



# Banana Shire Council



## Annual Report 2012/2013

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## **CONTENTS**

Council Contacts	1
Vision, Mission Statement & Values	2
Australia Day Awards	3 - 4
Shire Profile	5 - 9
Council Services, Shire Statistics & Map	10
Sister Shire	11
Council Structure and Leadership Group	12
Councillors	
– Elected Members	13
– Representation on Committees	14 - 16
– Remuneration & Superannuation, Expenses & Facilities	17 - 19
– Meetings Attendance	19
– Conduct & Performance	20 - 21
– Administrative Action Complaints	22 - 23
– Overseas Travel	24
– Community Grants & Discretionary Funds	24
Mayor's Message	25
Chief Executive Officer's Report	26 - 27
Employees	
– Senior Management	28
– Overseas Travel	28
Corporate Planning	
– Assessment of Implementation of Corporate & Operational Plans	29
– Operation and Performance – Other Issues	30
– Outcomes	31
Corporate Outcomes 1- Governance, Service Delivery, and Operation	
– Governance and Administration	32-33

– Human Resource Management	34
– Learning and Development	34
– Work Health & Safety	35
– Workforce Statistics	35
– Records Management	36
– Information and Communication Technology	36
– Community Development	37 - 38
– Customer Service	39
– Financial Services	40
– Stores and Procurement	40
– Disaster Management	41
<b>Corporate Outcome 2 – Social Wellbeing</b>	
– Art Collection & Exhibition	42
– Promotion	43
– Focus	43
– Library	44 - 46
– Community Resource Centre	47 - 49
– RADF-Regional Arts Development Fund	50
– HACC - Home and Community Care	50
– Parks	51
– Environmental Services Health	52- 53
– Animals	54
– Cemeteries	54
<b>Corporate Outcome 3 – Environment</b>	
– Land Protection	
○ Declared Pest Control	55
○ Stock and Stock Route Management	56
○ Washdown Facilities	56

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– Development Services	
○ Town Planning	57
○ Plumbing	58
○ Building	58
– Built Environment	59 - 60
Corporate Outcome 4 – Economic	
– Tourism	61
– Economic Development	62 - 63
Corporate Outcome 5 – Infrastructure	
– Water Supply & Sewerage	64- 65
– Technical Services	
○ Survey & Design	66
○ Road Safety	66
○ Quality System	66
– Works	
○ Flood Damage	67
○ Private Works	67
○ Transport & Main Roads	67
○ Capital Works	68
– Waste	69
– Aerodrome	70
– Plant	71
Beneficial Enterprises and Business Activities	72
Other Matters	
– Joint Local Government	73
– Invitation to Change Tenders	73
– Registers	73
– Concessions on Rates and Charges	74
– Internal Audit	74

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– Competitive Neutrality	74
Ethics	75
Finance	
– General Purpose Financial Statement	76
– Current Year Financial Sustainability Statement	76
– Long Term Financial Sustainability Statement	76
– Auditor General’s Report	76
– Community Financial Report	76 - 80
– Valuation of Non-Current Physical Assets	80
– Borrowings & Debt	81 - 82
– Annual Financial Statements	83 – End

## Council Contacts

Email: [enquiries@banana.qld.gov.au](mailto:enquiries@banana.qld.gov.au)

Web Page: [www.banana.qld.gov.au](http://www.banana.qld.gov.au)

Location	Telephone / Fax	Hours of Operation
Administration Centre 62 Valentine Plains Road Biloela Qld 4715	Telephone: 4992 9500 Fax: 4992 3493 Email: <a href="mailto:enquiries@banana.qld.gov.au">enquiries@banana.qld.gov.au</a> Web Page: <a href="http://www.banana.qld.gov.au">www.banana.qld.gov.au</a>	8.00 am – 5.00 pm Monday to Friday
Taroom Office 18 Yaldwyn Street Taroom Qld 4420	Telephone: 4992 9500 or 4992 9530 (Direct)	8.00 am – 5.00 pm Monday to Friday
Moura Office 34 Gillespie Street Moura Qld 4718	Telephone: 4992 9500 or 4992 9563 (Direct)	8.30 am – 12.00 noon 1.00 pm – 4.30 pm Monday to Friday
Community Resource Centre 102 Rainbow Street Biloela Qld 4715	Telephone: 4992 4052 Fax: 4992 4052	9.00 am – 5.00 pm Monday to Friday
Biloela Library Grevillea Street Biloela Qld 4715	Telephone: 4992 7362 Fax: 4992 4137	9.00 am – 5.30 pm Monday to Friday 9.00 am – 7.00 pm Thursday 9.15 am – 1.00 pm Saturday
Moura Library McArthur Street Moura Qld 4718	Telephone: 4997 3197	1.00 pm – 6.00 pm Tuesday & Thursday 9.00 am – 12.00 pm Saturday
Taroom Library 24 Yaldwyn Street Taroom Qld 4420	Telephone: 4627 3355	9-30 am – 1.00 pm & 2.00 pm – 5.00 pm Tuesday, Thursday & Friday
Theodore Library The Boulevard Theodore Qld 4719	Telephone: 4993 1229	1.00 pm – 5.00 pm Thursday 9.00 am – 12.00 pm Saturday

### Mobile Library

The Banana Shire Mobile Library visits the townships of Banana, Baralaba, Cracow, Dululu, Goovigen, Jambin, Thangool & Wowan. It also visits Wahroonga Retirement Village and several schools in the Banana Shire.

The timetable is on a fortnightly basis. Copies are available at all Shire Libraries.

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## Vision, Mission Statement & Values

### Our Vision

*“Shire of Opportunity”*

“To improve the quality of life for our communities,  
through the delivery of efficient and effective services and facilities”

### Our Mission Statement

Our Council is committed to promoting and striving for continuous improvement in all that we do, for the benefit and growth of the whole of our Shire.

