



Long Term Financial Plan

2026-2036



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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 2036, the LTFP uses the 2025/26 amended Annual Budget 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 FY36. 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 feel confident that the Shire is operating in a prudent, transparent, and accountable manner.

Purpose and Context

The Shire has made significant investments in strategic infrastructure, including Bluebush Village, the Coolgardie Waste Facility, and the Kambalda Aerodrome. These initiatives were undertaken 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, returns have been slower than initially anticipated, resulting in elevated debt levels and cash flow pressures in the early years.

This level of debt, combined with the delayed financial performance of these assets, placed considerable strain on the Shire's liquidity and limited its capacity to deliver new capital projects or maintain existing service levels without targeted financial management interventions. These pressures became particularly evident in late 2024, prompting the implementation of a temporary freeze on non-essential expenditure and the deferral of several capital works projects until financial stability could be restored.

As at 30 June 2024, the Shire's total debt position was \$30.50 million, which was creating significant cash flow constraints and reducing financial flexibility. In response, all loan borrowings were refinanced during the first half of FY25. This refinancing program provided immediate relief by restructuring repayment schedules, extending loan terms, and incorporating interest-only periods in the early years. This approach has created essential short-term capacity, enabling the Shire to maintain core service delivery, recommence deferred infrastructure works, and begin rebuilding financial reserves, while continuing to meet its long-term obligations.

At the March 2026 Ordinary Council Meeting, Council resolved to proceed with the sale of Bluebush Village for \$20.05 million (GST exclusive). The revised LTFP assumes that the full proceeds from this sale will be applied toward debt reduction. While the borrowings directly attributable to Bluebush Village are approximately \$16 million, the application of the full sale proceeds is projected to reduce total outstanding debt to approximately \$5.46 million.

It is important to note, however, that at the time of preparing the LTFP, Council had not formally resolved its intentions regarding the allocation of the total sale proceeds. As such, the assumption to fully apply the proceeds to debt reduction represents a prudent, best case financial management scenario for modelling purposes and may be subject to change pending future Council decisions.

Following the application of the sale proceeds, the remaining debt balance of approximately \$5.45 million is assumed to be refinanced over a 10-year period. Under this revised approach, all debt is projected to be fully repaid by FY36. As a result of the substantial reduction in debt levels, the establishment of a dedicated Debt Management Reserve is no longer considered necessary. The reduced debt burden is expected to be manageable within the Shire's ongoing operating capacity, allowing surplus funds to be directed toward service delivery, asset renewal, and reserve strengthening, rather than being specifically quarantined for debt repayment purposes.

This outcome demonstrates the Shire's commitment to financial discipline and ensures that short-term cash flow relief measures do not compromise the longer-term objective of achieving full debt repayment and financial sustainability.

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 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 LTFP, 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 \$9.24 million in annual capital expenditure across the 10-year period, supported by rate increases of no more than 4% between FY27 and FY36 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 \$3-4 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 \$25.71 million in FY26 to nil by FY36.
- No new borrowings proposed.
- Cash flow recovery: cash and cash equivalents of \$9.25 million by FY36.
- Reserves growth: reserves increase from \$0.62 million in FY26 to \$5.74 million in FY36.
- Unrestricted cash of \$3.51 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–FY36, 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: \$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. In FY24, the Shire's LGFI score was 27, reflecting the current financial challenges and recovery measures underway. The LTFP forecasts the LGFI to achieve a score of 87 by the end of FY26, before peaking at 96 at the conclusion of the plan in FY36. This improvement demonstrates 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.

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 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 minor review has been scheduled to be completed by the end of June 2026.

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 scheduled for completion by September 2026.

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 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. A revised AMP was endorsed at March 2026 Ordinary Council Meeting 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 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:

- 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	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%	4.00%	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 FY27-36 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%	4.00%	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%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest	3.00%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Revenue	3.00%	4.00%	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 FY27-36 reflect increases on rates revenue generated from the previous year.

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 75% 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 FY36, 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 48% of total revenue (before Capital Grants) in FY26.

Revenue of \$14.86 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 \$9.90 million, representing 63% of total fees and charges revenue in FY26.

Other significant contributors include the Kambalda Aerodrome, Coolgardie Waste Facility, Bin Collection and Sewerage Operations. With the sale of Bluebush Village these revenue streams will generate almost 60% of all projected fees & charges in FY27. A smaller proportion is derived from statutory services such as animal registrations, building approvals, and town planning application fees.

The generation of strong operating revenues from 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 largest sources are all directly linked to mining activity. 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 5% 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%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Materials & Contracts	3.00%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Utility Charges	3.00%	6.00%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Finance Costs	3.00%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Insurance	3.00%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Expenditure	3.00%	4.00%	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 20% 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 in years 2-10 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 38% 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 47% of total costs. Additional major costs include the operation of the Kambalda Aerodrome (8%) and the Coolgardie Waste Facility (5%). With the sale of Bluebush Village these costs will be spread more evenly across all reporting departments.

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.

It is important to note, however, that at the time of preparing the LTFP, Council had not formally resolved its position regarding the allocation of the sale proceeds. Accordingly, the assumption that the full \$20.05 million will be applied toward debt reduction represents a prudent, best-case financial management scenario for modelling purposes and may be subject to change pending future Council decisions.

By reducing the principal outstanding, the application of sale proceeds will materially lower the total interest burden across the 10-year planning period, improving overall financial sustainability.

UTILITY COSTS

Utility costs represent approximately 7% 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.

A key driver of current expenditure is the reliance on temporary generator power at the Kambalda Aerodrome and Waste Facilities. These arrangements continue to be 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 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 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	\$42,249,017	FY26-36
Land & Buildings Renewal	\$9,482,861	FY26-36
Bayley Street Upgrade	\$9,025,000	FY29-30
Coolgardie Swimming Pool	\$6,150,000	FY27-28
Plant Replacement Program	\$6,010,000	FY26-36
Micro Grid System	\$4,000,000	FY31-32
Footpath Renewal Program	\$5,417,187	FY26-36
Coolgardie Sewerage Upgrades	\$5,855,686	FY26-36
Waste Management Facilities	\$6,850,000	FY26-36
Other Infrastructure Renewal	\$3,561,384	FY26-36

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 22% 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 10 year period FY25 to FY36.

