1. Executive Summary

This monthly financial report illustrates the financial performance and position of Livingstone Shire Council compared to the Adopted Budget at an organisational level for the period ended 31 July 2023.

	Month ('$000s)			YTD 8.3%		FY ('$000s)
Key Financial Results ($000's)	**Actual**	**Budget**	**Variance**	**Actual**	**% of Full Year Budget**	**Budget**
Operating Surplus/(Deficit)	36,059	33,520	2,540	36,059	21322%	169
Operating Revenue	45,513	43,077	2,436	45,513	41%	110,056
Operating Expenditure	(9,454)	(9,557)	103	(9,454)	9%	(109,886)
Capital Works Expenditure	(922)	(1,230)	308	(922)	2%	42,383
Closing Cash & Cash Equivalents	97,912					100,292
Total Borrowings	54,622					58,216

Commentary

Council should note that various year-end accounting entries are to be completed which will affect these financial results.

The July results indicate a surplus with Operation revenue and expenditure both within budget expectations.
Rates were issued on 31st July 2023 and are due for payment on 30th August 2023.

Total Capital expenditure of $922 thousand has been spent in July.

As at 31 July 2023 Council had $97.91 million in cash and $54.62 million in total debt borrowings.

2. Financial Performance Indicators

	YTD Actual	FY Budget	Benchmark	Comment
Operating Performance				
Operating surplus ratio (%)*	✔ 79.2%	0.2%	0 - 10%	The positive operating surplus ratio of 79.2% indicates that all operating expenses are covered, with the remaining surplus applied capital expenditure and loan repayments.
Liquidity				
Cash expense cover ratio (months)**	✔ 14.88	11.60	>3 months	Current cash expense cover ratio indicates that Council can continue to pay all immediate expenses without the need for additional cash flows for up to 14 months.
Working capital ratio (times)	✔ 5.44	5.50	> 3 times	Current assets can cover current liabilities 5.44 times.
Fiscal Flexibility				
Net financial liability (%)*	✔ -134.3%	-26.9%	< 60%	In line with benchmark. Sufficient operating revenue to service liabilities.
Council controlled revenue (%)**	✔ 98.5%	87.9%	> 60%	Majority of Council revenue attributed to rates income.
Total debt service cover ratio (times)**	✔ 6.9	4.0	> 2 times	Adequate capacity to manage unforeseen financial shocks & meet loan repayments.
Interest cover ratio (times)	✔ 167.6	13.4	> 4 times	Sufficient operating revenue to cover interest expense on loan borrowings.
Asset Sustainability				
Asset sustainability ratio (%)*	✘ 18.3%	81.10	> 90%	Council is investing in its non-financial assets at 18.3% of what its overall stock of assets is wearing out.
Capital expenditure ratio (times)**	0.3	1.6	-	Reflects lower than anticipated capital expenditure as a proportion of estimated depreciation YTD.

*Legislated sustainability ratios ** QTC Credit Metrics

3. Financial Reports

Operating Result for the period ending 31/07/2023

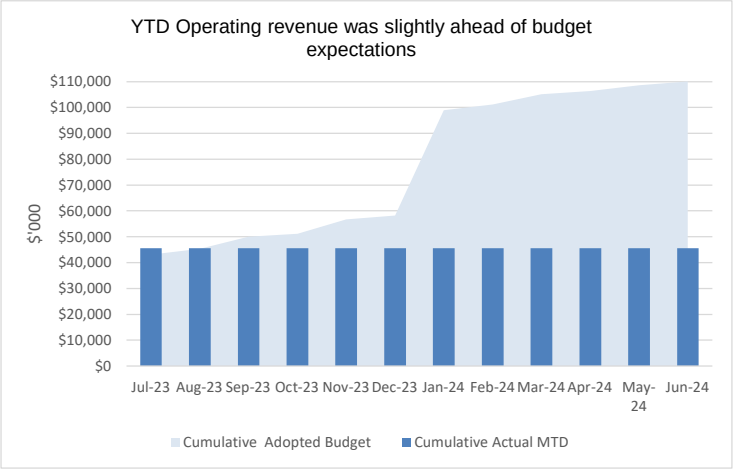
Month ('$000s)					YTD 8.3%				FY	
Actual ($'000)	Budget ($'000)	Variance[1] ($'000)	>$100K & 10%		Actual ($'000)	Budget ($'000)	Variance[1] ($'000)	>$100K & 10%	% of Full YTD %	Budget ($'000)
				Operating Revenue						
44,137	41,878	2,259	⇔	Rates, levies and charges	44,137	41,878	2,259	⇔	49%	90,106
676	555	121	✓	Fees and charges	676	555	121	✓	10%	6,657
55	178	(123)	✗	Sales Revenue	55	178	(123)	✗	2%	2,340
172	71	101	✓	Operating grants and subsidies	172	71	101	✓	3%	6,183
423	290	133	✓	Interest	423	290	133	✓	12%	3,487
50	104	(54)		Other income	50	104	(54)		4%	1,283
45,513	***43,077***	***2,436***	⇔	***Total Operating Revenues***	***45,513***	***43,077***	***2,436***	⇔	***41%***	***110,056***
				Operating Expenses						
(2,911)	(3,156)	245	⇔	Employee Benefits	(2,911)	(3,156)	245	⇔	8%	(37,917)
(3,670)	(3,517)	(153)	⇔	Materials & Services	(3,670)	(3,517)	(153)	⇔	10%	(37,286)
(232)	(244)	12		Finance Costs	(232)	(244)	12		1%	(31,694)
(2,640)	(2,640)	0		Depreciation	(2,640)	(2,640)	0		88%	(2,989)
(9,454)	**(9,557)**	**103**	⇔	**Total Operating Expenses**	**(9,454)**	**(9,557)**	**103**	⇔	**9%**	**(109,886)**
36,059	***33,520***	***2,540***	⇔	***Net operating result***	***36,059***	***33,520***	***2,540***	⇔	***21322%***	***169***

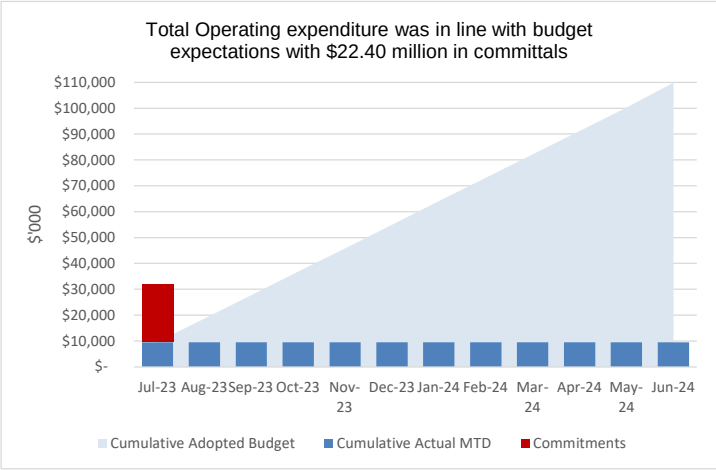
[1] *Positive numbers represent under expenditure or additional revenue*
✓ *Major positive variance, comment required*
✗ *Major negative variance, comment required*
⇔ *Within expectations, no comment required*