### Our Values

- Advocacy for our people
- Effective and responsive leadership
- Integrity and mutual respect
- Honesty, equity and consistency in all aspects of Council’s operations
- Quality of service to our citizens
- Work constructively together, in the spirit of teamwork
- Sustainable growth and development



## AUSTRALIA DAY AWARDS 2013

### Recognising our Achievers

#### Nominees

##### CITIZEN OF THE YEAR

Ashley Adcock  
Jane Shannon  
Claire Breckenridge  
Ray Becker

##### JUNIOR SPORTSPERSON

Meagan Wex

##### SPORTS TEAM

No nominations received

##### YOUNG CITIZEN OF THE YEAR

Kate Peters  
Gabrielle Streeter

##### SPORTS COACH, OFFICIAL AND OR ADMINISTRATOR

Stacey Tweed

##### VOLUNTEER

Barbara Badman  
Rebecca Cummings  
Irene Bourke  
Kerrian Evans  
Daphne Donner  
Lawrence Skinner

##### CULTURAL

No nominations received

##### JUNIOR CULTURAL

No nominations received

##### SENIOR SPORTSPERSON

Darryl Shorten  
Les Tanzer

##### COMMUNITY EVENT OF THE YEAR

High Tea Baralaba Style  
Baralaba Seniors Week  
Wowan Centenary Celebrations

## **AUSTRALIA DAY AWARDS 2013 (Continued)**

### **Winners**

#### **CITIZEN OF THE YEAR**

Ashley Adcock

#### **YOUNG CITIZEN OF THE YEAR**

Kate Peters

#### **VOLUNTEER**

Irene Bourke

#### **JUNIOR SPORTSPERSON**

Meagan Wex

#### **SENIOR SPORTSPERSON**

Darryl Shorten

#### **SPORTS COACH, OFFICIAL AND OR ADMINISTRATOR**

Stacey Tweed

#### **JUNIOR CULTURAL AWARD**

No nominations

#### **CULTURAL**

No nominations

#### **COMMUNITY EVENT OF THE YEAR AWARD**

Wowan Centenary

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**AUSTRALIA DAY**





## ***Profile of the Banana Shire***

The Banana Shire is a rich farming, grazing and mining region situated in Central Queensland. It is bounded by the Rockhampton Regional Council, Gladstone Regional Council, North Burnett Regional Council, Western Downs Regional Council, Maranoa Regional Council and the Central Highlands Regional Council.

Biloela, the largest town and Council's administration centre, is 120 km west of the growing industrial city and Port of Gladstone and an easy drive to the city of Rockhampton. Banana Shire has rail and road links to both these cities, and is serviced by the Leichhardt, Dawson and Burnett Highways. As well, Qantaslink Airlines provide daily air services from Brisbane to Thangool Aerodrome and return. Public road transport is also provided three times a week, with return services, to Biloela, Theodore and Taroom by the Brisbane to Rockhampton via Toowoomba service with Kynock Coaches. A twice weekly return service is run between Biloela and Maryborough by Callide Coaches.



## **Population**

Banana Shire is sparsely populated, with its population of 14,456 people spread over 28,577 square kilometres. The Shire is an appealing mix of larger service centres, rural villages and farms with the main population centre being the town of Biloela, with Moura, Taroom and Theodore being three other significant urban centres in the Shire.

Other smaller population centres are Banana, Baralaba, Dululu, Goovigen, Jambin, Thangool, Wowan and Cracow. Of the 28577 square kilometres, only 24 square kilometres is urbanised.

The town of Biloela with a population of 5750 is the main population and administration centre in the Shire. It is the dormitory town for the Callide "A", "B" & "C" Power Stations, Callide and Boundary Hill Coal Mines and Teys Bros Meatworks, and is the main service centre for the Callide Valley.

Moura has a population of approximately 1800 and serves the mining and rural industries of the area. It is the home of the Moura Coal Mine and also has the second largest Grain Depot in Queensland. Also located in Moura are the Queensland Cotton Gin, Queensland Nitrates Ammonium Nitrate Plant, and Origin Energy. The Queensland Nitrates Ammonium Nitrate Plant uses coal bed methane from the Moura area, as well as gas from the State Gas Pipeline to produce ammonium nitrate for use in mines (mainly in Central Queensland).

Taroom has a population of approximately 750 and is richly endowed with natural attractions, thriving rural sector and a wide range of quality community and business facilities.

Theodore, with a population of approximately 460, supports a diverse rural community with its main industries being cotton growing and saw milling.



## **Services**

The Shire supports numerous industries, facilities, eleven public primary schools, three private primary schools, two high schools, three prep to year ten, one TAFE, most churches and their associated groups, four public hospitals, and most business and popular sports. Biloela has a high standard PCYC complex.

Banana Shire provides a variety of recreation, employment, education and lifestyle options. Sport and recreation play a major role in the lifestyle of Banana Shire residents with over 390 community and sporting groups to choose from. See Councils Web Site [www.banana.qld.gov.au](http://www.banana.qld.gov.au).



## **Tourism**

Numerous natural and man-made attractions, together with the Shire's location close to the Great Barrier Reef, makes the Shire an ideal tourist destination.

The Banana Shire has many natural attractions, including sandstone gorges, rivers and National Parks e.g. Kroombit Tops, Isla Gorge and Exhibition National Parks, Mt Scoria Conservation Park; together with manmade attractions such as the SILO (Biloela's Queensland Heritage Park), Kroombit Tourist Park, Myella Farmstay, mines, power stations and other industrial development.

Many towns in the Shire have a rich history, which has been well documented photographically and otherwise in historical villages and museums.

The Dawson River and Callide Dam provide opportunities for fishing and recreation. The Shire can also provide many adventures for the 4WD enthusiast and, there are enormous opportunities for indigenous based tourism packages.

## **Resources**

Coal mining, beef production, power generation, dryland cropping and irrigation cropping (mainly cotton and lucerne) are the Shire's major industries.

