2,206,153)	(2,247,453)	(2,288,753)	(2,330,053)	(2,371,353)
Sub-total	61,786,800	60,577,544	68,512,591	67,557,888	66,450,435	65,305,582	64,119,429	62,891,976	61,623,223	60,313,170	59,061,817
Proceeds from Sale of PPE	76,554	0	0	300,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000
Book Value of PPE Disposed	5,672	0	0	300,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000
Profit / (Loss) on PPE	70,882	0	0	0	0	0	0	0	0	0	0
INFRASTRUCTURE											
Opening Balance	196,554,183	197,353,726	205,547,394	209,868,781	219,023,136	230,077,491	238,827,491	243,577,491	250,292,491	257,042,491	262,867,491
Accumulated Depreciation	(77,904,396)	(83,325,214)	(88,688,582)	(95,477,589)	(102,404,845)	(109,620,003)	(117,159,563)	(124,987,873)	(132,964,934)	(141,130,044)	(149,483,904)
Sub-total	118,649,787	114,028,512	116,858,812	114,391,192	116,618,291	120,457,488	121,667,928	118,589,618	117,327,557	115,912,447	113,383,587
Asset Revaluations	0	0	0	0	0	0	0	0	0	0	0
Acquisitions											
- New	0	250,000	500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
- Capital Renewal	799,543	7,943,668	3,821,387	8,154,355	10,054,355	7,750,000	3,750,000	5,715,000	5,750,000	4,825,000	4,325,000
Depreciation	(5,420,818)	(5,363,368)	(6,789,007)	(6,927,256)	(7,215,158)	(7,539,560)	(7,828,310)	(7,977,060)	(8,165,110)	(8,353,860)	(8,520,235)
Sub-total	114,028,512	116,858,812	114,391,192	116,618,291	120,457,488	121,667,928	118,589,618	117,327,557	115,912,447	113,383,587	110,188,351
TOTAL NET ASSETS	175,815,312	177,436,356	182,903,783	184,176,179	186,907,923	186,973,510	182,709,047	180,219,533	177,535,670	173,696,756	169,250,168

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 10-year 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.

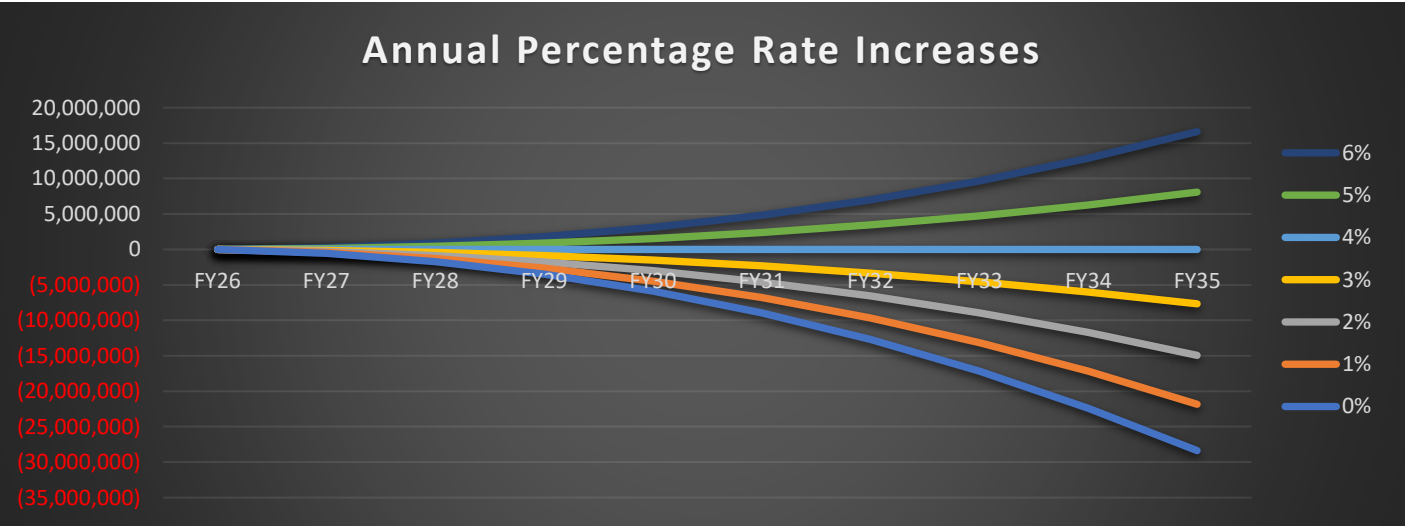
The external benchmarks used in the modelling include the CPI for June 2025 as published by the Australian Bureau of Statistics, the Perth Wage Price Index for June 2025, and the Reserve Bank of Australia (RBA) 10-year bond rate. These indicators provide a realistic basis for assessing likely movements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