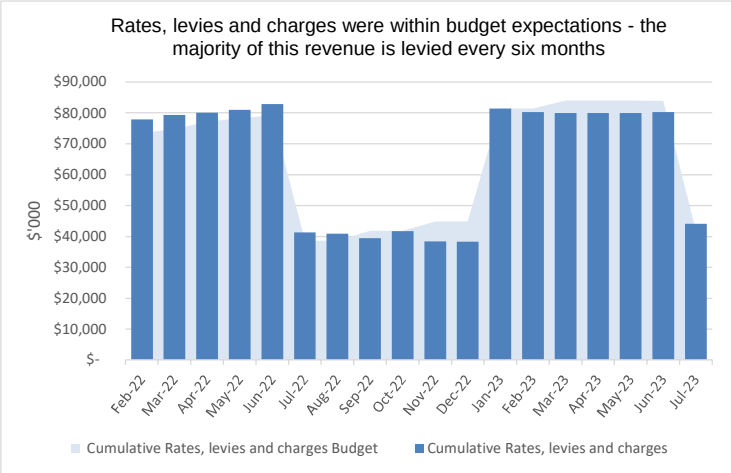
Areas to note

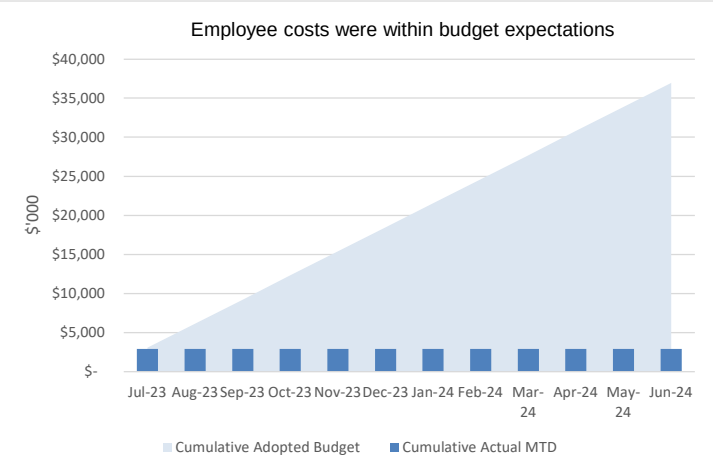
At the time of reporting, the current reporting period (July) is subject change due to the finalisation of the financial year statements for 2022-23. The statements, and final results, are subject to audit certification.

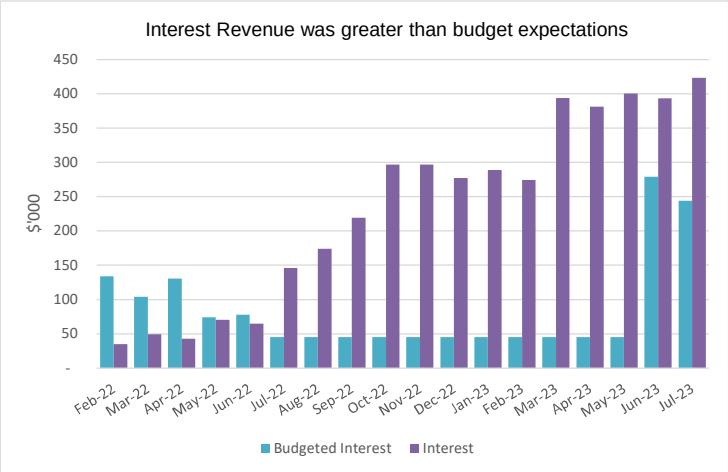
Fees and charges	Accrued revenue on infringements notices for the year ended 30th June 2023 are yet to be actioned and the majority of the favourable results for July are in relation to this.
Sales Revenue	Total year-to-date sales revenue is under budget expectations. Sales revenue is made up of RMPC claims and other private works. Private works invoices are issued as projects progress or upon completion. July sales revenue claim to be raised in August.
Operating grants and subsidies	Operating grants and subsidies are received throughout the year. Variances in the month of July are due to timing differences on grant fundings being received ahead of expectations.
Interest	July Interest results were favourable against budget expectations, due to the increment in the RBA cash rate leading to the QTC and Councils Banker raising interest rates. See Cash and Cash equivalents for more information on rates.

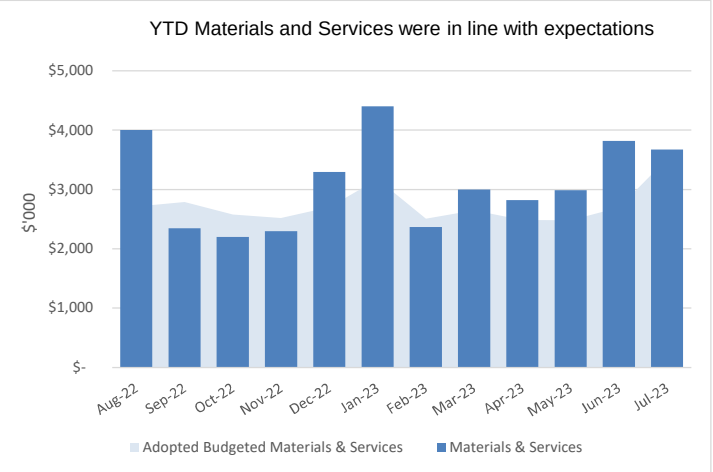

YTD Operating revenue was slightly ahead of budget expectations
$'000
$110,000
$100,000
$90,000
$80,000
$70,000
$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$0
Jul-23 Aug-23 Sep-23 Oct-23 Nov-23 Dec-23 Jan-24 Feb-24 Mar-24 Apr-24 May-24 Jun-24
Cumulative Adopted Budget
Cumulative Actual MTD