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 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

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE											
Rates	14,864	15,458	16,077	16,720	17,388	18,084	18,807	19,560	20,342	21,156	22,002
Operating Grants & Contributions	1,632	2,150	2,204	2,268	2,335	2,403	2,473	2,546	2,621	2,698	2,777
Fees & Charges	15,701	5,554	5,770	5,995	6,229	6,572	6,725	6,158	6,399	6,649	6,909
Interest on Investments	312	232	195	240	225	289	335	330	429	542	564
Other Revenue	231	221	227	234	241	248	256	263	271	279	288
TOTAL REVENUE	32,740	23,615	24,473	25,457	26,418	27,596	28,596	28,857	30,062	31,324	32,540
EXPENDITURE											
Employee Costs	6,257	6,957	7,166	7,381	7,602	7,830	8,065	8,307	8,556	8,813	9,077
Materials & Contracts	11,768	6,943	7,156	7,376	7,603	7,837	8,078	7,788	8,024	8,267	8,517
Utility charges	2,038	949	992	1,036	1,083	1,132	1,182	1,236	1,291	1,349	1,410
Depreciation	6,572	6,711	6,439	6,677	7,025	7,316	7,551	7,820	8,071	8,294	8,594
Interest expense	1,583	327	294	267	238	208	176	142	106	67	27
Insurance expense	563	586	603	621	640	659	679	699	720	742	764
Other expenditure	1,800	1,231	1,242	1,278	1,316	1,354	1,394	1,435	1,477	1,520	1,565
TOTAL EXPENDITURE	30,581	23,704	23,892	24,636	25,507	26,336	27,125	27,427	28,245	29,052	29,954
Loss on Disposal of Assets	(1,603)	0	0	0	0	0	0	0	0	0	0
Capital Grants & Contributions	5,780	1,821	3,254	5,921	5,233	1,900	3,400	3,400	1,950	1,950	2,050
Fair value adjustments through profit & loss	94	0	0	0	0	0	0	0	0	0	0
NET RESULT FOR PERIOD	6,430	1,732	3,835	6,742	6,144	3,160	4,871	4,830	3,767	4,222	4,636
Changes in asset revaluation surplus	0	0	0	0	0	0	0	0	0	0	0
TOTAL COMPREHENSIVE INCOME FOR PERIOD	6,430	1,732	3,835	6,742	6,144	3,160	4,871	4,830	3,767	4,222	4,636

Statement of Financial Activity

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Surplus / (Deficit)	(3,545)	0	0	0	0	0	0	0	0	0	0
Result from Operating Activities	650	(89)	581	821	911	1,260	1,471	1,430	1,817	2,272	2,586
NON CASH AMOUNTS EXCLUDED FROM OPERATING ACTIVITIES											
(Profit) / Loss on Sale of Assets	1,603	0	0	0	0	0	0	0	0	0	0
Fair value adjustments through profit & loss	(94)	0	0	0	0	0	0	0	0	0	0
Depreciation	6,572	6,711	6,439	6,677	7,025	7,316	7,551	7,820	8,071	8,294	8,594
Movements in assets and liabilities	50	0	0	0	(600)	0	0	(947)	(1,698)	0	0
Amount attributable to Operating Activities	8,131	6,711	6,439	6,677	6,425	7,316	7,551	6,873	6,374	8,294	8,594
INVESTING ACTIVITIES											
Purchase of Property, Plant & Equipment	(863)	(1,535)	(1,375)	(1,850)	(1,375)	(1,925)	(1,925)	(1,925)	(1,925)	(2,025)	(2,925)
Purchase of Infrastructure	(7,976)	(5,591)	(8,123)	(11,537)	(10,222)	(7,550)	(10,313)	(8,319)	(6,857)	(9,750)	(9,794)
Capital grants, subsidies and contributions	5,780	1,821	3,254	5,921	5,233	1,900	3,400	3,400	1,950	1,950	2,050
Proceeds from sale of assets	0	200	240	240	240	240	240	240	240	240	400
Amount attributable to investing activities	(3,059)	(5,105)	(6,004)	(7,226)	(6,124)	(7,335)	(8,598)	(6,604)	(6,592)	(9,585)	(10,269)
FINANCING ACTIVITIES											
Repayment of Borrowings	0	(412)	(437)	(464)	(492)	(523)	(555)	(589)	(625)	(663)	(704)
Repayment of Lease Liabilities	(1,817)	(229)	(12)	(8)	0	0	0	0	0	0	0
Transfers from Reserves	0	0	0	302	0	89	270	529	500	0	0
Transfers to Reserves	(360)	(875)	(566)	(102)	(719)	(807)	(139)	(1,640)	(1,473)	(318)	(207)
Amount attributable to financing activities	(2,177)	(1,517)	(1,015)	(272)	(1,212)	(1,241)	(424)	(1,700)	(1,598)	(981)	(911)
Operating Surplus / (Deficit)	0	0	0	0	0	0	0	0	0	0	0

Statement of Cash Flows

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cashflows from Operating Activities											
Rates	14,246	15,614	16,327	16,720	17,388	18,084	18,807	19,560	20,342	21,156	22,002
Operating Grants & Contributions	1,632	2,150	2,204	2,268	2,335	2,403	2,473	2,546	2,621	2,698	2,777
Fees & Charges	15,770	6,238	5,770	5,995	6,229	6,572	6,725	6,158	6,399	6,649	6,909
Other Revenue	543	453	422	474	466	537	591	593	700	821	852
Employee Costs	(6,125)	(6,957)	(7,166)	(7,381)	(7,602)	(7,830)	(8,065)	(8,307)	(8,556)	(8,813)	(9,077)
Materials & Contracts	(14,293)	(8,718)	(6,756)	(7,576)	(7,603)	(7,837)	(8,078)	(7,788)	(8,024)	(8,267)	(8,517)
Utility charges	(2,038)	(949)	(992)	(1,036)	(1,083)	(1,132)	(1,182)	(1,236)	(1,291)	(1,349)	(1,410)
Finance costs	(1,583)	(327)	(294)	(267)	(238)	(208)	(176)	(142)	(106)	(67)	(27)
Insurance paid	(563)	(586)	(603)	(621)	(640)	(659)	(679)	(699)	(720)	(742)	(764)
Other Expenditure	(1,707)	(2,206)	(1,647)	(1,278)	(1,316)	(1,354)	(1,394)	(1,435)	(1,477)	(1,520)	(1,565)
Net Cash Provided (or Used) in Operating Activities	5,883	4,712	7,265	7,298	7,936	8,576	9,022	9,250	9,888	10,566	11,180
Cashflows of Investing Activities											
Proceeds from sale of Property, Plant & Equipment	0	200	240	240	240	240	240	240	240	240	400
Capital Grants & Contributions	3,691	1,821	3,254	5,921	5,233	1,900	3,400	3,400	1,950	1,950	2,050
Payments for purchase of Property, Plant & Equipment	(863)	(1,535)	(1,375)	(1,850)	(1,375)	(1,925)	(1,925)	(1,925)	(1,925)	(2,025)	(2,925)
Payments for construction of Infrastructure	(7,976)	(5,591)	(8,123)	(11,537)	(10,222)	(7,550)	(10,313)	(8,319)	(6,857)	(9,750)	(9,794)
Net Cash Provided (or Used) in Investing Activities	(5,148)	(5,105)	(6,004)	(7,226)	(6,124)	(7,335)	(8,598)	(6,604)	(6,592)	(9,585)	(10,269)
Cashflows of Financing Activities											
Repayment of Borrowings	0	(412)	(437)	(464)	(492)	(523)	(555)	(589)	(625)	(663)	(704)
Repayment of Lease Liabilities	(1,817)	(229)	(12)	(8)	0	0	0	0	0	0	0
Net Cash Provided (or Used) in Financing Activities	(1,817)	(641)	(449)	(472)	(492)	(523)	(555)	(589)	(625)	(663)	(704)
Net increase (decrease) in cash held	(1,082)	(1,035)	812	(401)	1,320	718	(131)	2,058	2,671	318	207
Cash and cash equivalents at beginning of year	3,922	2,839	1,805	2,617	2,216	3,536	4,254	4,123	6,181	8,852	9,170
Cash and cash equivalents at the end of the year	2,839	1,805	2,617	2,216	3,536	4,254	4,123	6,181	8,852	9,170	9,377

