

LODDON SHIRE COUNCIL

STANDARD STATEMENTS FOR THE YEAR ENDING 30 JUNE 2013



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INTRODUCTION

A. Basis of preparation of standard statements

Council is required to prepare and include audited Standard Statements within its Annual Report. Four Statements are required - a Standard Income Statement, Standard Balance Sheet, Standard Cash Flow Statement, and Standard Statement of Capital Works, together with explanatory notes.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the Local Government Act 1989 and Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on accounting bases consistent with those used for the General Purpose Financial Statements and the Budget. The results reported in these statements are consistent with those reported in the General Purpose Financial Statements.

The Standard Statements are not a substitute for the General Purpose Financial Statements, which are included on pages 3 to 6 of the Annual Report. They have been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare Council's financial plan, expressed through its budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of 10 per cent. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The Budget figures included in the Statements are those adopted by Council on 26 June 2012. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. The Council set guidelines and parameters for revenue and expense targets in this Budget in order to meet Council's business plan and financial performance targets for both the short and long term. The Budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

Detailed information on the actual financial results are contained in the General Purpose Financial Statements on pages 3 to 6. The detailed budget can be obtained by contacting Council or through the Council's website. The Standard Statements must be read with reference to these documents.

Where material variances have occurred between the budget adopted by Council at the commencement of the year, and the actual results for the year, Variance Exception Reports are included. A variance is considered material where it is 10% or greater.

GLOSSARY

The following information is included to provide the reader with information about each of the standard statements presented in this report:

Standard Income Statement

The Standard Income Statement for the Annual Report shows what has happened or is expected to happen during a year in terms of revenue, expenses, and other adjustments from all activities during a financial year. The 'Surplus/(Deficit) for Year' shows the total difference between Council's financial position at the beginning and the end of the year.

The Income Statement requires revenues to be separately disclosed where the item is of such a size, nature or incidence that its disclosure is relevant in explaining the performance of the Council.

The Standard Income Statement for the Annual Report also shows the movement in equity, so that a separate Statement of Changes in Equity is not necessary. The most common disclosures under this category are the movements in the Asset Revaluation Reserve which arise upon revaluations of assets and adjustments to opening accumulated surplus due to adoption of a new accounting standard.

Standard Balance Sheet

The Standard Balance Sheet shows a snapshot of all the assets and liabilities as at 30 June 2013. It shows the total of what is owned (assets) less what is owed (liabilities). The bottom line of this statement is net assets, which is the net worth of Council.

The change in net assets between two years Standard Balance Sheets shows how the financial position has changed over that period.

The assets and liabilities are separated into current and non-current.

Standard Cash Flow Statement

A Standard Cash Flow Statement shows what has happened or what is expected to happen during a financial year in terms of cash inflows and outflows from all activities. It explains what cash movements have resulted in the difference in the cash balance at the beginning and the end of the year. The net cash flows from operating activities, shows how much cash remains or is expected to remain after paying for providing services to the community which may be invested in things such as capital works.

Cash in this statement refers to bank deposits and other forms of highly liquid investments that can readily be converted to cash, such as cash invested with funds managers, net of bank overdrafts.

Cash arises from, and is used in, three main activities:

Cash flow from operating activities

Receipts:

All cash received from ratepayers and others who owed money to Council as part of its normal operations.

Payments:

All cash paid by Council to staff, creditors, other persons as part of its normal operations.

GLOSSARY (CONTINUED)

Standard Cash Flow Statement (continued)

Cash flows from investing activities

Cash flows from investing activities are those activities which relate to acquisition and disposal of non-current assets, including property, plant and equipment and other productive assets, and investments not falling within the definition of cash.

Cash flows from financing activities

Cash flows from financing activities are those activities which relate to changing the size and composition of the financial structure of the entity, including equity, and borrowings not falling within the definition of

The bottom line of the Standard Cash Flow Statement is the cash at end of financial year. This shows the capacity of Council to meet its debts and other liabilities.

The information in a Standard Cash Flow Statement assists in the assessment of the ability to generate cash flows and meet financial commitments as they fall due, including the servicing of borrowings, fund changes in the scope or nature of activities, and obtain external finance.