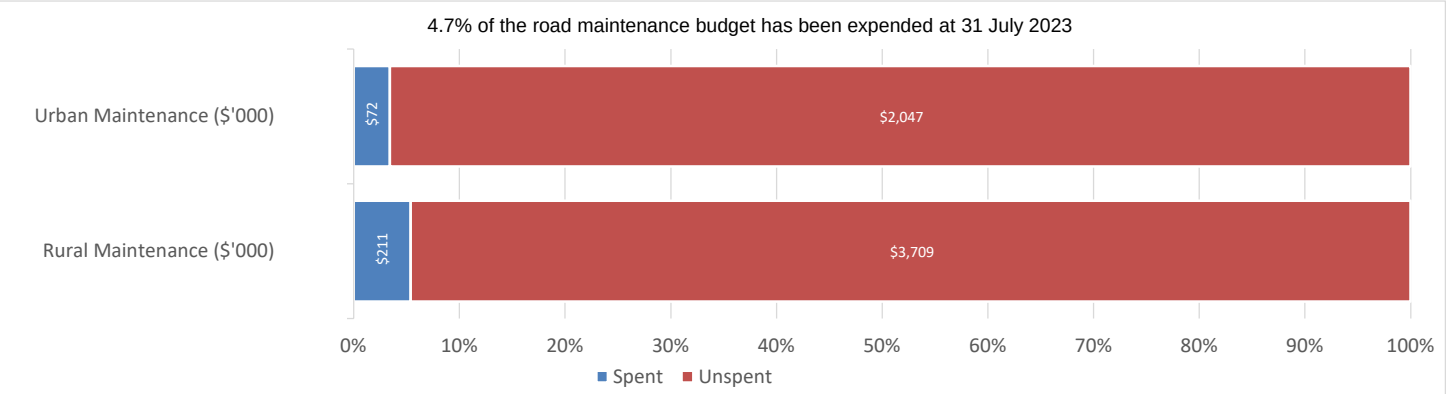

Total Operating expenditure was in line with budget expectations with $22.40 million in committals
$'000
$110,000
$100,000
$90,000
$80,000
$70,000
$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$-
Jul-23 Aug-23 Sep-23 Oct-23 Nov-23 Dec-23 Jan-24 Feb-24 Mar-24 Apr-24 May-24 Jun-24
Cumulative Adopted Budget
Cumulative Actual MTD
Commitments


Rates, levies and charges were within budget expectations - the majority of this revenue is levied every six months
$'000
$90,000
$80,000
$70,000
$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$-
Feb-22 Mar-22 Apr-22 May-22 Jun-22 Jul-22 Aug-22 Sep-22 Oct-22 Nov-22 Dec-22 Jan-23 Feb-23 Mar-23 Apr-23 May-23 Jun-23 Jul-23
Cumulative Rates, levies and charges Budget
Cumulative Rates, levies and charges


Employee costs were within budget expectations
$'000
$40,000
$35,000
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$-
Jul-23 Aug-23 Sep-23 Oct-23 Nov-23 Dec-23 Jan-24 Feb-24 Mar-24 Apr-24 May-24 Jun-24
Cumulative Adopted Budget
Cumulative Actual MTD


Interest Revenue was greater than budget expectations
$'000
450
400
350
300
250
200
150
100
50
-
Feb-22 Mar-22 Apr-22 May-22 Jun-22 Jul-22 Aug-22 Sep-22 Oct-22 Nov-22 Dec-22 Jan-23 Feb-23 Mar-23 Apr-23 May-23 Jun-23 Jul-23
Budgeted Interest
Interest


YTD Materials and Services were in line with expectations
$'000
$5,000
$4,000
$3,000
$2,000
$1,000
$-
Aug-22 Sep-22 Oct-22 Nov-22 Dec-22 Jan-23 Feb-23 Mar-23 Apr-23 May-23 Jun-23 Jul-23
Adopted Budgeted Materials & Services
Materials & Services


4.7% of the road maintenance budget has been expended at 31 July 2023
Urban Maintenance ($'000)
$72
$2,047
Rural Maintenance ($'000)
$211
$3,709
0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
Spent
Unspent

Statement of Financial Position for the period ending 31/07/2023

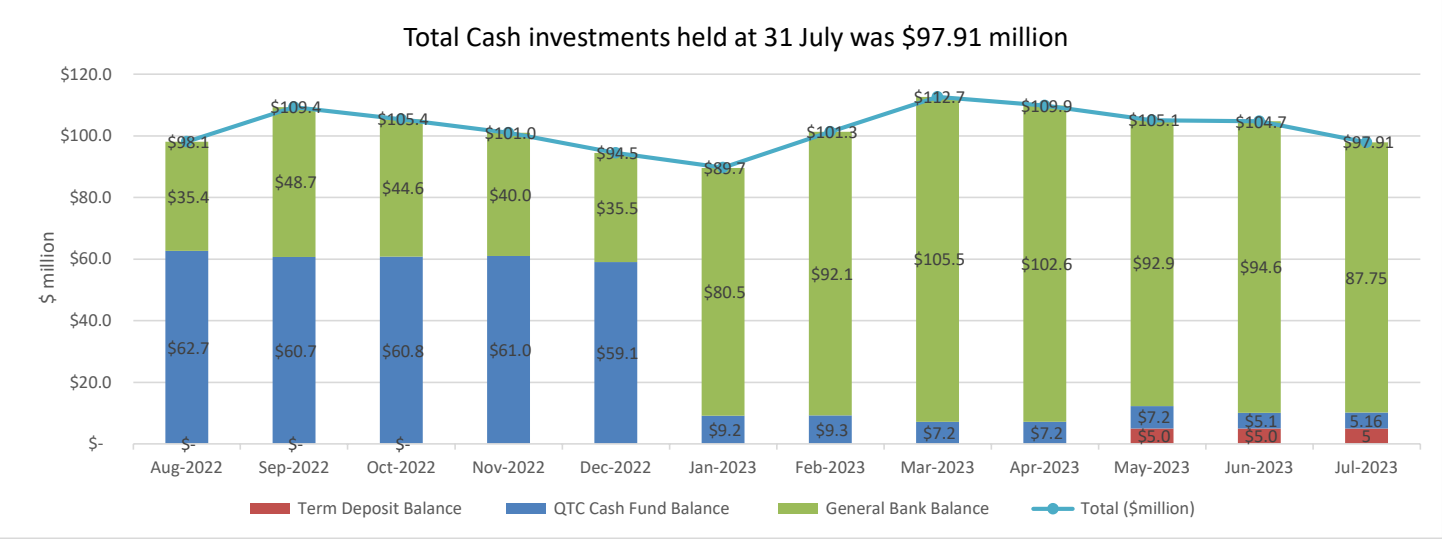
	Month-end Actual	Last month Actual	Movement	Full Year Adopted Budget
	($'000)	($'000)	($'000)	($'000)
Cash and cash equivalents	97,912	104,744	(6,832)	100,292
Receivables	45,967	5,760	40,207	10,128
Inventories	453	424	29	3,860
Land held for development or sale	4,763	4,763	-	-
Contract Assets	2,984	2,984	-	-
Other assets	1,711	260	1,451	2,165
Property, plant & equipment	1,099,708	1,102,343	(2,635)	1,268,514
Intangibles	249	255	(6)	77
Capital works in progress	39,129	38,117	1,012	-
TOTAL ASSETS	**1,292,876**	**1,259,650**	**33,226**	**1,385,036**
Payables	5,087	13,884	(8,797)	5,139
Contract Liabilities	6,578	6,504	74	603
Borrowings	54,622	54,395	227	58,216
Provisions	16,843	16,956	(113)	17,505
Other liabilities	4,767	4,846	(79)	2,454
TOTAL LIABILIITIES	**87,897**	**96,585**	**(8,688)**	**83,917**
Asset revaluation surplus	136,981	136,981	-	284,230
Retained surplus/(deficiency)	1,067,998	1,026,084	41,914	1,016,889
TOTAL COMMUNITY EQUITY	**1,204,979**	**1,163,065**	**41,914**	**1,301,119**

Areas to note

The current balances reflect the closing balances in draft financial statements for year ending 30 June 2023. The statements, and final results, are subject to audit certification.