A variety of soil types suitable for the production of a wide range of crops, together with land suitable for beef cattle breeding and fattening, give the Shire enormous agricultural potential, with further potential for processing and value-adding. Nearly 80 percent of the Shire's cotton crop is grown in the Dawson Valley area. The Parkside Group Processing Plant is located at Theodore and is one of the largest and safest hardwood mills in Queensland.

There are abundant supplies of coal bed methane, which could be utilised for power production and other industrial uses. Dawson Mine produces and exports coal through the Port of Gladstone, and Callide Coalfields provide fuel for the Callide 'B' and 'C' Power Stations.

Dawson Mine and Origin Energy extract coal bed methane from the coal seams in the Moura/Theodore area. The area is rich in natural resources, with extensive undeveloped coal deposits in the Baralaba, Taroom and Theodore areas.



## **Industry**

In recent years, the following industries have been established and expanded:-

- ☐ Aquaculture (Redclaw production)
- ☐ Herb and Spices
- ☐ Squab (meat pigeon) Processing
- ☐ An Energy Park is to be developed adjacent to the Callide C Power Station
- ☐ Expansion of meat related industries
- ☐ Development of TAFE Centre

## **Agricultural Production**

Agricultural production for the Banana Shire is in excess of \$192 million annually.



## **Power Generation**

- Callide Power Stations can produce up to 16,000 Megawatts of electricity, enough to power about 2 million homes, and burns approximately 6 million tonnes of coal per year.
- The station uses about 24,000 megalitres of water each year, most of which is pumped from the Awoonga Dam near Gladstone.
- The chimney constructed at Callide 'B' is 210m high (nearly the length of two football fields). The chimney for the new Callide 'C' Power Station is 20m higher.
- Callide 'A' Power Station is the world's largest remote controlled, coal-fired power station. It was commissioned in 1965, closed in 1988, and was later refurbished and recommissioned in 1998. Currently one unit is being used for CS Energy's Oxyfuel clean coal project.
- Two large generator units (Callide 'C') have been built adjacent to Callide 'B' which add an additional 900MW of supply to the Queensland state grid. It is the first "super critical boiler" power station to be built in Australia.

## **Coal Production and Coal Seam Gas**

First discovered in the Banana Shire in the 1890s, but was not mined until 1945 in the Callide area and 1950 in the Dawson Valley.

- Callide Coalfields has one of the world's largest walking draglines at 128 metres.
- Combined coal production of the Callide and Dawson Valleys is in excess of 17.7 million tonnes per annum.
- Moura was the first export coal mine in Queensland to export coal to Japan.
- Coal Mining is being further developed in the Baralaba area.
- New Coal Mining and expansion of Coal Seam Gas extraction is proposed in the Taroom area while coal seams in the Theodore area provide additional coal reserves.





The Queensland Ammonium Nitrate Plant at Moura commenced production in January 2000, and produces 180,000 tonnes a year of ammonium nitrate to be used in explosives in the mining industry.

Oil Company of Australia acquired the Moura gas project in 1997. During this time, they have improved contractor efficiency and utilised more "fit for purpose" drilling rigs, which has halved total well capital costs.

Oil Company of Australia was acquired by Origin Energy CSG Ltd in October 2003 and now operates under that name. Origin Energy previously held 83% of Oil Company of Australia ownership.

The Dawson Valley Project coal seam gas production has stabilised at 3.5 Petajoules (Pj) per annum. Gas is supplied to the Queensland Cotton Gin at Moura. Further development work has been undertaken with the Joint Venture partners in the northern section of the petroleum lease abutting the Dawson Highway with pleasing results.

## **Cracow Gold**

Cracow Gold: Newcrest Mining Ltd and Sedimentary Holdings Ltd forming the Cracow Mining Joint Venture (CMJV) approved the \$90M capital development of the Cracow Gold Mine in September 2003. Commissioning of the project took place during the final quarter of 2004 with full mining capacity of 360,000 tones reached during 2005–06.

In addition to the gold mine project development, the CMJV continues to spend some \$5 million per year on further exploration in the district with the expectation that significant additional resources will be discovered.

## **Other Projects**

There are many industries, which have strong potential to develop in the Banana Shire. Some of these projects are already under consideration and listed below:

The Queensland Government is currently considering the construction of the Nathan Dam on the Dawson River. This project will see the Dawson Valley and the Banana Shire become major development area in Queensland.

When constructed, the dam would provide water to irrigate approximately 25,000 hectares of land, and for industrial use. This development would result in over 1,000 permanent jobs and an additional \$40 million worth of agricultural production annually.

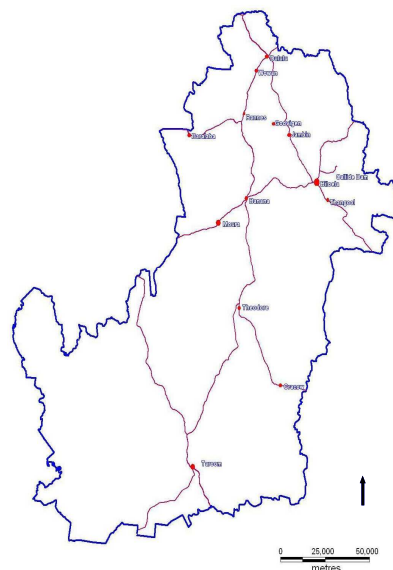
Further detailed population statistics available at [Banana Shire - Comparative profile \(1.6MB PDF\)](#). Banana Shire has obtained census analysis from the Department of Local Government and Planning. Due recognition and license is given to the Australian Bureau of Statistics for use of census data.