Standard Statement of Capital Works

The Standard Statement of Capital Works sets out all capital expenditure that has been spent or is expected to be spent in relation to non-current assets during a financial year.

It also shows whether this expenditure is renewing, expanding or upgrading existing assets or creating new assets. This is important because each of these categories has a different impact on Council's future costs as detailed below:

Capital renewal

Capital renewal expenditure is expenditure on an existing asset, which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components of the asset being renewed.

As capital renewal expenditure reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

Capital expansion

Capital expansion expenditure extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users.

It is discretionary expenditure which increases future operating and maintenance costs, because it increases Council's asset base, but may be associated with additional revenue from the new user groups.

Capital upgrade

Capital upgrade expenditure enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally.

Capital upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in Council's asset base.

New capital expenditure

New capital expenditure does not have any element of expansion or upgrade of existing assets. New capital expenditure may or may not result in additional revenue for Council and will result in an additional burden for future operation, maintenance and capital renewal.

**STANDARD INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

	Ref	Budget \$	Actuals \$	Variance \$	Variance %
INCOME FROM TRANSACTIONS					
Rates and charges		8,163,484	8,157,404	(6,080)	(0.1)
Recurrent grants		11,449,348	11,524,728	75,380	0.7
Non-recurrent grants	1	20,734,337	18,174,294	(2,560,043)	(12.3)
User charges and statutory fees	2	2,613,807	3,568,789	954,982	36.5
Reimbursements and subsidies		657,040	633,832	(23,208)	(3.5)
Vicroads	3	1,333,257	867,488	(465,769)	(34.9)
Interest received		710,000	700,054	(9,946)	(1.4)
Other revenue		-	5,285	5,285	-
TOTAL INCOME FROM TRANSACTIONS		45,661,273	43,631,874	(2,029,399)	
EXPENSES FROM TRANSACTIONS					
Employee benefits		9,709,790	9,130,900	578,890	6.0
Materials, services and contracts	4	11,008,273	28,432,568	(17,424,295)	(158.3)
Depreciation		7,812,000	7,480,237	331,763	4.2
Interest expense		36,156	35,258	898	2.5
Other expenses		263,620	265,246	(1,626)	(0.6)
Bad debts		-	(5,510)	5,510	-
TOTAL EXPENSES FROM TRANSACTIONS		28,829,839	45,338,699	(16,508,860)	
OTHER ECONOMIC FLOWS					
Adjustment to carrying value of library corporation non-current assets		-	(50,386)	(50,386)	-
Net gain/(loss) on disposal of assets	5	(50,000)	11,658	61,658	(123.3)
TOTAL OTHER ECONOMIC FLOWS		(50,000)	(38,728)	11,272	
SURPLUS/(DEFICIT) FOR THE YEAR		16,781,434	(1,745,553)	(18,526,987)	

The accompanying notes form part of this financial report

STANDARD BALANCE SHEET
AS AT 30 JUNE 2013

	Ref	Budget \$	Actuals \$	Variance \$	Variance %
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	7,269,230	17,311,650	10,042,420	138.1
Trade and other receivables	7	250,000	4,195,664	3,945,664	1,578.3
Financial assets	8	256,956	557,807	300,851	117.1
Inventories	9	301,018	251,034	(49,984)	(16.6)
TOTAL CURRENT ASSETS		8,077,204	22,316,155	14,238,951	
NON-CURRENT ASSETS					
Non-current assets held for resale		-	33,775	33,775	
Trade and other receivables		26,045	53,398	27,353	105.0
Property, plant and equipment, infrastructure		264,138,628	254,066,794	(10,071,834)	(3.8)
Other assets	10	431,065	815,689	384,624	89.2
TOTAL NON-CURRENT ASSETS		264,595,738	254,969,656	(9,626,082)	
TOTAL ASSETS		272,672,942	277,285,811	4,612,869	
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	11	230,835	2,338,957	(2,108,122)	(913.3)
Interest bearing loans & borrowings		-	144,448	(144,448)	
Employee benefits	12	2,253,675	2,440,858	(187,183)	(8.3)
TOTAL CURRENT LIABILITIES		2,484,510	4,924,263	(2,439,753)	
NON-CURRENT LIABILITIES					
Interest bearing loans & borrowings		442,959	298,428	144,531	32.6
Employee benefits	12	267,332	168,518	98,814	37.0
Provisions	13	2,252,280	1,815,337	436,943	19.4
TOTAL NON-CURRENT LIABILITIES		2,962,571	2,282,283	680,288	
TOTAL LIABILITIES		5,447,081	7,206,546	(1,759,465)	
NET ASSETS		267,225,861	270,079,265	2,853,404	
Represented by:					
Accumulated surplus	14	121,875,025	95,117,920	(26,757,105)	(22.0)
Asset revaluation reserve	15	142,959,069	160,347,574	17,388,505	12.2
Other reserves	16	2,391,767	14,613,771	12,222,004	511.0
TOTAL EQUITY		267,225,861	270,079,265	2,853,404	