Cash and cash equivalents	Cash balances have slightly decreased from the previous month. This is consistent with the timing of issuing rates notices half yearly which is councils main source of cash income.
Receivables	$40.2 million increase in receivables relates to the system generation of the Quarter 4 2022-23 water consumption and the first half-yearly rates and utility notices. Water and general rates issued on 31 July 2023 and due for payment on 30 August 2023.
Other Assets	Increase in current month due to timing of BAS refund from the ATO and the accrual of the water charges levies.
Property, Plant and equipment	Movement relates to the monthly depreciation allocation and associated increase in accumulated depreciation.
Capital works in progress	$1.01 million increase due to continued capital expenditure in July. Refer to the capital expenditure reports for further detail on the capital works program for 2023-24. Capitalisations to be completed for the year ended 30th June 2023.
Payables	Payables decrease due to the timing of payment runs falling due and invoices payable being committed to the finance system prior to 30th June that were then paid in July 2023. Accrued expenditure recognised at 30 June 2023 is released in fully in July 2023.
Borrowings	The increase in borrowings reflects the application of monthly interest and administration charges accrued on total borrowings in the month.
Provisions	The change in provisions reflects net movement in accrued employee leave entitlements. The decrease in July is in relation to payouts of entitlements for employee termination pays.

Cash and Cash Equivalents



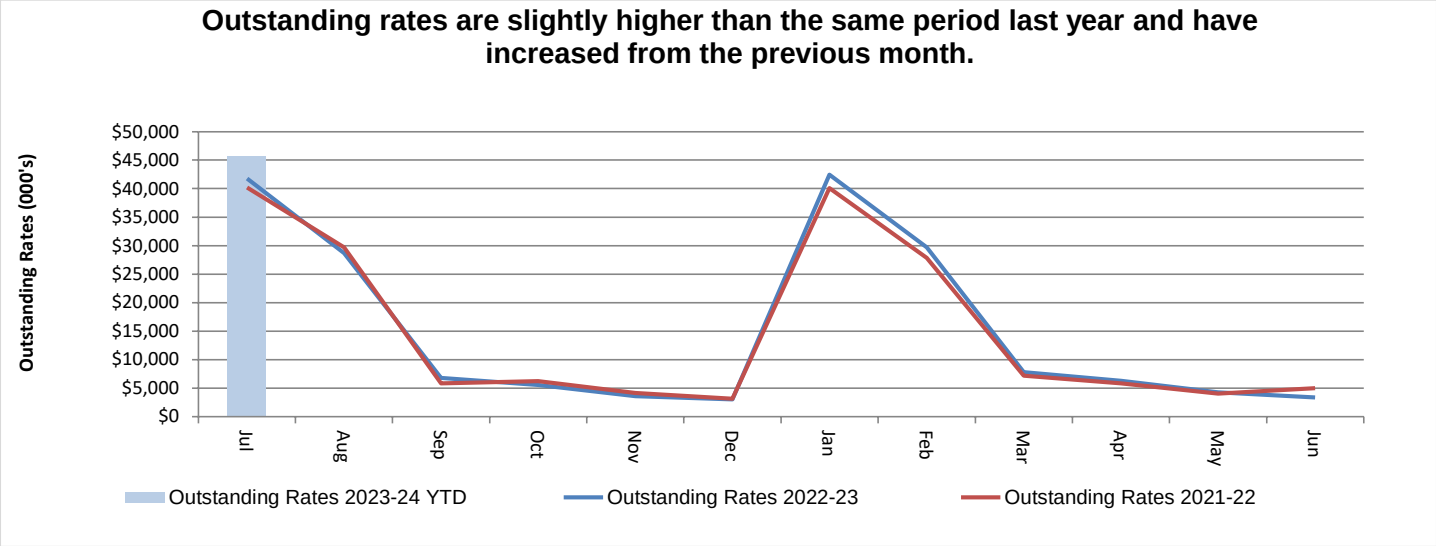
Investments are held with Council's general banker and in the Queensland Treasury Corporation (QTC) Capital Guaranteed Cash Fund. Council's current interest earning rate as at 30 June 2023 is 4.98% p.a. (net of 0.15% administration fees) with the QTC and 4.60% p.a. with CBA.

Term deposit rates are monitored regularly by Council officers to identify investment opportunities to ensure Council maximises its interest earnings balanced against the need to invest cash for a fixed term.

The amount of interest earned from month to month is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by Council's cash flow requirements on a monthly basis as well as the rating cycle.

Cash needed for day-to-day requirements is deposited with the QTC or Council's general banker. Interest rates from both facilities are monitored regularly by Council finance officers to maximise interest earnings as much as possible.