*The information contained in these profile documents has been prepared in good faith, but is printed on the basis that Banana Shire shall not be responsible for any errors therein, or any acts of omission that may occur due to its use*

## Council Services

### Road Network:

State	826 km
Council – Sealed	1,037 km
– Unsealed	2,930 km
Aerodromes – Registered & Certified	2
– Certified only	3
– Other	1
Water Treatment Plants	5
Sewerage Treatments Plants	4
Public Swimming Pools	3
Community Centres/Halls	6
Community Resource Centre	1
Libraries	4
Mobile Library	1



## Shire Statistics

- Area 28,577(km<sup>2</sup>)
- Population 14,456
- Main Administration Centre
- Other Towns & Villages

Biloela  
Banana, Baralaba, Cracow, Dululu, Goovigen,  
Jambin, Moura, Rannes, Taroom, Thangool,  
Theodore & Wowan

### The major industrial activities contributing to the economy of the Banana Shire include:

- Electricity Production
- Coal and Coal Seam Gas Production
- Livestock Production & Disposal
- Crop Production

## Schools

Banana  
Baralaba  
Biloela

Goovigen  
Jambin  
Moura

Taroom

Thangool  
Theodore  
Wowan  
Rural

Banana State School  
Baralaba State School  
Biloela State School  
Biloela State High School  
Redeemer Primary School  
St Josephs Primary School  
Goovigen State School  
Jambin State School  
Moura State School  
Moura State High School  
St Marys Primary School  
Taroom P-10 State School  
Thangool State School  
Theodore State School  
Wowan State School  
Mount Murchison State School  
Prospect Creek State School

The “Twinning” Agreement between the Banana Shire and Boulouparis in New Caledonia was formalised on March 13th 1998. The Commune of Boulouparis is located in New Caledonia, a French Territory due east of Mackay about two hours flying time from Brisbane. Boulouparis is 862 square kilometres in area with a population of 2500 people.

Since the initial agreement was signed the relationship between Boulouparis and the Banana Shire has continued to grow with small but significant developments in the understanding of each other's challenges in Local Government.



The relationship also gives Banana Shire residents a chance to understand and accept the differences in culture between both countries together with the possibility to exploit trade opportunities as they arise. These opportunities with mutually beneficial results are many and varied. Some of the identified possibilities include:

Exchanges between Officers of the respective Departments of Natural Resources and Mines and the Department of Primary Industries, Marketing of Beef Genetics, Technological exchanges in the Agroforestry and Silverculture Industries, Specialised TAFE Courses in Information and Technology and Machinery Maintenance, and Sporting exchanges including Coaching Clinics.

With the growth of industry in New Caledonia there is a huge potential for Australia to provide services in many fields including IT, maintenance contracts and Energy supplies.

We must remain aware of the opportunities and capture the niche markets when they occur. The continuing support for this relationship is required to enable it to prosper for the mutual benefit of all concerned.





## COUNCIL STRUCTURE AND LEADERSHIP GROUP

Residents of the Banana Shire

Council

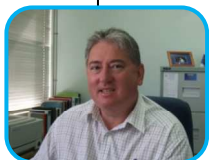
Chief Executive Officer  
RAY GERAGHTY

Human Resources  
Learning & Development  
Workplace Health & Safety



Executive Services  
Community Engagement  
Community Consultation  
Governance  
Major Projects  
Economic Development  
Media/PR/Sister Cities

Director Corporate  
& Community  
Services  
TODD SLEEMAN



Finance  
Purchasing  
Rates  
Asset Management  
Community Development  
Customer Service  
Records Management  
Information Technology  
Libraries  
Community Resource  
Centre  
Halls (excl Civic Centre)  
Arts / Culture  
Tourism/Promotion  
HACC  
Land Tenure / Leases

Director Planning,  
Strategy &  
Sustainability  
MICHAEL BALL



Planning  
Building Certification  
Plumbing Certification  
Land Protection  
Built Environment  
Animal Control  
Cemeteries / Funerals  
Wash Down Facilities  
Health & Environment  
Compliance/Enforcement

Director  
Infrastructure  
Services  
GRAHAM MILLER



Technical Services  
Roads/Streets/Drainage  
Parks & Gardens  
Airports  
Disaster Management  
GIS  
Contract/Private Works  
Quality Assurance  
Quarries  
Operational Works




Director  
Commercial  
Services  
ANDREW REID



Water Supply &  
Sewerage  
Fleet  
Biloela Civic Centre  
Public Pools  
Solid Waste  
Trade Waste  
Clearance Dip (Taroom)  
Internal Commercial  
Services