Statement of Financial Position

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS											
Cash and cash equivalents	2,839	1,805	2,617	2,216	3,536	4,254	4,123	6,181	8,852	9,170	9,377
Rate receivables	1,016	750	500	500	500	500	500	500	500	500	500
Trade receivables	1,184	500	500	500	500	500	500	500	500	500	500
Inventories	10	10	10	10	10	10	10	10	10	10	10
Total Current Assets	5,050	3,065	3,627	3,226	4,546	5,264	5,133	7,191	9,862	10,180	10,387
NON-CURRENT ASSETS											
Trade and other receivables	265	265	265	265	265	265	265	265	265	265	265
Other financial assets	194	194	194	194	194	194	194	194	194	194	194
Property, plant and equipment	37,654	37,844	37,795	38,192	38,051	38,434	38,776	39,079	39,341	39,664	40,682
Infrastructure	115,795	116,302	119,172	125,244	129,718	131,254	135,358	137,239	137,448	140,366	143,073
Right-of-use assets	483	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	154,390	154,605	157,425	163,895	168,227	170,146	174,593	176,776	177,248	180,488	184,214
TOTAL ASSETS	159,439	157,670	161,051	167,121	172,773	175,410	179,727	183,968	187,110	190,668	194,601
CURRENT LIABILITIES											
Trade and other payables	2,575	800	1,200	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Lease liabilities	229	12	8	0	0	0	0	0	0	0	0
Borrowings	412	437	464	492	523	555	589	625	663	704	0
Employee related provisions	527	527	527	527	527	527	527	527	527	527	527
Other Provisions	1,380	405	0	0	0	0	0	0	0	0	0
Total Current Liabilities	5,122	2,180	2,199	2,019	2,049	2,081	2,115	2,151	2,190	2,230	1,527
NON-CURRENT LIABILITIES											
Lease liabilities	20	8	0	0	0	0	0	0	0	0	0
Borrowings	5,052	4,615	4,151	3,658	3,135	2,581	1,992	1,367	704	0	0
Employee related provisions	115	115	115	115	115	115	115	115	115	115	115
Other provisions	4,484	4,374	4,374	4,374	4,374	4,374	4,374	4,374	4,374	4,374	4,374
Total Non-Current Liabilities	9,671	9,112	8,639	8,147	7,624	7,070	6,481	5,856	5,193	4,489	4,489
TOTAL LIABILITIES	14,793	11,292	10,838	10,166	9,674	9,151	8,596	8,007	7,383	6,719	6,015
NET ASSETS	144,646	146,378	150,213	156,955	163,100	166,260	171,130	175,960	179,727	183,949	188,585
EQUITY											
Retained surplus	53,091	53,948	57,216	64,159	69,584	72,026	77,027	80,746	83,539	87,443	91,872
Reserve accounts	618	1,493	2,060	1,859	2,579	3,297	3,166	4,277	5,251	5,569	5,776
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	144,646	146,378	150,213	156,955	163,099	166,259	171,130	175,960	179,727	183,949	188,585

Statement of Reserves

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
LEAVE RESERVE											
Opening Balance	0	50	52	54	55	57	59	60	562	578	596
Transfer to Reserve	50	2	2	2	2	2	2	501	17	17	18
Transfer from Reserve	0	0	0	0	0	0	0	0	0	0	0
Balance at 30 June	50	52	54	55	57	59	60	562	578	596	614
PLANT RESERVE											
Opening Balance	77	130	135	139	144	248	255	263	771	794	818
Transfer to Reserve	53	5	4	4	104	7	8	508	23	24	25
Transfer from Reserve	0	0	0	0	0	0	0	0	0	0	0
Balance at 30 June	130	135	139	144	248	255	263	771	794	818	842
SEWERAGE RESERVE											
Opening Balance	60	142	188	233	280	389	1,080	923	951	519	696
Transfer to Reserve	82	46	46	47	108	692	72	68	69	176	61
Transfer from Reserve	0	0	0	0	0	0	(230)	(40)	(500)	0	0
Balance at 30 June	142	188	233	280	389	1,080	923	951	519	696	756
LANDFILL REINSTATEMENT RESERVE											
Opening Balance	0	50	52	54	55	57	59	60	62	864	890
Transfer to Reserve	50	2	2	2	2	2	2	2	802	26	27
Transfer from Reserve	0	0	0	0	0	0	0	0	0	0	0
Balance at 30 June	50	52	54	55	57	59	60	62	864	890	917
INFRASTRUCTURE RENEWAL RESERVE											
Opening Balance	89	142	858	1,366	1,105	1,533	1,490	1,495	1,100	1,638	1,687
Transfer to Reserve	53	716	507	41	429	46	45	45	538	49	51
Transfer from Reserve	0	0	0	(302)	0	(89)	(40)	(440)	0	0	0
Balance at 30 June	142	858	1,366	1,105	1,533	1,490	1,495	1,100	1,638	1,687	1,738

Statement of Reserves (continued)

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
AGED ACCOMMODATION RENEWAL RESERVE											
Opening Balance	33	64	166	171	176	250	307	316	831	856	882
Transfer to Reserve	31	103	5	5	73	57	9	515	25	26	26
Transfer from Reserve	0	0	0	0	0	0	0	0	0	0	0
Balance at 30 June	64	166	171	176	250	307	316	831	856	882	908
ROAD CONTRIBUTIONS RESERVE											
Opening Balance	0	40	42	43	44	45	47	48	0	0	0
Transfer to Reserve	40	2	1	1	1	1	1	1	0	0	0
Transfer from Reserve	0	0	0	0	0	0	0	(50)	0	0	0
Balance at 30 June	40	42	43	44	45	47	48	0	0	0	0
DEBT MANAGEMENT RESERVE											
Opening Balance	0	0	0	0	0	0	0	0	0	0	0
Transfer to Reserve	0	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	0	0	0	0	0	0	0	0	0	0	0
TOTAL RESERVES											
Opening Balance	258	618	1,493	2,060	1,859	2,579	3,297	3,166	4,277	5,251	5,569
Transfer to Reserve	360	875	566	102	719	807	139	1,640	1,473	318	207
Transfer from Reserve	0	0	0	(302)	0	(89)	(270)	(529)	(500)	0	0
TOTAL RESERVES AT 30 JUNE	618	1,493	2,060	1,859	2,579	3,297	3,166	4,277	5,251	5,569	5,776