Receivables

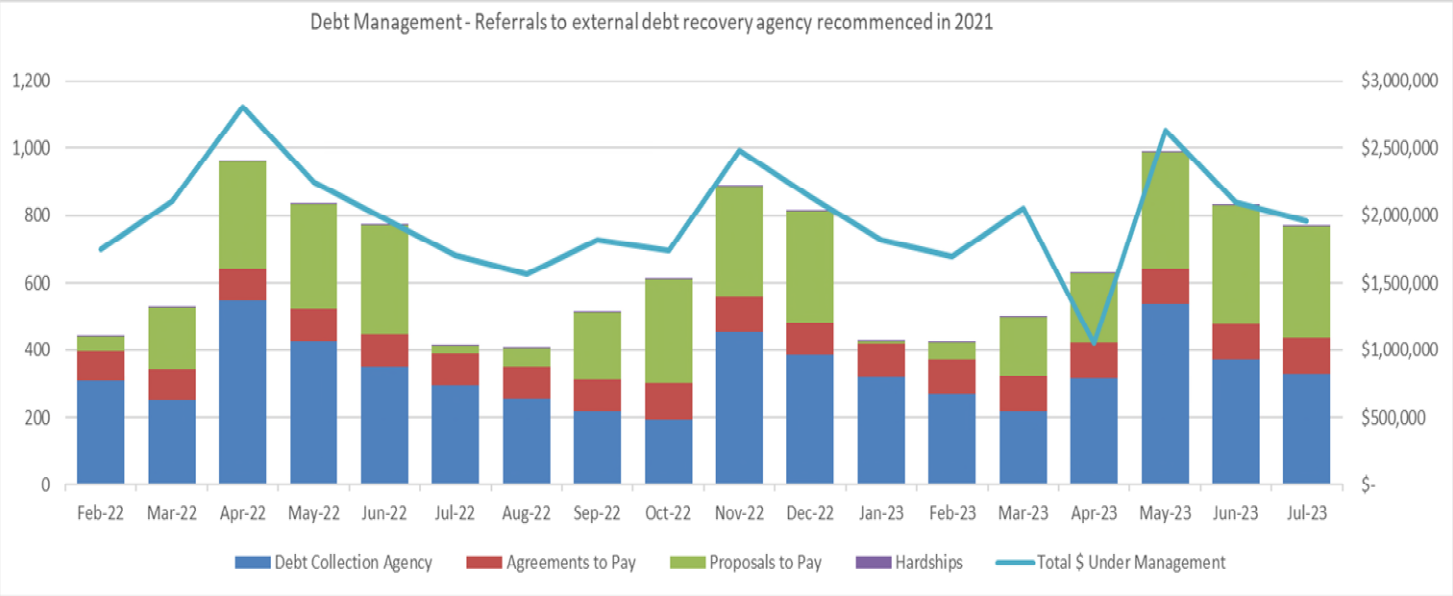


Ageing of Rates Receivable at Month End		
Total Rates Outstanding	$45,930,133	
Less Current Levy	-$42,437,366	
Total Eligible for Collection	**$3,492,767**	
Current	$28,953	0.83%
1 years	$2,391,942	68.48%
2 years	$468,249	13.41%
3 years	$199,592	5.71%
4 years	$109,595	3.14%
5 years	$294,436	8.43%
Total Eligible for Collection	**$3,492,767**	**100.0%**

Ratepayers have the option to enter into formal payment arrangements, preventing legal action being progressed by Council's debt collection agency. Council resolved to charge 7% per annum on overdue rates and utility charges in 2023-24, applied monthly, on all overdue balances, including those under a formal payment agreement. This percentage rate has remained the same since the 2018-19 Financial Year and Council have ensured that this has remained unaffected by recent large increases in CPI.

56% of the total balances eligible for collection are under management; this reflects 769 assessments out of all 18,295 rateable assessments (4.2%).

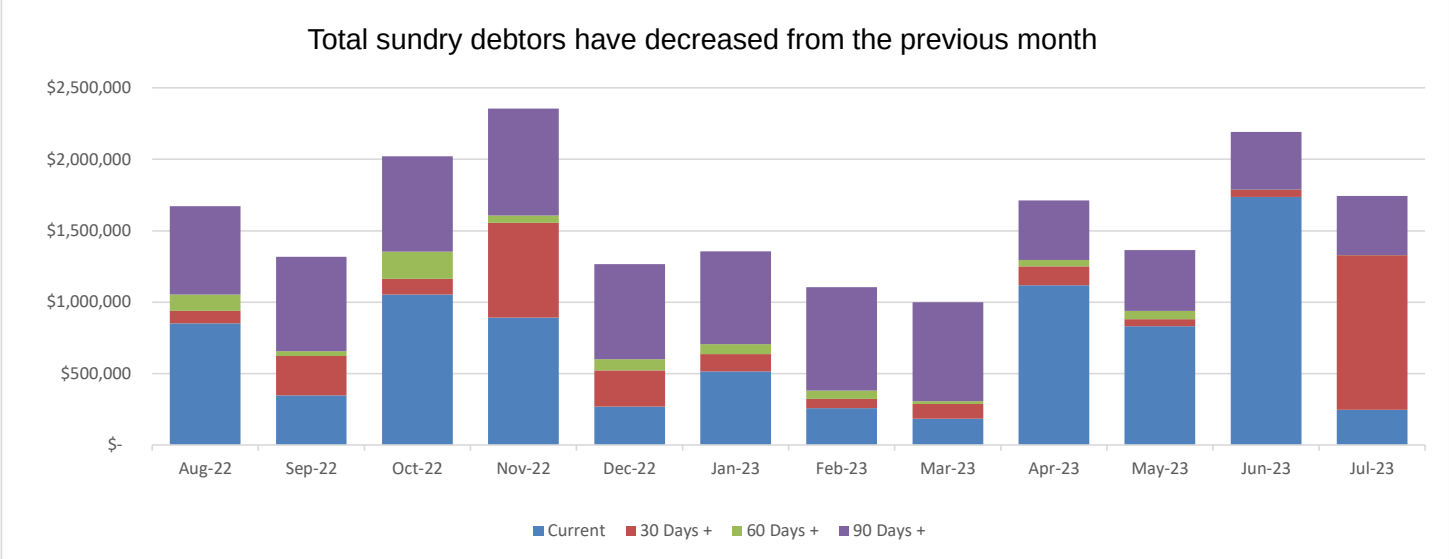
	As at July 2022			As at July 2023		
	#		$	#		$
Proposals to Pay	24	$	49,898	329	$	71,923
Agreements to pay	96	$	596,898	109	$	617,716
Debt Collection Agency	293	$	1,039,093	329	$	1,238,048
Council Hardship	2	$	20,752	2	$	30,580
Total under management	**415**	**$**	**1,706,641**	**769**	**$**	**1,958,267**



There has been a decrease in the total balance under management from the previous month. The majority of this was due a decrease in assessments referred to the Debt Collection Agency. Council's debt collection referral process occurs after the reminder process is completed for each half-yearly rates levy, which last occurred in November 22. Debt recovery action recommenced in mid-January 23.

Outstanding Sundry Trade Debtors

Total Sundry Trade Debtors Outstanding at Month End: $ 1,744,055



Payables
Procurement

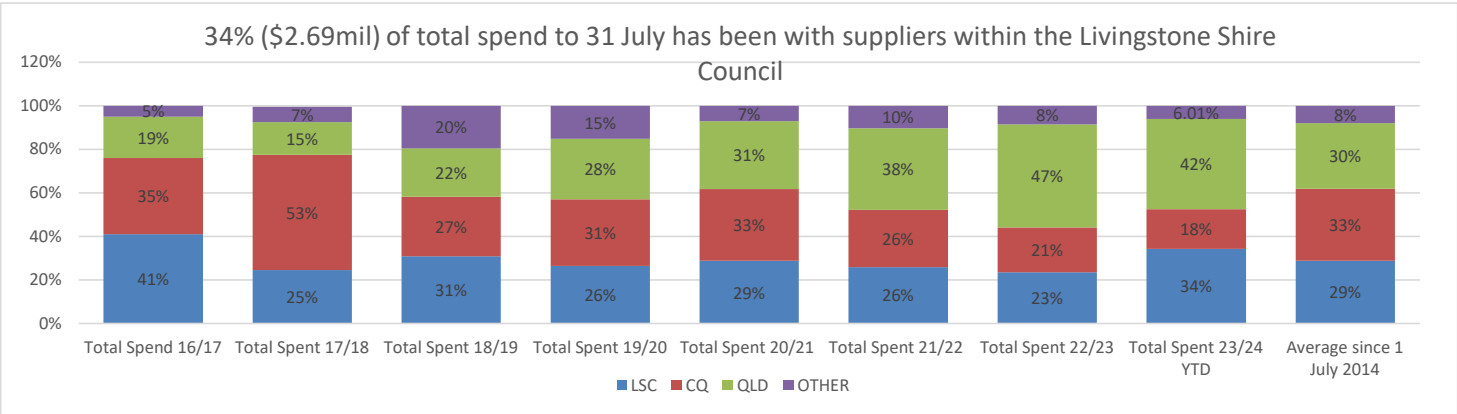
Council strongly supports locally owned and operated businesses, including those with an office or branch in our region. Council is able to report on direct local spend for both operational and capital expenditure in addition to employee salaries & wages.