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

Rates

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

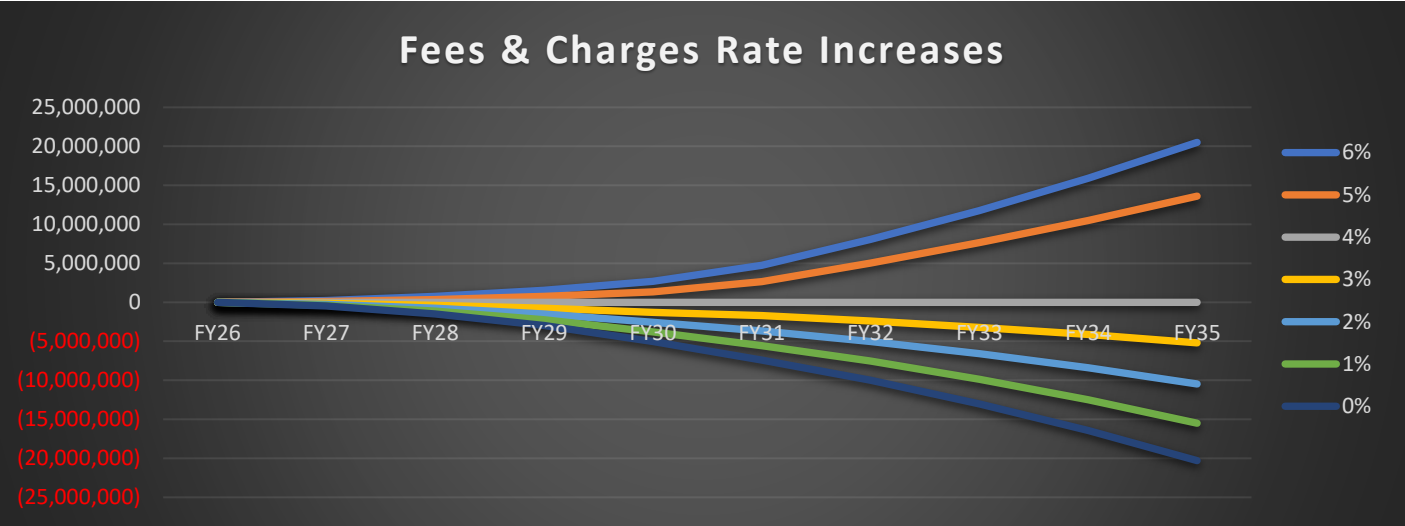
The draft LTFP applies a 4% annual increase in rate revenue, compared to the Reserve Bank of Australia's 10-year bond rate of 4.21% at June 2025. The modelling indicates that maintaining rates at current levels with no annual increase would result in a cumulative revenue loss of \$28.37 million over the 10 years, while applying a 6% annual increase would generate an additional \$16.61 million in rates revenue over the same period. The Shire considers the 4% escalation to be a sustainable and balanced approach but notes that all underlying assumptions will be reviewed annually as part of the budget and rating review process.



Fees and Charges

The draft LTFP applies a 4% annual increase in line with rate revenue increases, compared to the Reserve Bank of Australia’s 10-year bond rate of 4.21% at June 2025. The modelling indicates that maintaining fees and charges at current levels with no annual increase would result in a cumulative revenue loss of \$20.95 million over the 10 years, while applying a 6% annual increase would generate an additional \$20.51 million in fees and charges revenue over the same period.