COUNCIL STRUCTURE AND LEADERSHIP GROUP

## ELECTED MEMBERS

	<p>Cr Ron Carige (Mayor) Elected to Council at the 28/04/2012 election - Ron resides in the Goovigen area. Represents: Whole of Shire Portfolio: Economic Development, Nathan Dam, Assists all Portfolio Councillors Phone (w): 07 4992 9500 Phone (h): 07 4996 5141 Email: <a href="mailto:mayor@banana.qld.gov.au">mayor@banana.qld.gov.au</a></p>
	<p>Cr David Snell Elected to Council at the 27/03/2004 election - David resides in the Biloela area. Represents: Division 1 Portfolio: Water Supply &amp; Sewerage, Plant, Civic Centre/Halls, Public Pools, Solid Waste, Trade Waste, Land Development, Native Title, Clearance Dips, Land Tenure/Leases, TV/Radio Communication, Corporate Training Phone (h): 07 4992 2176 Email: <a href="mailto:david.snell@banana.qld.gov.au">david.snell@banana.qld.gov.au</a></p>
	<p>Cr Warren Middleton (Deputy Mayor) Elected to Council at the 27/03/2004 election - Warren resides in Biloela. Represents: Division 2 Portfolio: Planning, Building Certification, Plumbing Certification, Built Environment, Animal Control, Cemeteries/Funerals, Washdown Facilities, Heath &amp; Environment, Compliance/Enforcement, Disaster Management Phone (h): 07 4992 1847 Email: <a href="mailto:warren.middleton@banana.qld.gov.au">warren.middleton@banana.qld.gov.au</a></p>
	<p>Cr Pat J Brennan Elected to Council at the 15/03/2008 election - Pat resides in Thangool. Represents: Division 3 Portfolio: Technical Services, Roads/Streets/Drainage, Parks &amp; Gardens, Airports, GIS, Contract/ Private Works, Quality Assurance, Quarries, Pest Management/Land Protection Phone (h): 07 4995 8232 Email: <a href="mailto:pat.brennan@banana.qld.gov.au">pat.brennan@banana.qld.gov.au</a></p>
	<p>Cr Nev G Ferrier <i>Elected to Council at the 27/03/2004 election</i> - Nev resides in Dululu. Represents: Division 4 Portfolio: Technical Services, Roads/Streets/Drainage, Parks &amp; Gardens, Airports, GIS, Contract/ Private Works, Quality Assurance, Quarries Phone (h): 07 4937 1717 Email: <a href="mailto:nev.ferrier@banana.qld.gov.au">nev.ferrier@banana.qld.gov.au</a></p>
	<p>Cr Maureen E Clancy Elected to Council at the 26/03/1994 election - Maureen resides in Moura. Represents: Division 5 Portfolio: Finance, Purchasing, Rates, Asset Management, Community Development, Customer Service, Records Management, Information Technology, Library, Community Resource Centre, Arts/Culture, Tourism/Promotion, HACC Phone (h): 07 4997 1489 Email: <a href="mailto:maureen.clancy@banana.qld.gov.au">maureen.clancy@banana.qld.gov.au</a></p>
	<p>Cr Vaughn A Becker Elected to Council at the 15/03/2008 election - Vaughn resides in Taroom. Represents Division 6 Portfolio: Executive Services, Community Engagement. Community Consultation, Governance, Major Projects, Media/PR/Sister Cities, Human Resources, Learning &amp; Development, Work Health &amp; Safety, Return to Work Coordination Phone (h): 07 4627 3995 Email: <a href="mailto:vaughn.becker@banana.qld.gov.au">vaughn.becker@banana.qld.gov.au</a></p>



## Councillor Representation on Committees

### Advisory Committees

Committee / Group	Councillor/s
Banana Shire <b>Community Resource Centre</b> Advisory Committee	Clancy
Banana Shire Home and Community Care Advisory Committee ( <b>HACC</b> Taroom)	Clancy (Becker-Alternate member)
Banana Shire <b>Tourism</b> Advisory Committee	Carige Clancy
Banana Shire Regional Arts Development Fund ( <b>RADF</b> )	Becker Clancy

### Statutory Committees

Committee / Group	Legislation	Councillor/s
Banana Shire Council <b>Local Disaster Management Group</b>	<i>Disaster Management Act 2003</i> Section 29to	Carige Clancy Middleton
Banana Shire Council <b>Audit Committee</b>	<i>Local Government Act 2009</i> Section 105	Clancy (Chairperson) Becker

### Council Portfolio Briefings / Working Groups/Workshops

Group	Councillor/s
Banana Shire Aerodromes Working Group	Brennan Ferrier
Banana Shire Industry Summit Working Group	Carige Middleton
Banana Shire Council Aboriginal Consultative Group	Carige Snell
Road Safety Management Reference Group	Brennan Ferrier
Native Title Claims Internal Committee	Snell



## **Community & Other Organisations Committees**

<b>Committee / Association / Group</b>	<b>Councillor/s</b>
Central Queensland Regional Planning Committee	Carige
CQLGA-Central Queensland Local Government Association	Carige Middleton
Waste Management Technical Officer Group	Brennan Snell
Road Alliance	Becker Ferrier
Native Title Joint Response Group	Snell
Native Title Local Government Negotiating Team	Becker Snell
Valuation Consultative Group	Clancy
<b><u>Arts &amp; Culture</u></b>	
Banana Shire Art Gallery Assn Inc	Clancy
Banana Shire Community Arts Assn	Clancy
<b><u>Health &amp; Community Issues</u></b>	
Biloela Liquor Accord	Brennan
Bowen Basin Health Group	Clancy Middleton
Callide & Melton Streets Streetscape Project Community Liaison Committee	Middleton Snell
Moura Liquor Accord	Clancy
<b><u>Sports &amp; Recreation</u></b>	
Magavalis Sports Club Committee	Snell
Moura Recreation Reserve Electrical Infrastructure Working Group	Clancy
Taroom Showgrounds Improvement Committee	Becker
<b><u>Tourism &amp; Promotion</u></b>	
Country Way Promotions Committee	Clancy
GAPDL-Gladstone Area Promotion And Development Limited	Clancy
Leichhardt Hwy Promotions Assn Inc Committee	Clancy
<b><u>Resource Management</u></b>	
Callide Coalfields Community Liaison Forum	Carige Middleton
Cockatoo Coal Taroom Community Advisory Group	Becker
Regional Community Consultative Committee (RCCC) (LNG Pipelines)	Middleton (Becker –Alternate Member)
Sunwater Community Liaison Group For Nathan Dam & Pipelines Project	Becker
Taroom Resource Development Reference Group (or Similar Named Group)	Becker
Xstrata Wandoan Coal Community Reference Group	Becker
<b><u>Landcare &amp; Pest Management</u></b>	
Capricorn Pest Management Group	Brennan



<b>Committee / Association / Group</b>	<b>Councillor/s</b>
Pest Management Plan Review Working Group	Brennan
Baralaba Landcare	Ferrier
Dee River Restoration Committee (A Sub-Committee of The Wowan/Dululu Landcare Group)	Ferrier
Dululu/Wowan Landcare	Ferrier
Taroom Landcare	Becker
<b><u>River Catchment &amp; Water Resources</u></b>	
Callide Valley Water Supply Scheme Customer Committee	Snell
Callide Sub-Catchment Community Reference Panel	Snell
Central Queensland Regional Water Supply Strategy Committee	Carige Snell
Dawson Catchment Co-ordinating Association Inc	Ferrier
Dawson Valley Water Supply Customer Committee	Snell
Don River, Dee River & Alma Creek Advisory Committee	Ferrier
<b><u>Disaster Management</u></b>	
Recovery Sub Group - Economic	Clancy
Recovery Sub Group – Environmental	Brennan
Recovery Sub Group – Human Social	Becker
Recovery Sub Group – Infrastructure	Ferrier
Jambin/Goovigen LECC	Brennan
Moura/Banana LECC	Clancy
Theodore/Cracow And Taroom LECC	Becker
Wowan/Dululu And Baralaba/Rannes LECC	Ferrier