The accompanying notes form part of this financial report

**STANDARD CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

	Ref	Budget \$	Actuals \$	Variance \$	Variance %
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Receipts</i>					
Rates & charges		8,163,484	8,174,512	11,028	0.1
Recurrent grants		10,911,737	11,617,261	705,524	6.5
Non recurrent grants		21,664,818	20,662,596	(1,002,222)	(4.6)
Interest		710,000	682,953	(27,047)	(3.8)
User charges	17	2,613,807	3,774,675	1,160,868	44.4
Reimbursements	18	264,170	1,505,643	1,241,473	470.0
Vicroads	19	1,333,257	954,237	(379,020)	(28.4)
Net GST refund	20	500,000	2,314,556	1,814,556	362.9
		46,161,273	49,686,433	3,525,160	
<i>Payments</i>					
Employee benefits		(9,709,790)	(9,088,507)	621,283	(6.4)
Materials & contracts	21	(11,271,893)	(30,775,655)	(19,503,762)	173.0
		(20,981,683)	(39,864,162)	(18,882,479)	
NET CASH PROVIDED BY OPERATING ACTIVITIES		25,179,590	9,822,271	(15,357,319)	
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment, infrastructure	22	586,000	265,998	(320,002)	(54.6)
Net advances / repayment of loans		-	21,717	21,717	-
Payments for property, plant and equipment, infrastructure	23	(33,171,561)	(7,237,868)	25,933,693	(78.2)
NET CASH INFLOW/(OUTFLOW) USED IN INVESTING ACTIVITIES		(32,585,561)	(6,950,153)	25,635,408	
CASH FLOWS FROM FINANCING ACTIVITIES					
Trust funds and deposits		-	101,892	101,892	-
Interest expense		(36,156)	(27,318)	8,838	-
Repayment of borrowings		(135,417)	(135,907)	(490)	0.4
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		(171,573)	(61,333)	110,240	
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(7,577,544)	2,810,785	10,388,329	
Cash and cash equivalents at the beginning of the financial year		14,846,774	14,500,865	(345,909)	
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		7,269,230	17,311,650	10,042,420	

The accompanying notes form part of this financial report

STANDARD STATEMENT OF CAPITAL WORKS
FOR THE YEAR ENDED 30 JUNE 2013

	Ref	Budget \$	Actuals \$	Variance \$	Variance %																												
CAPITAL WORKS AREA																																	
Land and buildings	24	5,830,188	1,117,970	4,712,218	80.8																												
Plant and equipment	24	1,067,000	779,042	287,958	27.0																												
Roadworks	24	25,118,501	4,955,433	20,163,068	80.3																												
Urban drainage	24	1,155,872	385,423	770,449	66.7																												
TOTAL CAPITAL WORKS		33,171,561	7,237,868	25,933,693	78.2%																												
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Budget \$</th> <th>Actuals \$</th> <th>Variance \$</th> <th>Variance %</th> </tr> </thead> <tbody> <tr> <td>REPRESENTED BY:</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Renewal & upgrade</td> <td>25</td> <td>31,499,561</td> <td>5,861,163</td> <td>25,638,398</td> <td>81.4</td> </tr> <tr> <td>New assets</td> <td>25</td> <td>1,672,000</td> <td>1,376,705</td> <td>295,295</td> <td>17.7</td> </tr> <tr> <td>TOTAL CAPITAL WORKS</td> <td></td> <td>33,171,561</td> <td>7,237,868</td> <td>25,933,693</td> <td>78.2%</td> </tr> </tbody> </table>							Budget \$	Actuals \$	Variance \$	Variance %	REPRESENTED BY:					Renewal & upgrade	25	31,499,561	5,861,163	25,638,398	81.4	New assets	25	1,672,000	1,376,705	295,295	17.7	TOTAL CAPITAL WORKS		33,171,561	7,237,868	25,933,693	78.2%
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STANDARD STATEMENTS VARIANCE EXPLANATION REPORT

Council has experienced numerous changes to the finances during the reporting year, resulting in many variances.