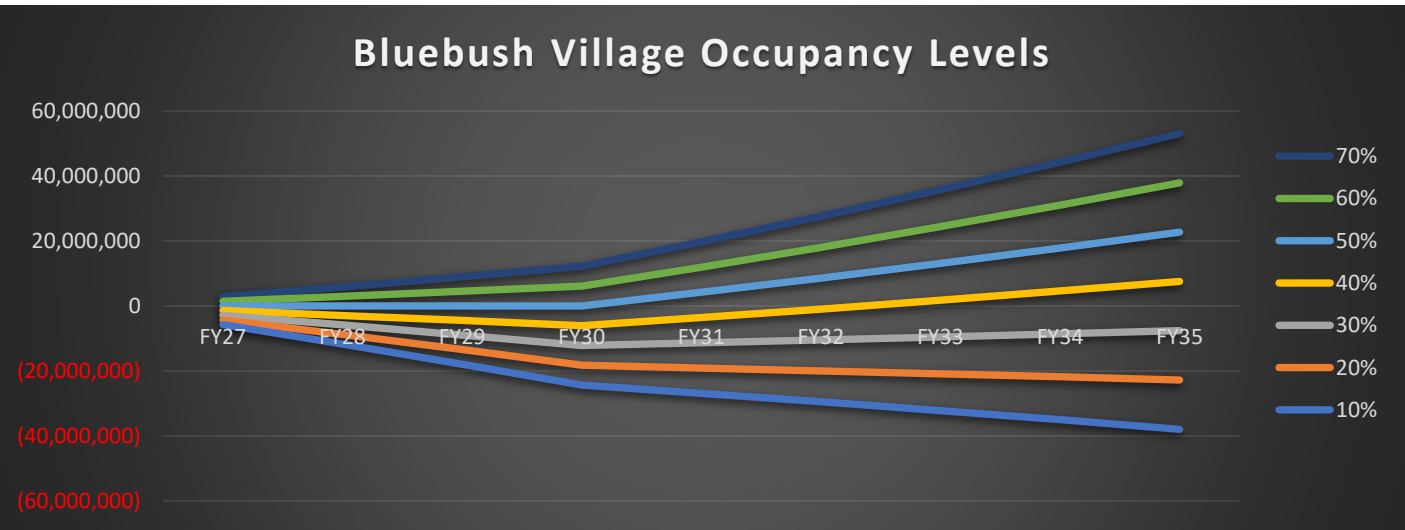
The Shire considers the 4% escalation to be a sustainable and balanced approach but notes that all underlying assumptions will be reviewed annually as part of the budget process.



Bluebush Village

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

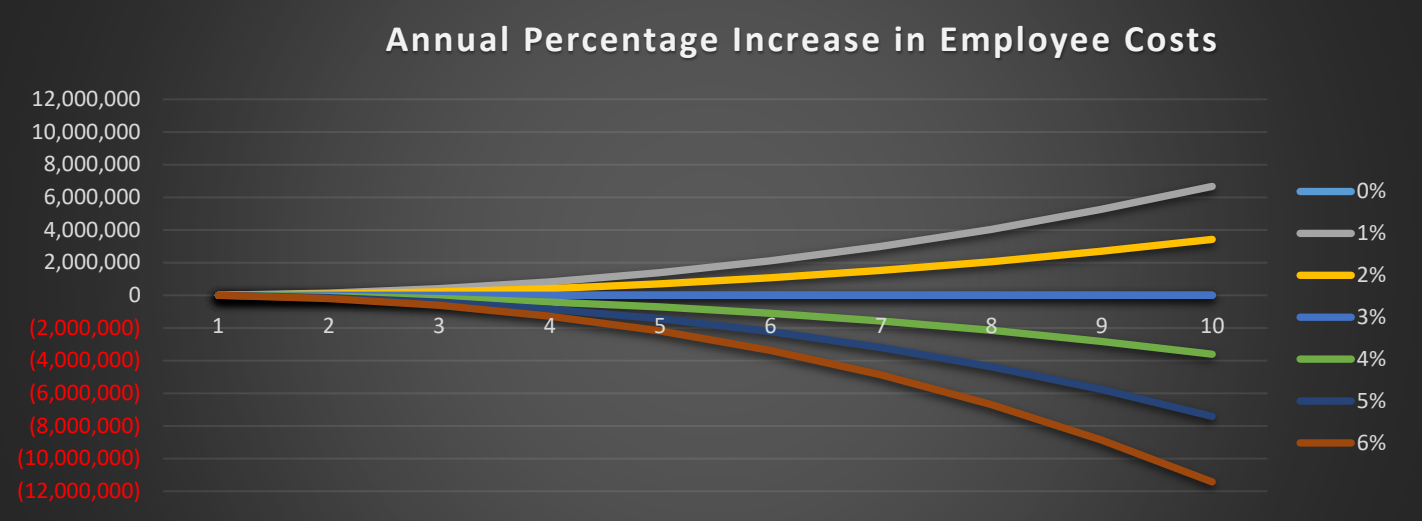
At 20% occupancy, income would fall by \$22.80m, while maintaining 50% or reaching 70% would increase income by \$22.71m and \$53.05m respectively. Although higher occupancy would also increase management fees and some operating costs, it shows strong potential for future revenue if demand continues.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