## **COUNCILLORS REMUNERATION AND SUPERANNUATION**

*Local Government Regulation 2012 Section 186 (a)*

Remuneration levels for Mayors and Councillors are determined by the Local Government Remuneration Tribunal. Council is obliged to pay according to the remuneration schedule prepared and published by this Tribunal. (*Local Government Regulation 2012 Section 247 - Remuneration payable to councillor*)

Banana Shire is a Category 3 Council.

Position	1-July 2012 to 31 December 2013		1 January 2013 to 30 June 2013	
	% of MLA Rate	Remuneration Rate	% of MLA Rate	Remuneration Rate
Mayor	65	\$89,147	65	\$91,376
Deputy Mayor	37.5	\$51,431	37.5	\$52,717
Councillor	32.5	\$44,573	32.5	\$45,688

Council contributes to LG Super on behalf of all Councillors (*Local Government Act 2009 Section 226*)

The remuneration as listed was paid to Councillors during 2012/13:

Councillor	Remuneration	Superannuation	Total
RJ Carige	89,982.30	10,797.98	100,780.28
VA Becker	44,991.07	5,398.93	50,390.00
PJ Brennan	44,991.07	5,398.93	50,390.00
ME Clancy	44,987.32	5,398.48	50,385.80
NG Ferrier	44,991.07	5,619.64	50,610.71
W Middleton	51,907.19	6,228.81	58,136.00
D Snell	44,991.07	5,398.93	50,390.00
	\$366,841.09	\$44,241.70	\$411,082.79



## COUNCILLORS EXPENSES REIMBURSEMENT

### Copy of Councillor Expenses Reimbursement Resolutions

*Local Government Regulation 2012 Section 185 (a)*

The following resolutions were made during the year to adopt or amend the Expenses Reimbursement Policy

**Meeting Dated:** 26 September 2012

**Minute No:** OM002044

#### **Resolution:**

- 1. That the following policies be rescinded:**
  - *Advisory Committee Meetings Policy*
  - *Agenda Policy*
  - *Councillor Absence from Council Meetings Policy*
  - *Recording of Minutes Policy*
  - *Council Meeting Room Usage Policy*
  - *Conferences-Workshops-Report to Council Policy*
- 2. That the following policies be amended by adoption of the attached amended documents:**
  - *Advertising Spending Policy*
  - *Gifts and Sponsored Hospitality Benefits Policy*
  - *Councillors Expenses Reimbursement Policy*
  - *Meetings Procedures Policy*
- 3. That the "Conference and Seminars Attendance - Councillors" policy be renamed and this policy be amended by adoption of the attached amended document:**
  - *Conferences and Seminars-Councillors Policy*
- 4. That the "Entertainment and Hospitality Policy" be amended by separating the Councillors and Employees functions into separate policies and adoption of the attached amended documents:**
  - *Entertainment and Hospitality-Councillors Policy*
  - *Entertainment and Hospitality-Employees Policy*

**Moved:** Cr Becker

**Seconded:** Cr Middleton

**Carried**

**Meeting Dated:** 26 June 2013

**Minute No:** OM002397

#### **Resolution:**

***That Council amend the Councillors Expenses Reimbursement Policy (Provision of Facilities and Expenses) by adopting the attached amended Councillors Expenses Reimbursement Policy (Provision of Facilities and Expenses).***

**Moved:** Cr Becker

**Seconded:** Cr Ferrier

**Carried**

## **Councillor Expenses Incurred and Facilities Provided**

*Local Government Regulation 2012 Section 186 (b) & (c)*

The following expenses were incurred and facilities provided to each councillor under Council's Reimbursement Expenses Policy.

Councillor	Expenses Incurred	Facilities Provided
RJ Carige	262.20	Office at Administration Centre, Vehicle, Mobile Phone, Laptop Computer
VA Becker	1,379.95	Vehicle for Council use only, Laptop Computer
PJ Brennan*	4,046.00	Mobile Phone, Laptop Computer
ME Clancy*	3,599.60	Laptop Computer
NG Ferrier*	5,519.00	Laptop Computer
W Middleton	325.00	Laptop Computer
D Snell	325.00	Laptop Computer
	\$15,456.75	

\*Includes reimbursement for use of Councillor's private vehicle to carry our Council business.

## **COUNCILLORS MEETING ATTENDANCE**

*Local Government Regulation 2012 Section 186 (d)*

The following Local Government meetings were attended by Councillors.