Total expenditure with businesses located within the Shire boundaries, in the current financial year to date, is 34.19% or $2.69 million.

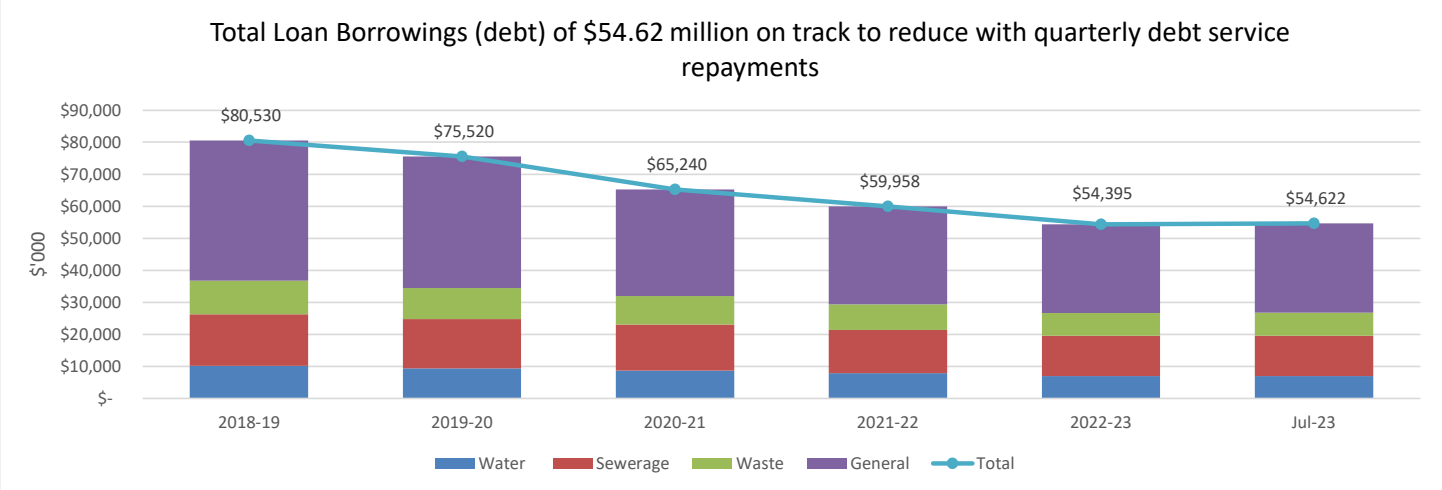
	YTD Spend ($million)	%
LSC - Business located within the shire boundaries.	$ 2.70	34%
CQ - Business completely set up and run outside of LSC boundaries but within the Central Queensland region.	$ 1.44	18%
QLD - Business based outside of Central Queensland but within Queensland.	$ 3.28	42%
OTHER - Business based outside of Queensland.	$ 0.47	6%
	$ 7.90	**100%**

The bar graph below summarises the allocation by local spend categories for the previous seven (7) financial years. Council has since 1 January 2014 procured, on average, 62% of materials & services from within the greater Central Queensland area, which includes Livingstone Shire Council.

Allocation of total spend by year



Borrowings



Debt Position	YTD Actual ($'000)	Budget
Total Debt held as at 1 July 2023	$54,395	$54,395
New borrowings drawn down in 2023-24	-	$9,713
Interest & administrative charges	$226	$2,628
Total debt service payments	-	($8,520)
Total Debt held at reporting period	**$ 54,622**	**$ 58,215**

In line with Council's debt policy, a debt service payment of $2,105,500 (being approximately $1,890,500 repayment of principal and $215,000 interest and administrative charges) is to be paid quarterly during 2023-24. Interest accrues monthly calculated on a daily basis until the next debt service payment. New borrowings are planned to be were drawn down at the end of the 2023-24 financial year.

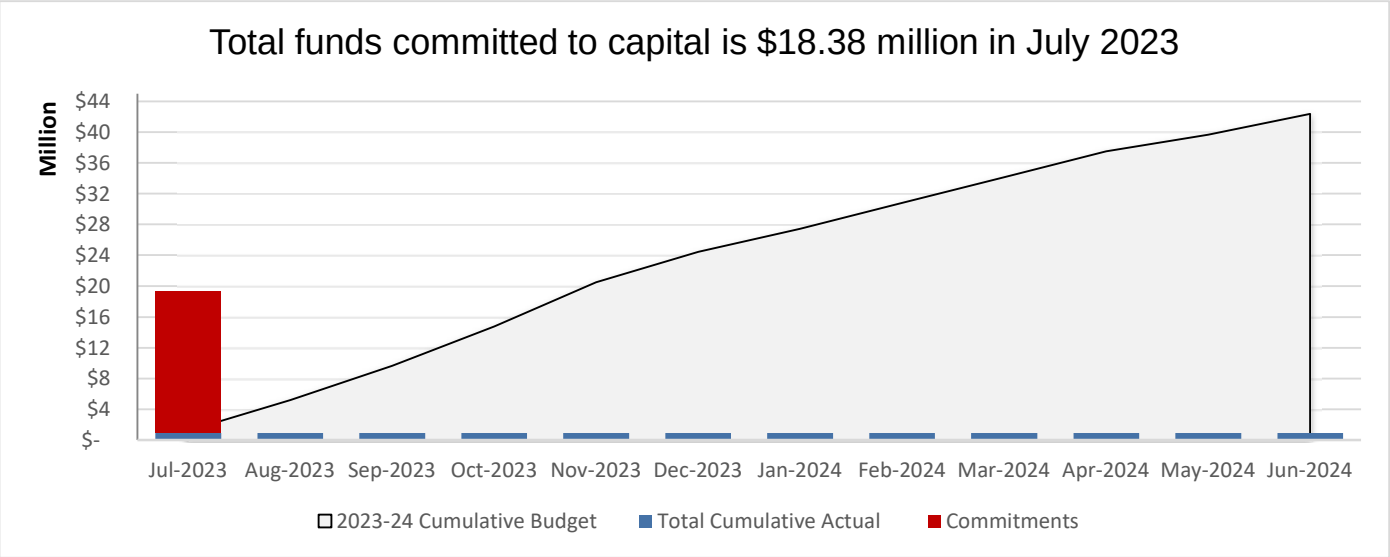
As at 31 July 2023 the weighted average interest rate of all Council debt is approximately 4.90%.