Employee Costs

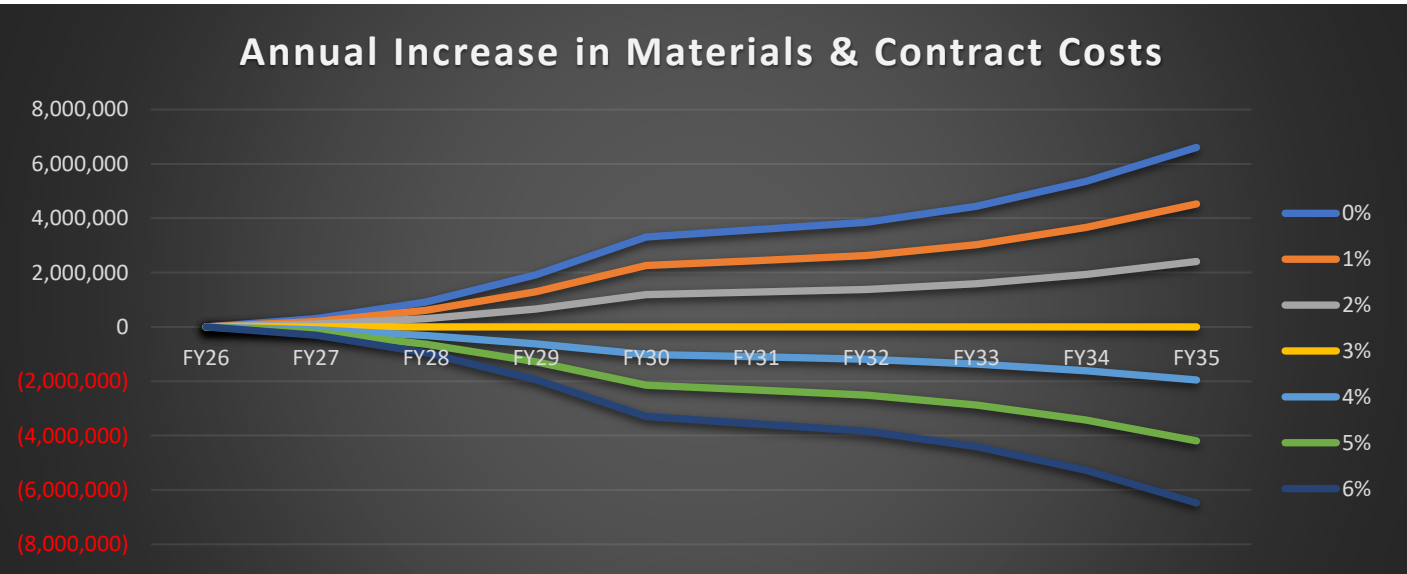
The sensitivity analysis undertaken for the draft LTFP examined various scenarios to assess the cost impacts of different rate increases for employee costs over the 10-year period. The draft LTFP applies a 3% annual increase for employee costs, compared to the current WA Wage Price Index of 3.7% for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

The analysis indicates that maintaining employee costs at current levels with no annual increase would result in total savings of \$9.74 million over the 10 years, while applying a 6% annual increase would add \$11.43 million in additional costs over the same period. Based on these findings, the Shire considers the 3% rate applied in the LTFP to be appropriate at this stage, with the understanding that this assumption will be reviewed annually as part of the LTFP update process.



Materials and Contracts

The draft LTFP applies a 3% annual escalation for these costs, compared to the Perth Consumer Price Index (CPI) of 2.7% for the 12 months to June 2025. The modelling shows that maintaining materials and contract costs at current levels with no annual increase would generate total savings of \$6.75 million over the 10 years, while applying a 6% annual increase would add \$6.55 million in additional costs over the same period. Based on this analysis, the Shire considers the 3% escalation factor to be appropriate at present; however, all cost assumptions will be reviewed and adjusted annually as part of the LTFP update process.



Financial Ratios

The Shire of Coolgardie recognises that compliance with the legislated 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 Corporate Business Plan.

In November 2024, the now Department of Creative Industries, Tourism and Sport, 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 LFGI consists of four ratios:

- Debt Services Cover 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 access the Shire's financial performance.

The graphs below detail the ten year trend for the recommended ratios as shown in the Long Term Financial Plan. Each ratio tends positively over the ten year period.