Councillor	Ordinary Meetings	Special Meetings	Committee Meetings	Council Workshops
RJ Carige	12	1	8	17
VA Becker	11	0	2	15
PJ Brennan	11	1	0	16
ME Clancy	12	1	10	17
NG Ferrier	12	1	0	17
W Middleton	11	1	0	17
D Snell	12	1	0	17

## **CONDUCT AND PERFORMANCE OF COUNCILLORS**

*Local Government Act 2009 Division 6*

*Local Government Regulation 2012 Section 186*

### **Disciplinary Action for Misconduct**

Number of orders and recommendations made under Section 180(2) or (4) of the <i>Local Government Act 2009</i> .	Nil	<i>Local Government Regulation 2012 Section 186 (d) (i)</i>
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### **Inappropriate Conduct**

Number of orders made under section 181 of the <i>Local Government Act 2009</i> .	Nil	<i>Local Government Regulation 2012 Section 186 (d) (ii)</i>
Name of each councillor issued with order or recommendation under Section 180 or order made under Section 181 of the <i>Local Government Act 2009</i> .	Not Applicable	<i>Local Government Regulation 2012 Section 186 (e) (i)</i>
Description of order or recommendation for each of the councillors engaged in misconduct or inappropriate conduct made under Section 180 or orders made under Section 181 of the <i>Local Government Act 2009</i> .	Not Applicable	<i>Local Government Regulation 2012 Section 186 (e) (ii)</i>
Summary of order or recommendation for each councillor made under Section 180 or orders made under Section 181 of the <i>Local Government Act 2009</i> .	Not Applicable	<i>Local Government Regulation 2012 Section 186 (e) (iii)</i>



## **Complaints about the Conduct or Performance of Councillors**

Number of complaints about the conduct or performance of Councillors for which no further action was taken under section 176C (2) of the <i>Local Government Act 2009</i> .	Nil	<i>Local Government Regulation 2012 Section 186 (f) (i)</i>
Number of complaints referred to the department's chief executive about the conduct or performance of Councillors under section 176C (3) (a)(i) of the <i>Local Government Act 2009</i> .	Nil	<i>Local Government Regulation 2012 Section 186 (f) (ii)</i>
Number of complaints about the conduct or performance of Councillors referred to the Mayor under section 176C (3) (a)(ii) of (b)(i) of the <i>Local Government Act 2009</i> .	Nil	<i>Local Government Regulation 2012 Section 186 (f) (iii)</i>
Number of complaints about the conduct or performance of Councillors referred to the Department's Chief Executive under section 176C (4)(a) of the <i>Local Government Act 2009</i> .	Nil	<i>Local Government Regulation 2012 Section 186 (f) (iv)</i>
Number of complaints about the conduct or performance of Councillors assessed by the Chief Executive Officer under section 176C (5) of the <i>Local Government Act 2009</i> . as being about official misconduct.	Nil	<i>Local Government Regulation 2012 Section 186 (f) (v)</i>
Number of complaints about the conduct or performance of Councillors heard by a regional conduct review panel.	Nil	<i>Local Government Regulation 2012 Section 186 (f) (vi)</i>
Number of complaints about the conduct or performance of Councillors heard by the tribunal.	Nil	<i>Local Government Regulation 2012 Section 186 (f) (vii)</i>
Number of complaints about the conduct or performance of Councillors to which section 176C (6) of the <i>Local Government Act 2009</i> applies - preliminary assessment is that the complaint is about another matter and the complaint is dealt with in an appropriate way	Nil	<i>Local Government Regulation 2012 Section 186 (f) (viii)</i>



## ADMINISTRATIVE ACTION COMPLAINTS

### Administrative Action Complaints Commitment to Dealing Fairly

*Local Government Regulation 2012 Section 187 (1) (a)*

Banana Shire Council intends to provide a level of customer service that does not attract complaints, but acknowledges the right of persons to provide feedback, both positive and negative, on its services and/or to lodge a complaint about a decision or other action it takes.

When addressing complaints, Council is committed to the following principles.

**Fairness and objectivity** – all complaints received by Council are considered on their merits and addressed in an equitable and unbiased manner through the established General Complaints Process Policy and Procedure and the observation of the principles of natural justice.

**Accessibility** – the complaints management process Policy & Procedure is easy to access and can be understood by all people, including those with special needs.

**Visibility** – information about lodging a complaint or feedback, and the complaints management process, is publicised to the Shire Community.

**Confidentiality** – all complaints/feedback are treated with relevant level of confidentiality.

**Client focus** – receipt of each complaint/feedback is acknowledged in accordance with Council's customer service policy at that time, and customers are treated courteously and kept informed of progress with their complaint or the outcome of their feedback.

**Integration into business improvement processes** – the outcomes under the complaints management process are analysed and Council's systems, policies and procedures amended if improvements are identified as contributing to business effectiveness.

**Openness and accountability** so that the process for reporting on the actions and decisions of Council is clearly established, including the outcome of investigations under this complaints management process.

**Natural Justice** – the complaints management process complies with the principals of natural justice so that all parties directly affected by the complaint have an opportunity to present their views and the process is conducted without bias.

**Courtesy to Council officers** – procedures are in place to protect officers from the small percentage of customers who may display an unacceptable level of rudeness or aggression.

**Reprisal** - Complainants will not suffer any reprisal from Council or its Officers for making a complaint.

Council also commits to:

A structured process for complaints management to ensure anyone who is dissatisfied about a

decision or other action of Council, a Council Officer or a Councillor can easily and simply lodge a complaint;

Providing complainants with information on the complaints process and, if necessary, assistance to make their complaint;

Providing adequate resources and trained officers to deal with complaints and to record and analyse complaints data;

Identifying and allocating the management resources needed for an effective general complaints process;

Receive complaints by Council officers in a professional manner;

Welcoming valid feedback as an opportunity for improvement of Council's administrative practices;

Responding to complaints as quickly as possible and in accordance with the timeframes set out in the complaints process;

Monitoring complaints with a view to continuous improvement of Council's business processes;

Training Council officers on Good Decision Making in Government; and

Providing information to affected people as to their statutory rights of review if they are not satisfied with the outcome of the general complaints process.

## **Administrative Action Complaints Implementation and Assessment**

*Local Government Regulation 2012 Section 187 (1) (b)*

Council reviewed and amended its Complaint Management Policy by Council resolution 24 February 2010. (Ordinary Meeting – Minute No. OM000852). The Chief Executive Officer is authorised to appoint a Complaints Management Officer to deal with each complaint received. All complaints are dealt with in accordance with the policy.

Council has dealt with all complaints received in a timely and effective manner.