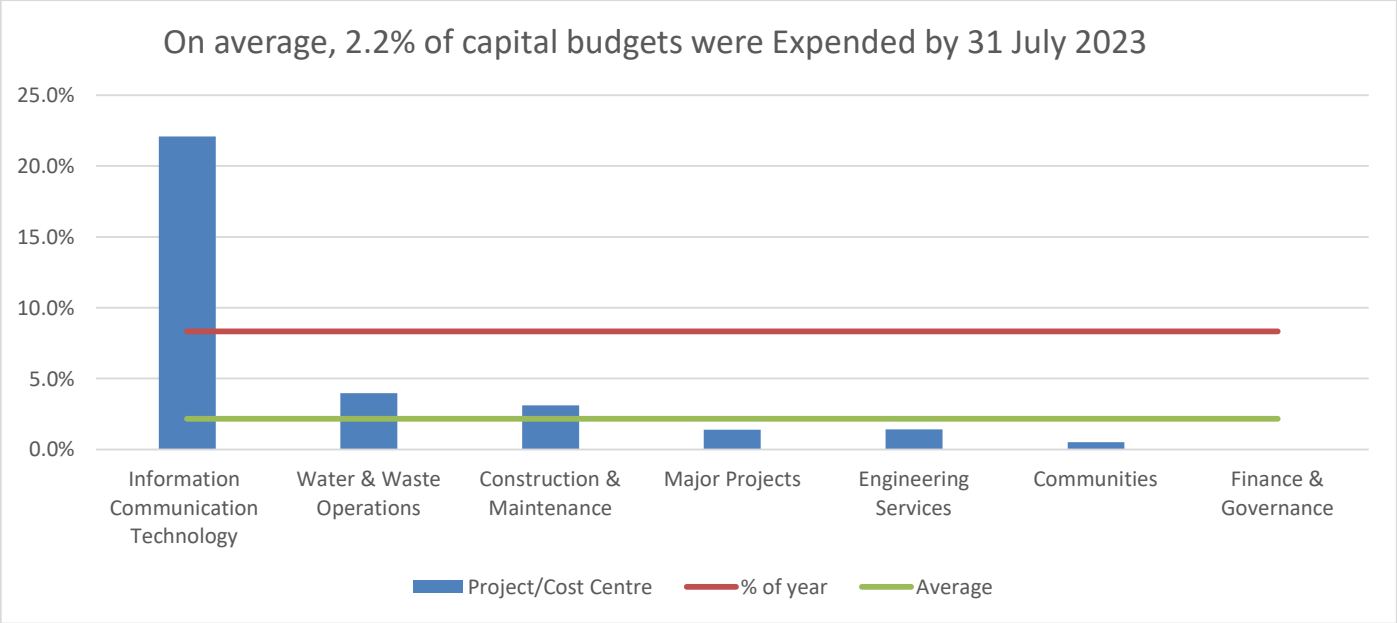
The Department of State Development, Infrastructure, Local Government and Planning has approved a working capital facility of $10 million on a permanent basis subject to an annual review by the Queensland Treasury Corporation in consultation with the department. Council has not accessed the available funds in the working capital facility.

4. Capital Expenditure

Capital revenue and expenditure report (all projects) for period ending 31/07/2023

Month ('$000s)				YTD 8.3%		Full year ($000's)
Actual	**Budget**	**Variance**		**Actual**	**% of Full year Budget**	**23-24 Adopted Budget**
			Capital expenditure			
616	1,040	(423)	Materials & services	616	2%	39,044
306	190	115	Internal employee costs	306	9%	3,339
922	**1,230**	**(308)**		**922**	**2%**	**42,383**
			Capital Revenue			
3	1,260	(1,256)	Capital grants & subsidies	3	0%	15,115
382	342	40	Infrastructure contributions	382	9%	4,100
79	6	73	Other Capital Income	79	104%	76
464	**1,608**	**(1,144)**		**464**	**2%**	**19,291**





Capital Project (>$100,000) Expenditure for the Period ending 31/07/2023

Project/Cost Centre Description	23-24 Adopted Budget $'000	CAPEX Spent YTD $'000	YTD % Budget (8.33% of year)	Remaining Budget
Information Communication Technology				
(R) CIT-Switches-Routers-UPS replacement	100	0	0%	100
Various ICT Projects <$100,000	186	63	34%	122
Subtotal	**286**	**63**	**22%**	**222**
Finance & Governance				
(R)-Fleet Renewal Annual Program - RRRC	2,700	0	0%	2,700
(N)-Fleet-Bushfire mitigation and Suppre	220	0	0%	220
	2,920	**0**	**0%**	**2,920**
Construction & Maintenance				
(N)-UC-NC-Jabiru Drive Extension T-130	1,560	1	0%	1,559
(N)-RC-FW-Artillery Rd FW1 Ch1775-Ch2217	1,500	16	1%	1,484
(U) RC-Normanby St 22-020 Upgrade	1,334	1	0%	1,333
(U)-SEW-71-SGM-Scenic Hwy 375 dia gravit	1,200	113	9%	1,087
(N)-UC-NC Arthur St carpark and stormwat	1,000	22	2%	978
(U) UC-RC-Queen St (Arthur to Mary Upgra	800	62	8%	738
(R)-WP-Normanby Street (Mary Street - Be	766	12	2%	754
(R)-DESIGN-WP-WMR-Farnborough Rd 200mm W	650	2	0%	648
(R)-RC-PR-Etna Creek Road (Ch5900-8000)	600	0	0%	600
(N)-Design-UC-PW-Taranganba Rd Tanby-Car	570	2	0%	568
(U)-SP-SEW-60 450 SRM new SPS to Shaw Av	546	0	0%	546
[R] Cordingley St Works Depot reseal acc	500	0	0%	500
(N)-UC-Misc-Hartley St Pedestrian Facili	300	0	0%	300
(R)-WP-Normanby Street (Hill Street - Be	150	0	0%	150
(R)-WP-Brae St Flinders Nth and Elma St	100	3	3%	97
CP419 CAPITAL CONTROL RURAL RESEAL PROGRAM	0	1	0%	(1)
CP419 CAPITAL CONTROL RURAL RESEAL PROGRAM	600	1	0%	599
CP422 CAPITAL CONTROL RURAL GRAVEL RESHEETS	1,620	117	7%	1,503
CP423 CAPITAL CONTROL BEACH ACCESS RENEWAL PROGRAM	100	10	10%	90
CP423 CAPITAL CONTROL FLOODWAY RENEWAL PROGRAM	150	64	43%	86
CP428 CAPITAL CONTROL URBAN RESEAL PROGRAM	770	0	0%	770
Various construction projects <$100,000	335	45	13%	290
Subtotal	**15,151**	**471**	**3%**	**14,681**
Waste Water and Sewer				
(R)-WP-Meikleville Reservoir Roof Replac	653	4	1%	649
(R)-WP-WWTP clarifier scraper replacemen	450	2	1%	448
(R)-WN-2324 Passive Reactive inc, Meters	304	0	0%	304
(R)-WP- 2324 Active Water renewals $252.	253	0	0%	253
(R) SEW - 2324 Passive Sewer Renewals $2	200	0	0%	200
(R)-SP-2324 Active Sewer Renewals $200K	200	6	3%	194
(N)-W&R-Caves Waste Transfer Station Upg	100	0	0%	100
Various water & waste projects <$100,000	120	78	65%	42
Subtotal	**2,280**	**91**	**4%**	**2,189**