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

Current Assets

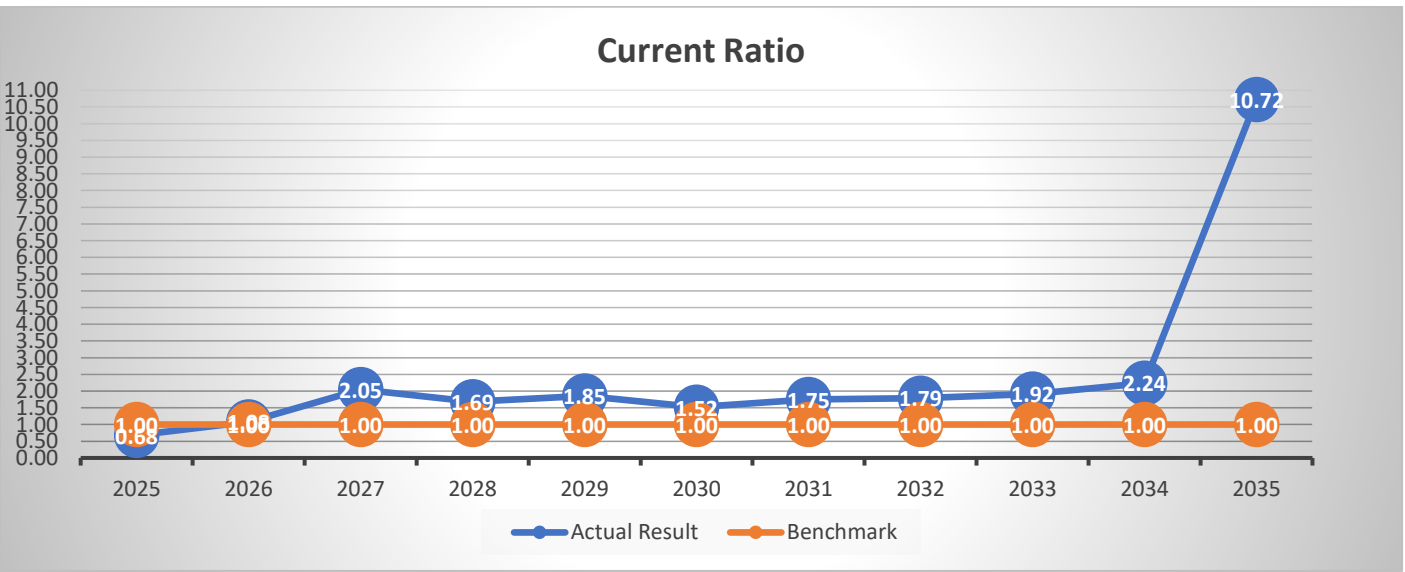
Current Liabilities

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 have 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.

With the exception of the FY25 the ratio is above the Benchmark.



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

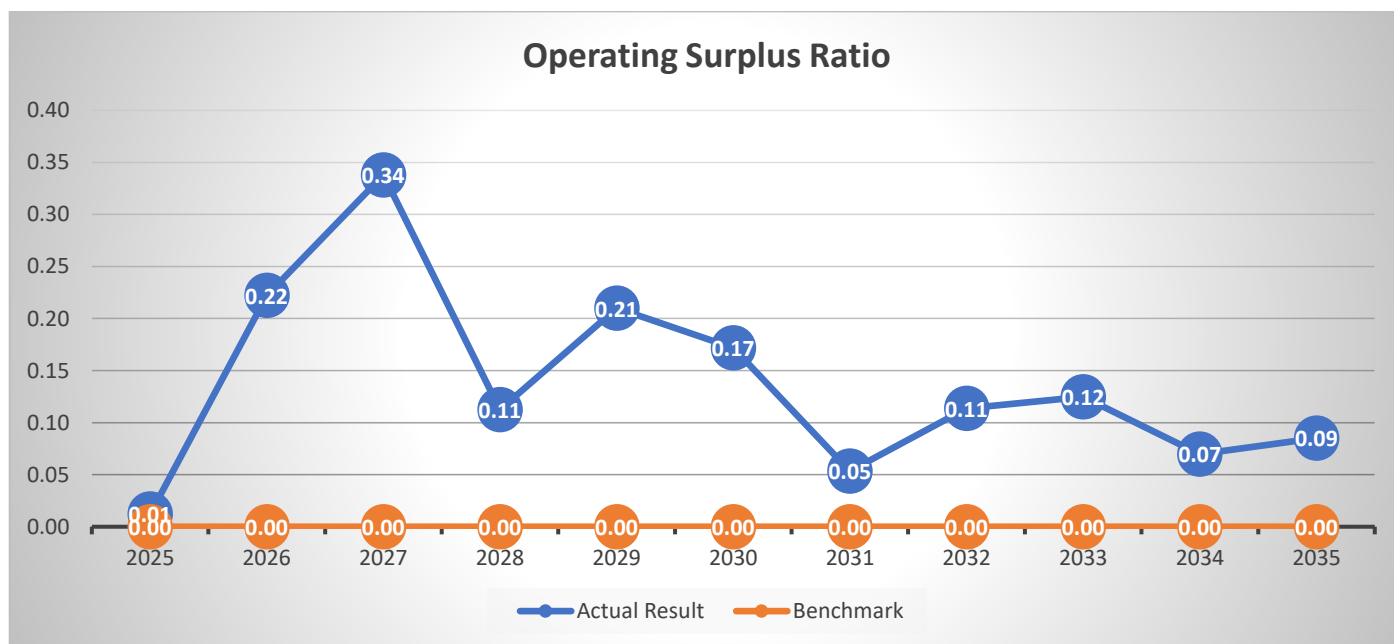
Adjusted Operating Revenue

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 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