Infrastructure Renewal Program

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INVESTMENT PROPERTY											
Opening Balance	17,290	0	0	0	0	0	0	0	0	0	0
Accumulated Depreciation	0	0	0	0	0	0	0	0	0	0	0
Sub-total	17,290	0	0	0	0	0	0	0	0	0	0
Asset Revaluations	0	0	0	0	0	0	0	0	0	0	0
Transfers	4,313	0	0	0	0	0	0	0	0	0	0
Acquisitions											
- Capital New	0	0	0	0	0	0	0	0	0	0	0
- Capital Renewal	0	0	0	0	0	0	0	0	0	0	0
Disposal	(21,603)	0	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0	0	0	0
Sub-total	0	0	0	0	0	0	0	0	0	0	0
Proceeds from Sale of PPE	20,000	0	0	0	0	0	0	0	0	0	0
Book Value of PPE Disposed	21,603	0	0	0	0	0	0	0	0	0	0
Profit / (Loss) on PPE	(1,603)	0	0	0	0	0	0	0	0	0	0
PROPERTY, PLANT & EQUIPMENT											
Opening Balance	48,117	48,980	49,815	50,710	52,080	52,975	54,420	55,865	57,310	58,755	60,300
Accumulated Depreciation	(10,172)	(11,326)	(11,971)	(12,915)	(13,888)	(14,924)	(15,986)	(17,089)	(18,231)	(19,414)	(20,636)
Sub-total	37,945	37,654	37,844	37,795	38,192	38,051	38,434	38,776	39,079	39,341	39,664
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	630	200	0	0	0	0	0	0	0	100	100
- Capital Renewal	233	1,335	1,375	1,850	1,375	1,925	1,925	1,925	1,925	1,925	2,825
Disposal	0	(700)	(480)	(480)	(480)	(480)	(480)	(480)	(480)	(480)	(800)
Depreciation	(1,154)	(645)	(944)	(972)	(1,036)	(1,062)	(1,102)	(1,142)	(1,182)	(1,222)	(1,107)
Sub-total	37,654	37,844	37,795	38,192	38,051	38,434	38,776	39,079	39,341	39,664	40,682
Proceeds from Sale of PPE	0	200	240	240	240	240	240	240	240	240	400
Book Value of PPE Disposed	0	200	240	240	240	240	240	240	240	240	400
Profit / (Loss) on PPE	0	0	0	0	0	0	0	0	0	0	0

Infrastructure Renewal Program (continued)

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INFRASTRUCTURE											
Opening Balance	197,354	205,330	210,921	219,045	230,582	240,804	248,354	258,667	266,985	273,842	283,592
Accumulated Depreciation	(84,172)	(89,535)	(94,619)	(99,873)	(105,338)	(111,086)	(117,100)	(123,309)	(129,746)	(136,395)	(143,227)
Sub-total	113,182	115,795	116,302	119,172	125,244	129,718	131,254	135,358	137,239	137,448	140,366
Asset Revaluations	0	0	0	0	0	0	0	0	0	0	0
Acquisitions											
- Capital New	50	1,700	1,100	1,100	1,100	1,100	1,300	1,300	1,300	1,300	1,500
- Capital Renewal	7,926	3,891	7,023	10,437	9,122	6,450	9,013	7,019	5,557	8,450	8,294
Depreciation	(5,363)	(5,084)	(5,254)	(5,465)	(5,748)	(6,014)	(6,209)	(6,438)	(6,648)	(6,832)	(7,086)
Sub-total	115,795	116,302	119,172	125,244	129,718	131,254	135,358	137,239	137,448	140,366	143,073
TOTAL NET ASSETS	153,449	154,146	156,966	163,436	167,769	169,688	174,135	176,318	176,789	180,030	183,755
RIGHT OF USE ASSETS											
Opening Balance	7,555	483	0	0	0	0	0	0	0	0	0
Accumulated Depreciation	(2,705)	0	0	0	0	0	0	0	0	0	0
Sub-total	4,850	483	0	0	0	0	0	0	0	0	0
Transfers	(4,313)	0	0	0	0	0	0	0	0	0	0
Acquisitions											
- Capital New	0	0	0	0	0	0	0	0	0	0	0
- Capital Renewal	0	0	0	0	0	0	0	0	0	0	0
Disposal	(2,760)	(483)	0	0	0	0	0	0	0	0	0
Depreciation	2,705	0	0	0	0	0	0	0	0	0	0
Proceeds from Sale of ROU Assets	0	0	0	0	0	0	0	0	0	0	0
Book Value of PPE Disposed	0	0	0	0	0	0	0	0	0	0	0
Profit / (Loss) on PPE	0	0	0	0	0	0	0	0	0	0	0

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.