Council regularly resolves to informally revise the budget to incorporate these changes, however, this is for internal reporting purposes only, and these budget revisions have not been included in the Standard Statements Variance Explanation Report.

Budget revisions are reported to Council via the monthly Finance Report in order to keep Council updated with material financial changes, and in an attempt to keep the financial data as relevant as possible.

For the purposes of preparing the Standard Cash Flow Statement, Operating Activities are GST inclusive. i.e. GST has been included in the relevant areas where it has been paid or charged. Figures included in the Standard Income Statement are GST exclusive.

The following notes are provided to explain variances between the Budget adopted by Council at the commencement of the financial year and the actual results for the year, as required by the Act.

Standard Income Statement

1 Non-recurrent grants

Non-recurrent grants recognised as revenue during the year were significantly lower than anticipated. Overall Non-recurrent Grants and Contributions were \$2.6M or 12.3% lower than budgeted.

This result has been made up of a number of grants which were received but not originally budgeted for, mainly relating to recovery and reconstruction works arising from the January 2011 floods. These amounts are partially offset by a number of grants and contributions which were originally budgeted for but not fully received, due to changed circumstances.

Items over budget include:

Local Government Infrastructure Program (LGIP) projects	\$900,000
Local roads construction (Roads to market)	\$250,480
Drought relief projects in respect of recreational facilities	\$67,500
Flood recovery officer	\$60,000
Weed and pest program	\$50,000
Loddon soccer strategy	\$41,400
Immunisation initiative project	\$39,500
Learner driver program	\$27,000
Sustainability communities initiative	\$25,000
Inglewood Town Hall hub project	\$27,000
Vulnerable Persons Register	\$13,105
Transport connections - innovation fund - Blaine	\$18,750
Flood community recovery initiatives	\$10,200

**STANDARD STATEMENTS
VARIANCE EXPLANATION REPORT (CONTINUED)**

1 Non-recurrent grants (continued)

Items under budget include:

Flood recovery grant (National Disaster Relief and Recovery Arrangements)	\$2,545,211
Wedderburn Community Centre	\$819,898
Inglewood industrial estate	\$112,000
RLCIP Boort power underground project	\$83,500
Netball courts audit safety projects	\$80,000
Improving liveability project	\$10,000

2 User charges and statutory fees

User charges and statutory fees show a dramatic increase over budget of \$0.9M, or 36.5%.

The major items in this category include:

Items over budget

Gravel pit charges (offset by commensurate increase in operating expenses)	\$816,408
Statutory building fees	\$45,630
Caravan park services	\$39,413
Standpipes	\$20,223
Private works	\$66,412
Statutory planning fees	\$15,379
Other (various)	\$43,888

Items under budget

Pre-schools	\$62,459
Tourism activities	\$21,109

3 Vicroads

Vicroads funding was \$0.5M or 34.9% below budget for the 2012/13 year. This was a direct result of decrease in works being undertaken by Council on behalf of VicRoads, with a commensurate decrease against associated expenditure.

**STANDARD STATEMENTS
VARIANCE EXPLANATION REPORT (CONTINUED)**

4 Materials, services and contracts

Council's expenditure on materials, services and contracts was \$17.4M or 158.0% over budget. There are many variances, including some significant spends which were not originally budgeted for, and some areas which were under budget due to differing circumstances. The major variations are listed below:

Items under budget

Community planning	\$750,000
Drought proofing	\$480,000
Swimming pools (including strategy expenses)	\$175,000
Councillor initiatives	\$100,000

Items over budget

Infrastructure and works	\$17,725,000
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Council budget reflected that the cost of refurbishment for flood damaged infrastructure be treated as capital expenditure, however auditors required that these works be included as an expense in the Standard Income Statement. Conversely there is a significant under budget item reflected as Capital expenditure.