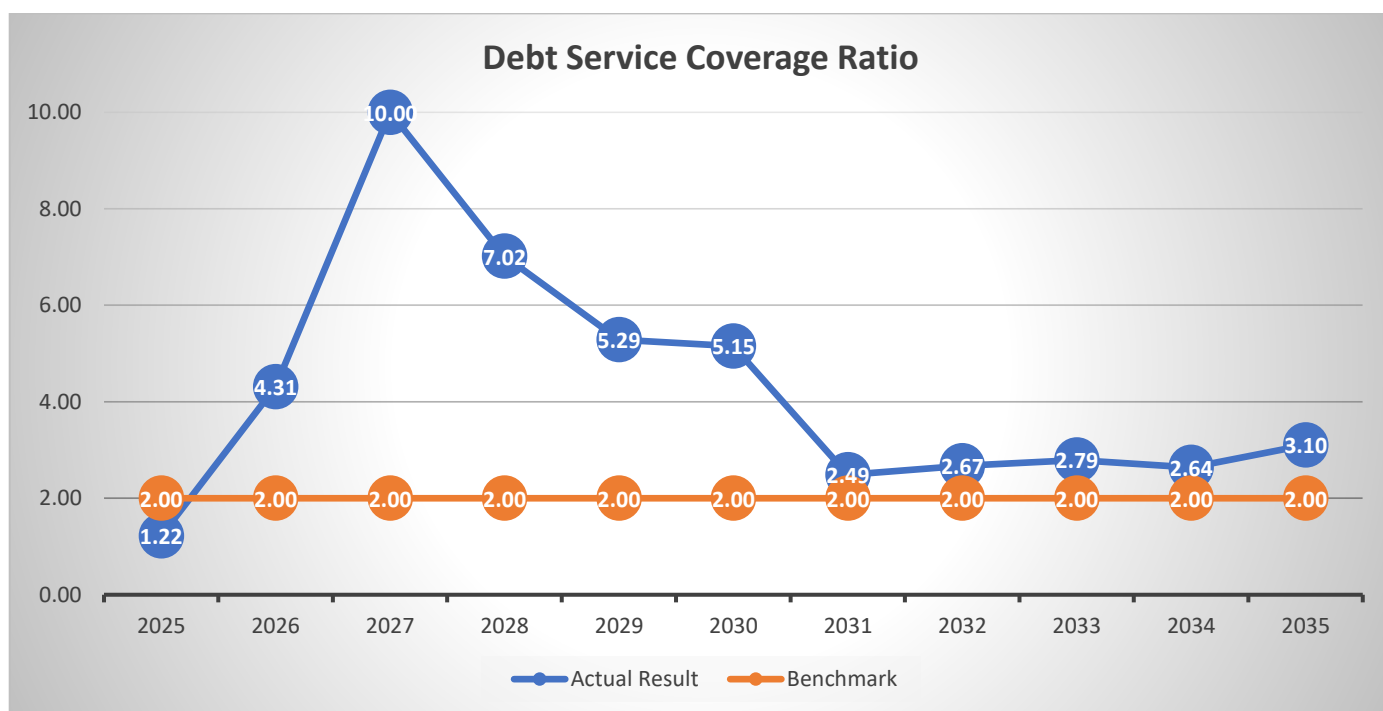
Adjusted Operating Surplus

Debt Service Costs

Comments

The Benchmark for this ratio is 2.00 or above.

With the exception of FY25 the Benchmark is achieved for FY26-35. This is the result of Council refinancing the loans in early 2025 which helps to free up some cash in FY25-27.