Capital Project (>$100,000) Expenditure for the Period ending 31/07/2023

Project/Cost Centre Description	23-24 Adopted Budget $'000	CAPEX Spent YTD $'000	YTD % Budget (8.33% of year)	Remaining Budget
Major Projects				
(U)-SP-Emu Pk STP Process Upgrade 19-128	5,534	13	0%	5,520
(N) SEW-65-66-86-121-Tanby Rd South PFTI	4,960	4	0%	4,956
(U)-RC-RC-Stanage Bay Rd 20-012 design &	2,800	4	0%	2,796
(N)-MP-Station Quarter Community Recover	2,022	2	0%	2,020
(U)-FC-Yeppoon Aquatic Centre Upgrade es	950	5	1%	945
(N)-E&P-Gateway Stages 2B&3 Gateway Busi	740	237	32%	503
(R)-SEW-2324 Sewer Relining Program Pass	650	0	0%	650
(N)-W&R-Yeppoon Landfill Cell extension	600	2	0%	598
(U)-WC-Kellys Dam Seepage Measurment Wor	550	3	0%	547
(R) RC-BDG-Doonside Rd Canal Ck Ch6325 T	420	1	0%	419
(N)-SP-Yeppoon STP Solar Array	315	1	0%	314
(R)-RC-BDG-Werribee Rd Replace Timber Br	270	1	0%	269
(N) Cap Coast Cemetery Internal works PC	135	1	1%	134
(N)-E&P-West Emu Park Res Devp $157k	70	5	7%	65
Various CP415 projects <$100,000	0	2	0%	(2)
Various CP424 projects <$100,000	0	0	0%	(0)
Subtotal	**20,016**	**281**	**1%**	**19,734**
Engineering Services				
(R)- PR Pavement rehab Daniel Park to Sc	150	3	2%	147
(N)-SW-Yeppoon Crk D-13 Q100 L700 SP2968	101	0	0%	101
Various engineering and design projects <$100,000	513	8	2%	505
Subtotal	**764**	**11**	**0**	**753**
Community Wellbeing				
(R)-FC-Lagoon Building 'A' Air Con Repla	365	0	0%	365
(R)-FC-Amenities Merv Anderson Annual P	332	0	0%	332
Various Facility projects <$100,000	270	0	0%	270
Various Community projects <$100,000	0	5	0%	(5)
Various Park projects <$100,000	0	0	0%	-
Various Community & Wellbeing projects <$100,000	0	0	0%	(0)
Various Economic Development projects <$100,000	0	0	0%	-
Subtotal	**967**	**5**	**1%**	**962**
TOTAL CAPITAL PROGRAM	**42,383**	**922**	**2%**	**41,461**

5. Glossary

Key Terms		
Operating surplus / deficit	Operating Revenues less Operating Expenses	
Definition of Ratios		
Operating Performance		
Operating surplus ratio (%)*	This is an indicator of the extent to which revenues raised covers operational expenses only or are available for capital funding purposes. A positive ratio means that the surplus can be used for capital expenditures or debt repayments.	$\frac{\text{Operating result}}{\text{Total operating revenue}}$
Liquidity		
Cash expense cover ratio (months)**	This provides an indication as to the number of months Council can continue to pay its immediate expenses without additional cash flows.	$\frac{\text{Cash and cash equivalents}}{\text{Total operating expenses} - \text{Depreciation \& amortisation} - \text{Gross interest expense}} \times 12 \text{ months}$
Working capital ratio (times)	This measures the extent to which Council has liquid assets available to meet short term financial obligations.	$\frac{\text{Total current assets}}{\text{Total current liabilities}}$
Fiscal Flexibility		
Net financial liabilities ratio (%)*	This is an indicator of the extent to which the net financial liabilities of Council can be serviced by operating revenues. A ratio greater than zero (0) implies liabilities exceed current assets.	$\frac{\text{Total Liabilities} - \text{Current Assets}}{\text{Total operating revenue}}$
Council controlled revenue ratio (%)**	This is an indicator of the extent to which total Council controlled operational revenues are as a proportion of total operating expenses. Council controlled revenue sources are specifically Rates & Utility Charges, Fees & Charges and Other Miscellaneous Operating Revenues. Council's flexibility improves the higher the level of its council-controlled revenue. Greater reliance on external funding sources such as operating subsidies, donations, and contributions reduces financial flexibility.	$\frac{\text{Net rates, levies and charges} + \text{Total Fees \& charges}}{\text{Total operating revenue}}$
Total debt service cover ratio (times)**	This ratio indicates the ability to repay loan funds. Council needs to be able to service debt regardless of the size of the debt. This should be read in parallel with the net financial liabilities ratio as this ratio will help explain the size of the debt obligations compared with the ability to pay for the debt. A low cover indicates constrained financial flexibility and limited capacity to manage unforeseen financial shocks.	$\frac{\text{Operating result} + \text{Depreciation \& amortisation} + \text{Gross interest expense}}{\text{Gross interest expense} + \text{Prior year current interest bearing liabilities}}$
Interest cover ratio (times)	Interest coverage ratio indicates the extent to which Council's operating revenues are committed to interest expenses.	$\frac{\text{Operating result} + \text{Depreciation \& amortisation} + \text{Gross interest expense}}{\text{Gross interest expense}}$
Asset Sustainability		
Asset Sustainability Ratio (%)*	This ratio indicates whether Council is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out.	$\frac{\text{Capital expenditure on infrastructure renewals}}{\text{Depreciation}}$
Capital expenditure ratio (times)**	Capital expenditure ratio indicates the proportion to which Council is investing in capital at the same rate that its overall stock of assets is wearing out.	$\frac{\text{Gross capital expenditure}}{\text{Depreciation}}$

*Legislated sustainability ratios

** QTC Credit Metrics