5 Net gain/(loss) on disposal of assets

Council's Budget included a loss of \$50,000 for the net gain/(loss) on disposal of assets. This amount was for the expected loss on sale of plant and equipment for the year, and was based on historical data.

In 2012/13 a profit of \$11,658 was recorded on the sale of assets. Sale of plant and equipment resulted in a profit of \$11,158. The sale of office equipment and furniture that was no longer required by Council resulted in a profit of \$500.

STANDARD STATEMENTS
VARIANCE EXPLANATION REPORT (CONTINUED)

Standard Balance Sheet

6 Cash and cash equivalents

Council's cash and cash equivalents at the end of the financial year were \$10M higher than budgeted.

Council's cash includes General, Long Service Leave, and Reserve Funds. Long Service Leave Funds and General Funds were reasonably close to budget. However, Reserve Funds were well above budget with Council holding \$10M more than budget at year end. This is due to the level of reserves on hand at year end being significantly higher than originally budgeted with the receipt of significant grants in respect of Bridgewater Caravan Park, Newbridge Recreation Reserve, significant carry over in respect of Community planning projects, receipt of \$0.9M for LGIP (Local Government Infrastructure Projects) not budgeted, and prepayment of 50% of the 2013/14 General Revenue Grant and Local Roads Grant from the Victorian Grants Commission.

The major reserve increases over budget are: the Community Planning Reserve of \$1.3M; Unspent Grants Reserve of \$8.5M; Capital Expenditure Reserve of \$0.8M; Plant Replacement Reserve of \$0.6M; Unspent Contributions Reserve of \$0.1M; Urban Drainage Reserve of \$0.5M; GSP Restoration Reserve of \$0.3M; and Councillors Initiatives Reserve \$0.4M.

7 Trade and other receivables (current)

Trade and other receivables show a dramatic increase over budget of \$3.9M.

The main component of this large amount is \$2.6 million owed from Department of Treasury & Finance in respect of flood reimbursements and grants, \$0.6M in respect of Sundry Debtors and \$0.8M in GST credits due from the Australian Taxation Office.

8 Financial assets

Other financial assets (current) are made up of prepayments \$0.2M and accrued income \$0.4M. The budget allowed for \$0.3M in total for prepayments and accrued income.

9 Inventories

Financial assets consist of inventories. The budget predicted that there would be \$0.3M inventories on hand at the end of the year. However actual inventories on hand at the end of 2012/13 totalled \$0.2M.

10 Other assets

Other assets which consist of water rights and Loddon Shire's investment in the regional library services were at the end of the financial year were \$0.4M or 89% higher than budgeted.

Valuations within this category are affected by either the library's financial performance and the market forces in play for water rights. Both of these items are outside Council's control.

**STANDARD STATEMENTS
VARIANCE EXPLANATION REPORT (CONTINUED)**

11 Trade and other payables

Trade and other payables show a significant variation of \$2.1M or 913% over budget. This is due to an increased number of invoices processed in the latter part of the month of June and early in July for which no payment had been affected. Included are trust funds and deposits of \$0.4M, including contract retentions of \$0.3M.

12 Employee benefits

Although the non-current portion of employee liabilities shows a variance of 37%, when combined with the current portions of the employee benefits liability, the variance is only a moderate 3.5% increase to budget.

13 Provisions

Provisions show a significant favourable variation of \$0.4M or 19.4% when compared to budget. This item represents landfill and quarry rehabilitation. Within the year the landfill rehabilitation provisions decreased by \$0.5M and quarry rehabilitation remained almost unchanged.

14 Accumulated surplus

Accumulated surplus shows a variation of \$26.8M or 22% lower result in comparison to budget. The main factors are an operating loss, compared to budget surplus and a lower transfer from reserves. The loss is a direct result of the change in accounting treatment of flood impaired asset restoration works. Conversely there is significantly lower capital expenditure.

15 Asset revaluation reserve

Asset revaluation reserve shows a variation of \$17.4M or 12% higher result in comparison to budget. The main factor is that the budget does not allow for any increase in assets; these are undertaken at the end of each financial year using indexation methodology.