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 Surplus

Net Financial Liabilities

Adjusted Operating Revenue

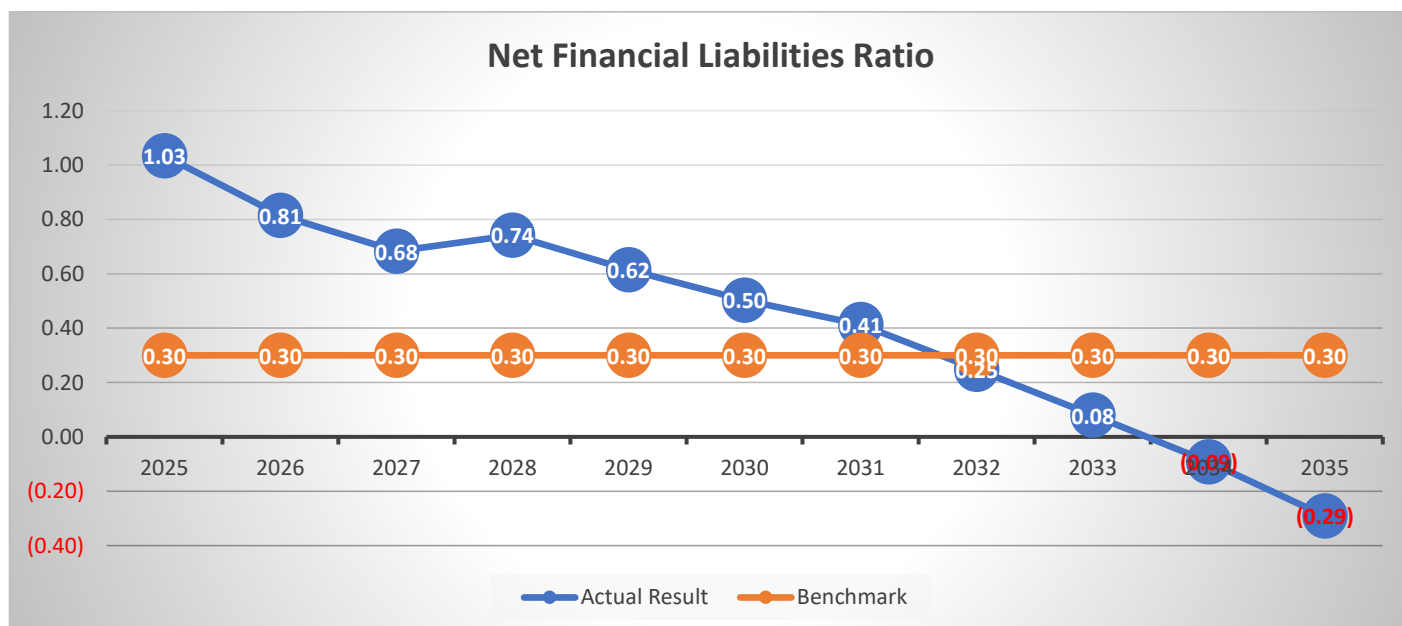
Comments

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 steadily improves before achieving the ratio in the later stages of the plan for FY32-35.