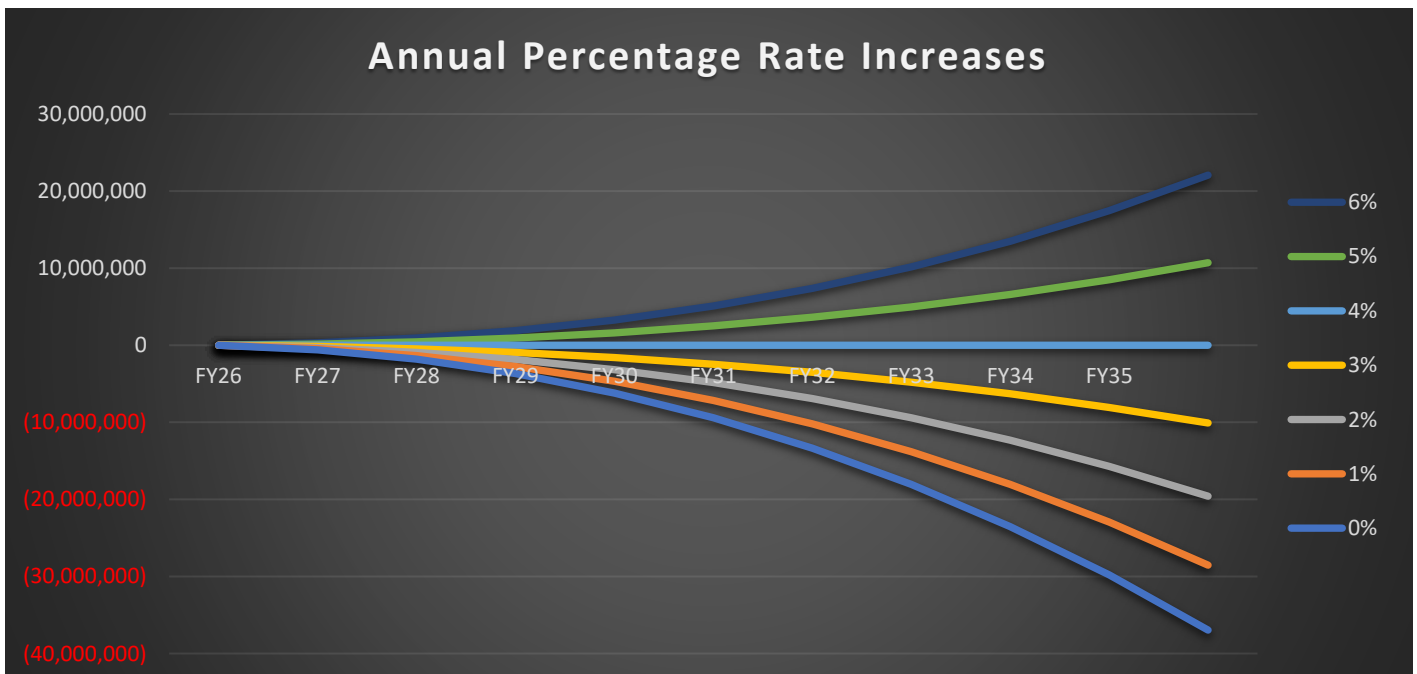
The external benchmarks used in the modelling include the CPI for January 2025 as published by the Australian Bureau of Statistics, the Perth Wage Price Index for June 2025, and the Reserve Bank of Australia (RBA) 10-year bond rate. These indicators provide a realistic basis for assessing likely movements 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 4.93% at March 2026. The modelling indicates that maintaining rates at current levels with no annual increase would result in a cumulative revenue loss of \$36.96 million over the 10 years, while applying a 6% annual increase would generate an additional \$22.08 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 4.93% as at March 2026.

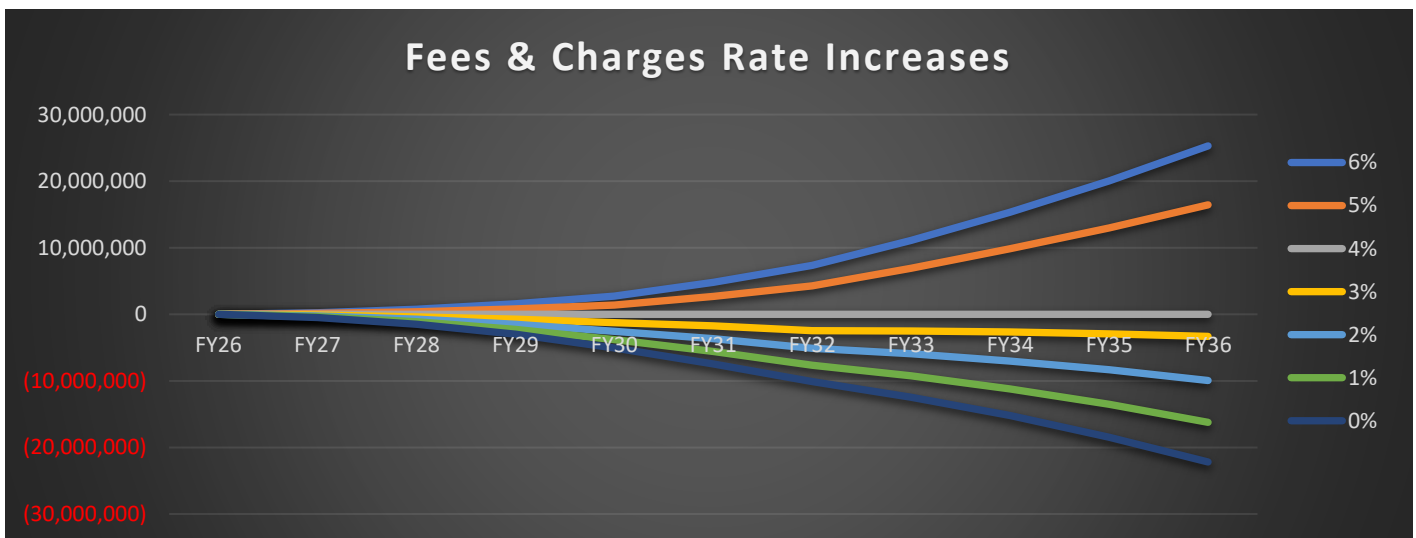
Scenario modelling indicates that maintaining fees and charges at current levels, with no annual increase, would result in a cumulative revenue reduction of approximately \$9.26 million over the 10-year period. Conversely, applying a higher escalation rate of 6% per annum would generate an additional \$14.03 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 an initial increase of 4% in year one, followed by 3% per annum for the remainder of the planning period.

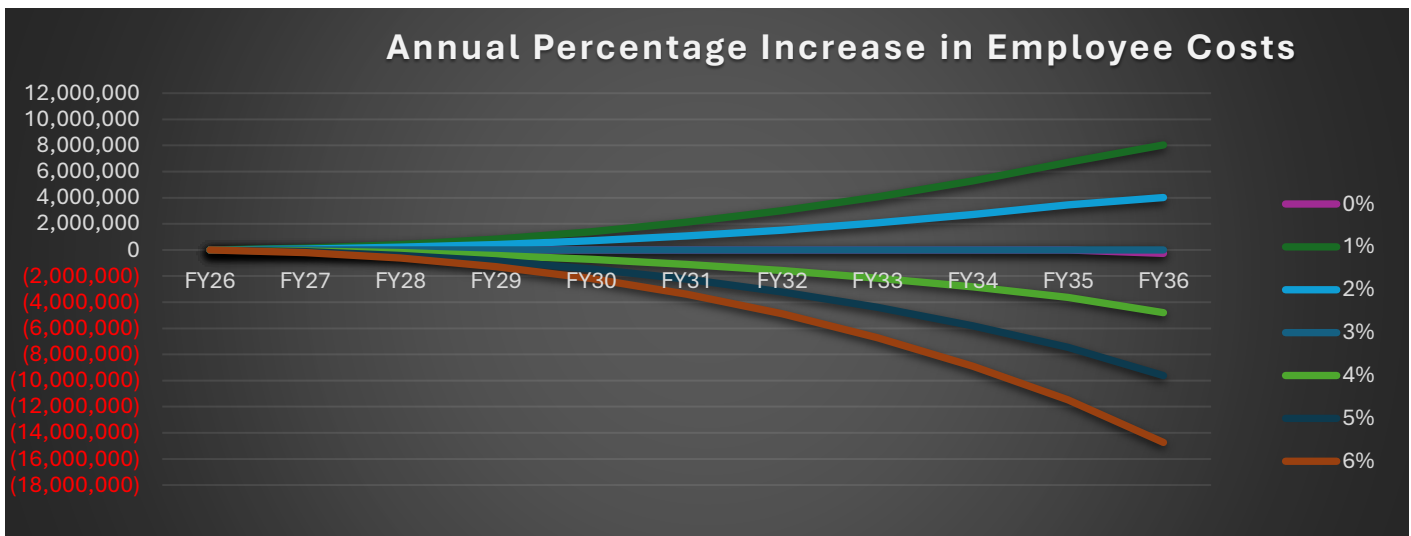
These assumptions have been considered against the Western Australia Wage Price Index (WPI), which recorded an increase of 4.1% for the 12 months to December 2025. While this is below the current Perth Consumer Price Index (CPI) of 4.9%, it is acknowledged that the WPI does not fully reflect the Shire's 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 \$11.83 million over the 10-year period. Conversely, applying a higher escalation rate of 6% per annum would increase total employee costs by approximately \$14.74 million over the same timeframe.