16 Other reserves

Other reserves show a significant variation of \$12.2M or 511% in comparison to budget. The major items for this are: the Community Planning Reserve of \$1.3M; Unspent Grants Reserve of \$8.5M; Capital Expenditure Reserve of \$0.8M; Plant Replacement Reserve of \$0.6M; Unspent Contributions Reserve of \$0.1M; Urban Drainage Reserve of \$0.5M; GSP Restoration Reserve of \$0.3M; and Councillors Initiatives Reserve \$0.4M.

Standard Cash Flow Statement

17 User charges and statutory fees

User charges and statutory fees show a dramatic increase over budget of \$1.2M, or 44.4%. This mainly relates to gravel pit income and receipt of prior year end debtors.

18 Reimbursements

Reimbursements show an increase over budget of \$1.2M, or 470.0%. This mainly relates to receipt of prior year end debtors.

19 Vicroads

Receipts from Vicroads funding was \$0.4M or 28.4% below budget for the 2012/13 year. This was a direct result of decrease in works being undertaken by Council on behalf of VicRoads, with a commensurate decrease against associated expenditure.

**STANDARD STATEMENTS
VARIANCE EXPLANATION REPORT (CONTINUED)**

20 Net GST refund

Net GST refunds show an increase over budget of \$1.8M, or 362.9%.

21 Materials & contracts

Council budget reflected that the payment of refurbishment for flood damaged infrastructure be treated as capital outflow, however auditors required that these works be included as an expense in the Standard Income Statement and Statement of Cash Flows.

22 Proceeds from sale of property, plant and equipment, infrastructure

Proceeds from asset sales is \$0.3M or 54.6 below budget. This is mainly due to not selling any of the land held for resale and lower than expected trade in values due to plant back orders.

23 Payments for property, plant and equipment, infrastructure

Payments for property plant and equipment is \$25.9M or 78.2% below budget. Council budget reflected that the cost of refurbishment for flood damaged infrastructure be treated as capital expenditure, however auditors required that these works be included as an expense in the Standard Income Statement and Cash Flow Statement.

Standard Statement of Capital Works

24 Capital expenditure on property, plant & equipment

Capital expenditure on property, plant & equipment was \$25.9M or 78.0% below budget. Within the asset classes there is significant variance to budget. These are explained by the following:-

Land & buildings

Land & buildings shows a significant under expenditure of \$4.7 M or 80.8% variation compared to budget, mainly due to the Wedderburn Community Centre of \$1.3M being deferred due to funding security, Bridgewater Caravan Park being \$2.5M below budget, Inglewood industrial estate being \$0.5M below budget, and a combination of variations of various community planning projects due to deferral into future years.

Roadworks

Roadworks shows a significant favourable variation of \$20.2M or 80.3% compared to budget, due to the accounting treatment of flood impaired asset restoration works, being expensed, resulting in a \$17M perceived saving.

Urban drainage

Urban drainage shows a significant under expenditure of \$0.8M or 66.7% compared to budget.

Some planned works have been deferred to 2013/14 due to contractor availability and the competing of resources to concentrate on completing the flood refurbishment program.

Plant and equipment

Plant and equipment has a favourable variation of \$0.3M or 26.3% compared to budget, mainly due to the delay of items that have been ordered but waiting on supply.

25 Renewal & upgrade

Renewal and upgrade was 25.6M or 81.4% lower than budget, due to the accounting treatment of flood impaired asset restoration works being expensed.

Spending on new assets was \$0.3M or 17.7% lower than budget, mainly due to the delay of new plant items that have been ordered but not delivered.

CERTIFICATION OF STANDARD STATEMENTS

In my opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.


Signed:  Date: 23 / 9 / 2013
JUDITH PATRICIA HOLT B Bus (Acct), GAICD, PRINCIPAL ACCOUNTING OFFICER

In our opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the standard statements to be misleading or inaccurate.

We have been authorised by Council on 26 August 2013 to certify the financial statements in their final form.

Signed:  Date: 23 / 9 / 2013
GEOFFREY WALLACE CURNOW, MAYOR

Signed:  Date: 23 / 9 / 2013
GAVAN LINDSAY HOLT, COUNCILLOR

Signed:  Date: 23 / 9 / 2013
JOHN BRIAN McLINDEN, CHIEF EXECUTIVE OFFICER