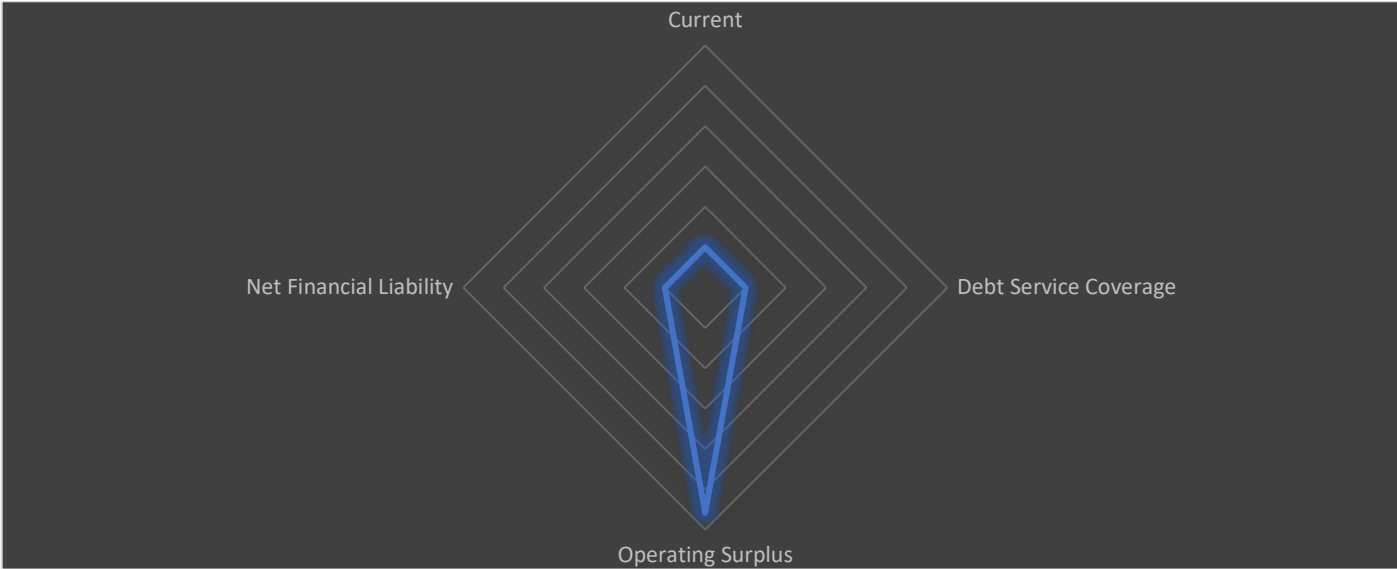
Local Government Financial Indicator

In November 2024 the Department of Local Government, Sport and Cultural Industries (now Department of Creative Industries, Tourism and Sport) 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 Services Ratio, Current Ratio, Operating Surplus Ratio and a newly implemented Net Financial Liability Ratio.

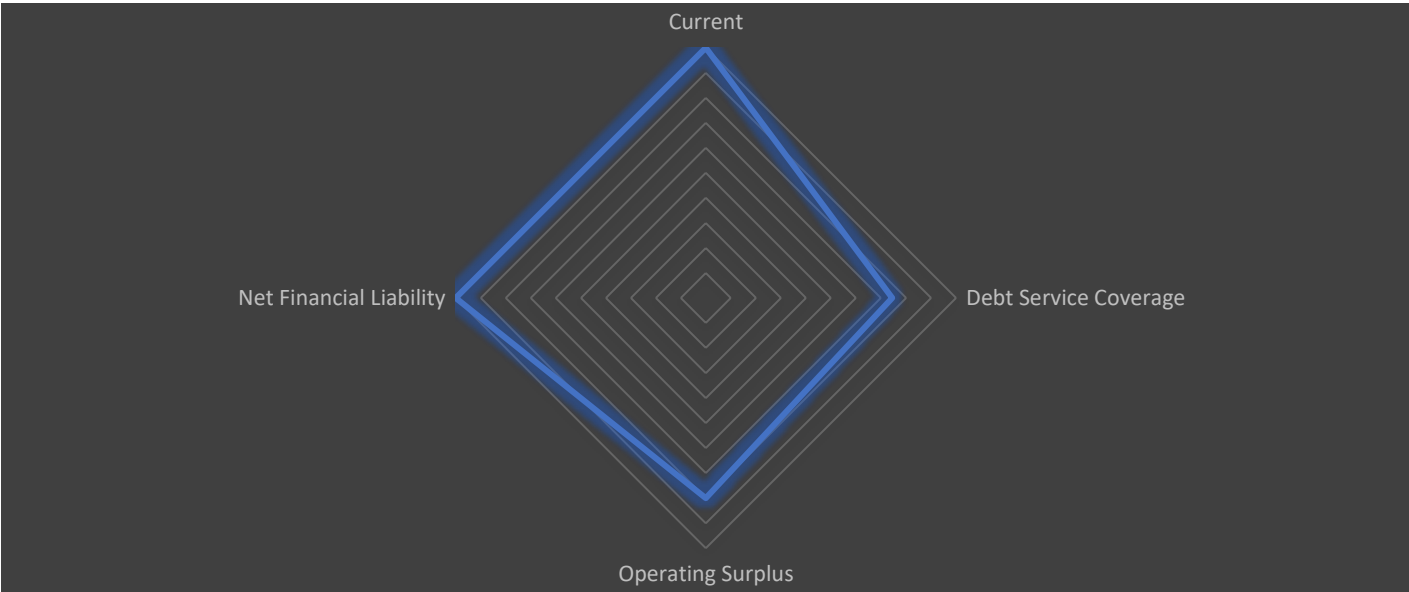
Unlike the Financial Health Indicator (FHI), the LGFI does not attempt to assess the financial sustainability of the local government. That is, there is not the same level of focus on the Shire's financial capacity to fund maintenance and asset renewal as infrastructure reaches the end of useful life. 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.

2025 LGFI Rating 28



2035 LGFI Rating 92



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 Corporate Business Plan (CBP) 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:

- Substantial changes in Bluebush Village occupancy levels or other major fee and charge revenue assumptions.
- 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 \$10.65 million over the next ten years, resulting in a forecast reserve balance of \$10.91 million by FY35. 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 10-year 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.

With the exception of FY25, where a deficit is projected, the remainder of 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, that emerging risks are identified and managed early, and that 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
2025.1.1 Draft	03/09/2025	M. Whitely	A. Cook
2025.1.2 Draft	16/09/2025	M. Whitely	A. Cook