Based on this analysis, the Shire considers the adopted escalation of 4% in the initial year and 3% per annum thereafter 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 4% in the initial year, followed by 3% per annum for the remainder of the planning period. These assumptions have been benchmarked against the Perth Consumer Price Index (CPI), which recorded an increase of 4.9% for the 12 months to February 2026.

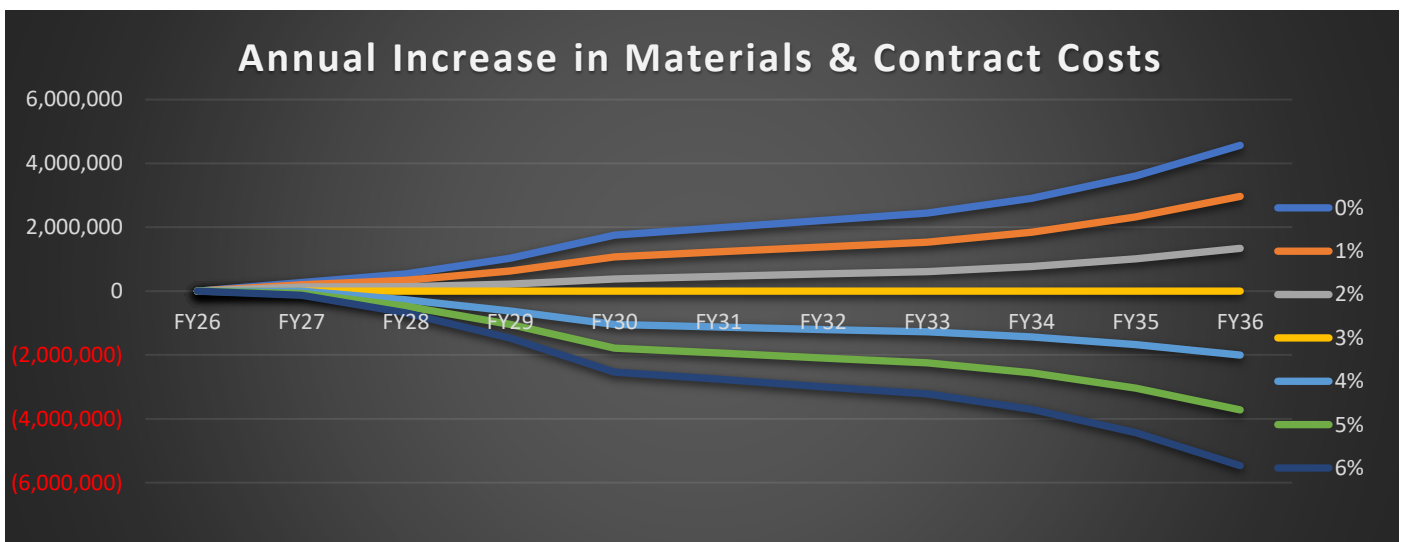
Scenario modelling indicates that maintaining materials and contract costs at current levels, with no annual escalation, would result in cumulative savings of approximately \$3.44 million over the 10-year period. Conversely, applying a higher escalation rate of 6% per annum would increase total costs by approximately \$8.95 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 FY2030 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 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 LGFI 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 assess 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

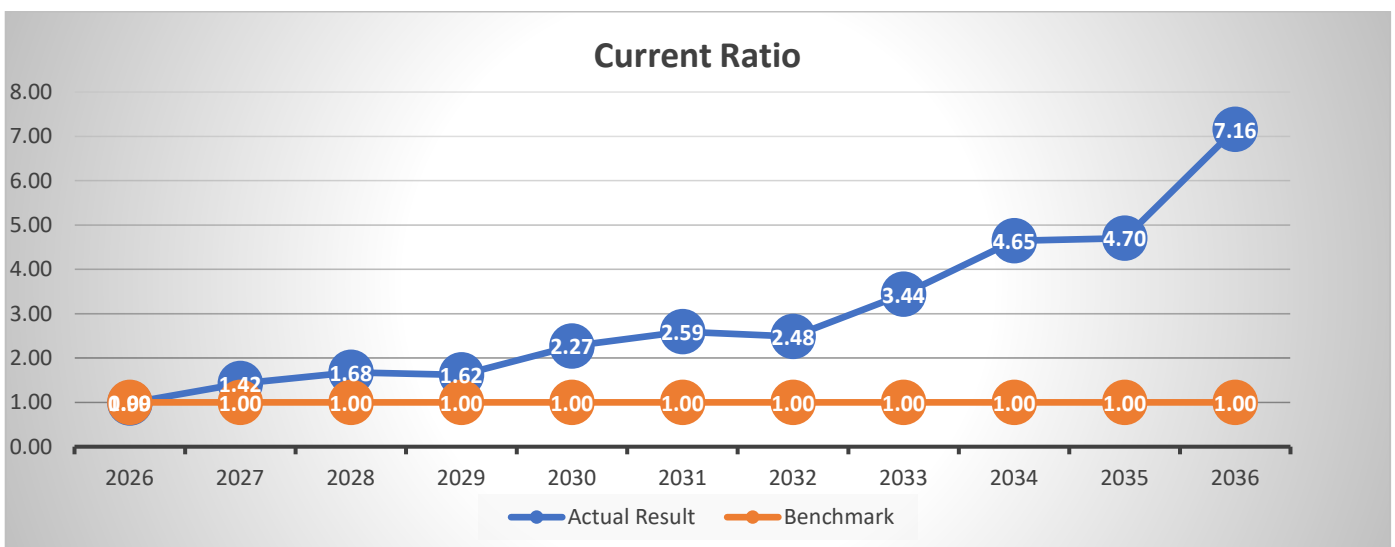
Current Liabilities

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 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 in FY36 at 7.16.



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

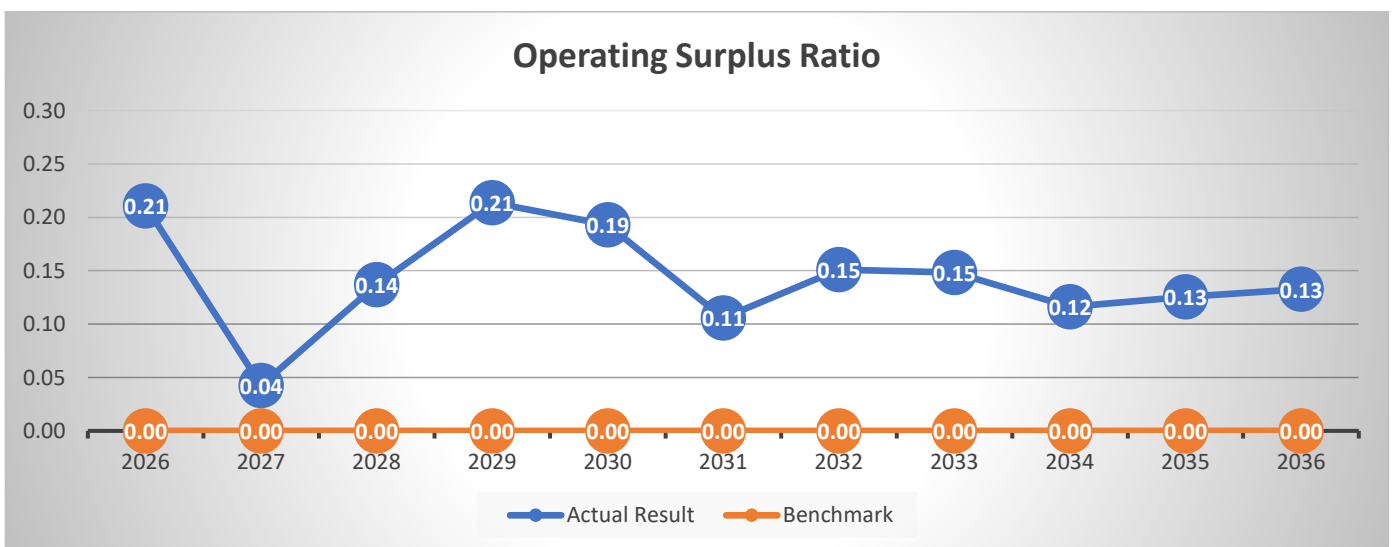
Adjusted Operating Revenue

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

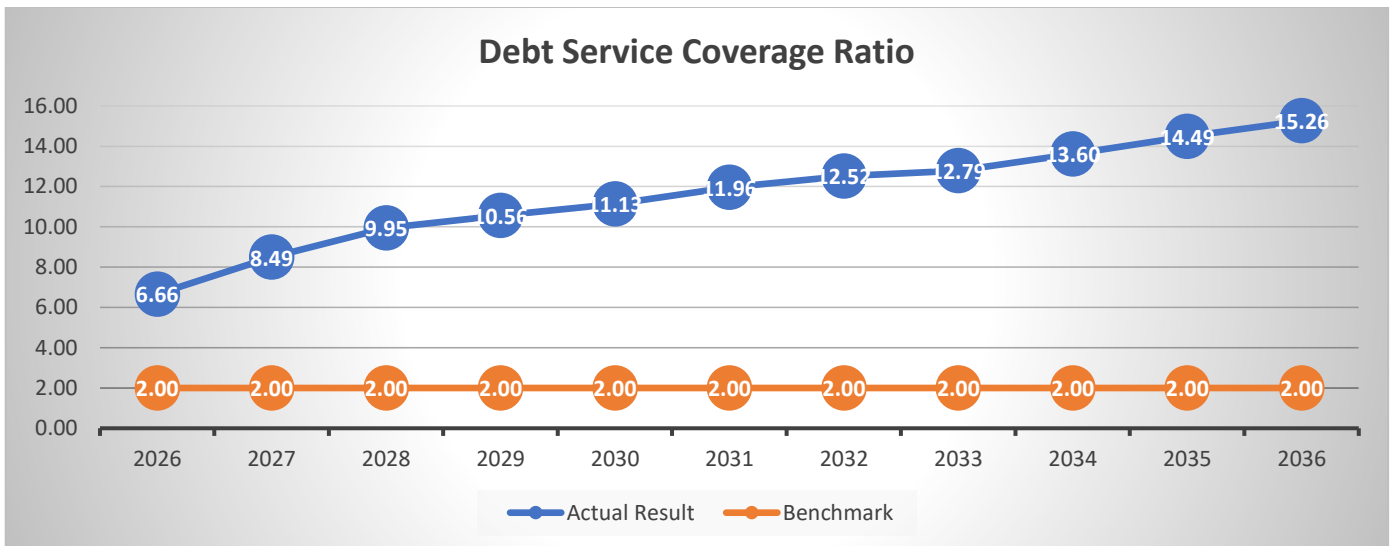
Adjusted Operating Surplus

Debt Service Costs

Comments

The Benchmark for this ratio is 2.00 or above.

The Benchmark is achieved for FY26-36. This is the result of Council refinancing the loans in early 2025 which helps to free up cash in FY25-27. The LTFP shows no borrowings at FY36.



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

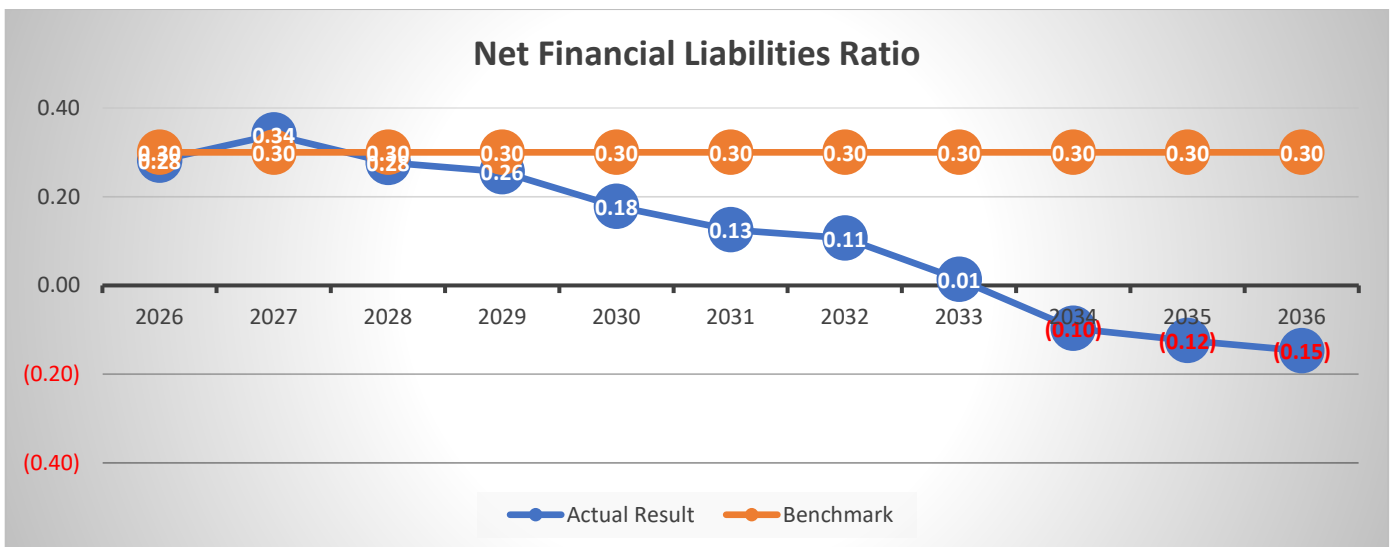
Adjusted Operating Revenue

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 FY34-36.



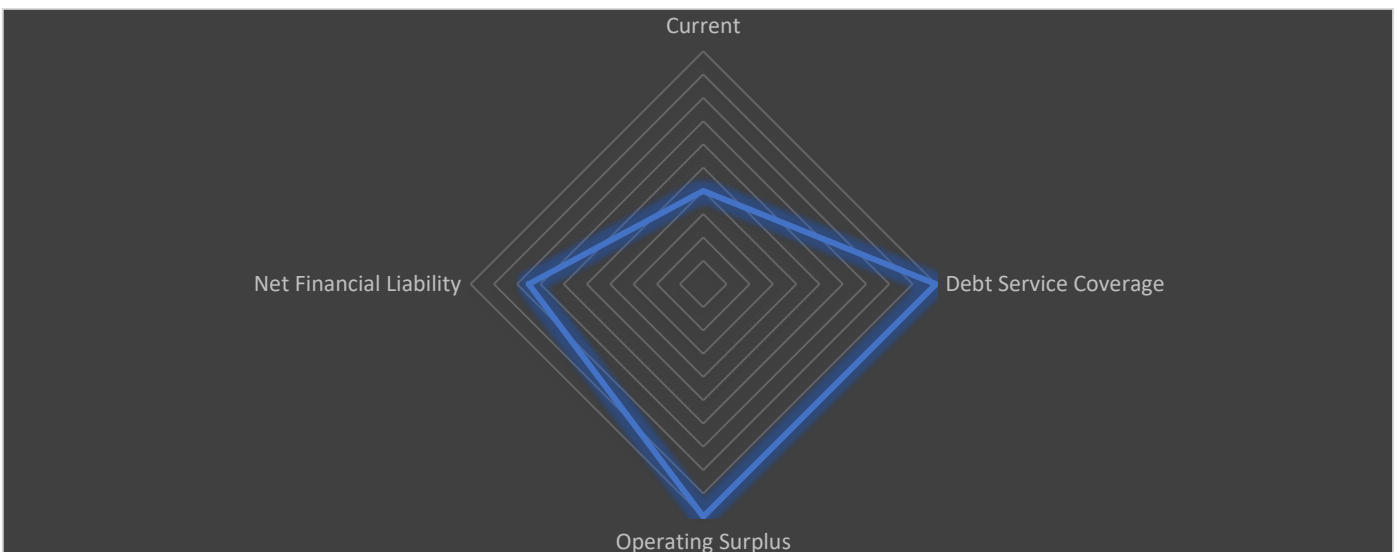
Local Government Financial Indicator

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.

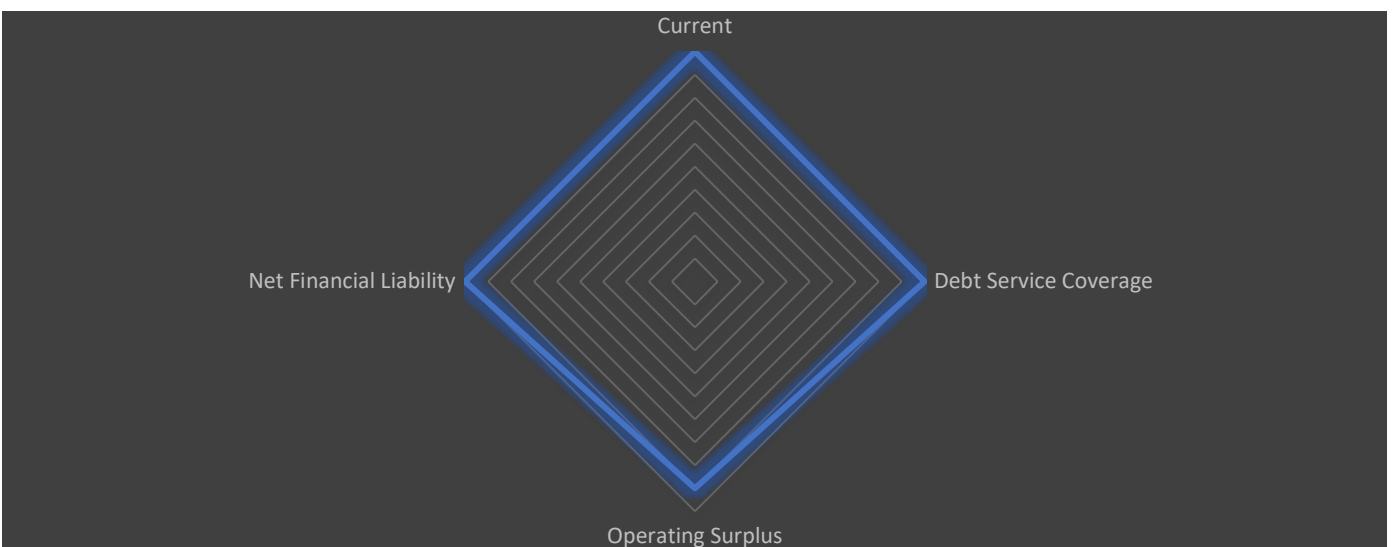
Unlike the Financial Health Indicator (FHI), the LGFI does not attempt to assess the financial sustainability of the local government. That is, there is not the same level of focus on the Shire's financial capacity to fund maintenance and asset renewal as infrastructure reaches the end of useful life.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

2026 LGFI Rating 87



2026 LGFI Rating 96



Review of Long Term Financial Plan

The LTFFP 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 LTFFP 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 LTFFP is reviewed systematically and updated as required.

Annual Review and Integration with Budget Process

The LTFFP 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 LTFFP 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 LTFFP 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 \$5.12 million over the next ten years, and result in a forecast reserve balance of \$5.74 million by FY36. 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.

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 Draft	20/04/2026	M. Whitely	Sabine Taylor