## **Administrative Action Complaints Statistics**

*Local Government Regulation 2012 Section 187 (2) (a) (i) to (iii) & 187 (2) (b)*

(a)(i) Number of Administrative Action Complaints made	(a)(ii) Number of Administrative Action Complaints resolved	(a)(iii) Number of Administrative Action Complaints not resolved	(b) Number of Administrative Action Complaints in (a) (iii) made in a previous year and not resolved
5	4	1	Nil



## **OVERSEAS TRAVEL - COUNCILLORS**

*Local Government Regulation 2012 Section 188*

Name	<i>No overseas travel was made in an official capacity by any Councillor during this year</i>	<i>Local Government Regulation 2012 Section 188 (1)(a)</i>
Destination		<i>Local Government Regulation 2012 Section 188 (1)(c)</i>
Purpose		<i>Local Government Regulation 2012 Section 188 (1)(d)</i>
Cost		<i>Local Government Regulation 2012 Section 188 (1)(3a)</i>
Other relevant Information		<i>Local Government Regulation 2012 Section 188 (2)</i>

## **GRANTS TO COMMUNITY ORGANISATIONS**

*Local Government Regulation 2012 Section 189 (a))*

### **Summary of Grants to Community Organisations**

Account Number	Name	Amount
3190-2120-0001	Community Development – Grants to Community Organisations	49,079.55
3190-2120-0002	Community Development – In Kind Assistance	11,969.88
2010-1194-0000	Rates Based Financial Assistance-Sports & Community Groups	37,798.43
2010-1195-00000	Rates Based Financial Assistance-Retirement Homes	81,288.74
3450-2380-0000	Regional Arts Development Fund – Grants to Locals	33,494.00
	<b>TOTAL</b>	<b>\$213,630.6</b>

## **COUNCILLOR'S DISCRETIONARY FUNDS**

*Local Government Regulation 2012 Section 189 (b) (i) & (ii)*

No Councillor's Discretionary Funds were expensed during this year.

## **Annual Report 2012-13 Mayor's Message**



2012-13 was my first budget and I believe the signs were already there that the economy was slowing down. It was proactive of the Council to announce that it would not instigate any new borrowings and would look for more efficiencies within our own organisation.

Another milestone was the agreement with CS Energy on the availability of 400ML of water from Callide Dam to be made available to Council under the original infrastructure agreement. This had been ongoing for a number of years and it was great to complete this agreement.

January 2013 saw Council staff commence the year at the new Administration building on Valentine Plains Road. The building is spacious and modern with the majority of staff now working from one location.

Australia Day 2013 was a day to remember for a number of reasons.....most notably was the flood water that ended up 500mm higher than the 2010-11 flood. While the bulk of the rain and flood water was contained to the eastern half of the

Shire, the flood water showed no mercy. There was major devastation and this was followed by two more floods within a few weeks. In total our flood costs amounted to \$35M, and I would not even try to put a value on the damage caused to personal houses and properties. You have to admire the resilience of the people affected by these floods.

March 2013 saw the official opening of the new Administration building by the Hon Jeff Seeney MP, Deputy Premier, Minister for State Development, Infrastructure and Planning & Member for Callide. To make it a more memorable day, the Deputy Premier announced funding for two major projects i.e. \$12M for the Eidsvold/Cracow Road and \$2M for the Sewerage Treatment Plant at Theodore.

May 2013 saw the opening of the Moura Child Care Long Day Care Centre by Senator John Hogg.

I attended that Australian Local Government Association's General Assembly in Canberra mid June where a great deal of discussion was held about the referendum on constitutional recognition of local government. It is disappointing this referendum will now not be held as I believe local government is the genuine third tier of government.

Cr Ron Carige  
**MAYOR**

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**MAYOR'S MESSAGE**





## **Annual Report 2012/13**

### **Chief Executive Officer's Report**

A major highlight of the 2012/13 financial year was the relocation of Council's Biloela Administration operations to the new complex on Valentine Plains Road.

This new facility has enabled Council for the first time in many years to operate from the one building rather than several buildings at various locations throughout town.

The new administration complex was officially opened on 22 March 2013 by the Deputy Premier. The Banana Shire Regional Art Gallery which forms part of the complex was subsequently officially opened in August 2013.

Staff were still in the process of settling into the new building when we had three flood events in quick succession during January and February 2013. Council ran the disaster operations centre from the new building during these events and I am pleased to say that it passed its first usages with flying colours.

On the subject of flood events, as at the 30 June 2013 Council had completed the restoration works from the 2010/11 event and is waiting on payment of its final claims for works completed. The 2013 flood events inflicted some \$35M of damage to Council infrastructure and Council staff have been extremely busy in preparing cost estimates and submissions for approval for restoration works. The Queensland Reconstruction Authority (QRA) has been progressively approving these works and the program is now well under way.

During the course of the year Council continued its program of upgrades to its waste facilities as part of its waste management strategy. The upgrade of the Moura Transfer Station is the final project identified in the strategy and works on this facility will be undertaken during the 2013/14 financial year.

These projects have been undertaken over a five year period and will bring all of Council's waste facilities up to standard as well as improving the expected life of Council's waste disposal site at Trap Gully.

The resource boom was a major issue for Council during the 2011/12 financial year from both an operational and strategic perspective. During the course of this year the boom slowed considerably, and whilst this took pressure off Council in some areas, we are still dealing with impact and affects of four gas pipelines traversing the shire. Council is steadily working its way through relevant issues associated with these projects.

Last financial year Council purchased the former Mobbs Steel facility in Dunn Street, Biloela. Council's Workshop and Store have since relocated to this facility. Council has also sub-leased a section of this building to the Department of Transport and a heavy vehicle inspection facility has been installed. This will enable inspections on trucks etc to be undertaken locally rather than having to travel to other regional centres.

During the course of the year Council in partnership with the Manheim Group hosted several plant auctions at the Dunn Street facility. These auctions have been extremely successful and negotiations are well advanced with a view to making these auctions a regular event.

The old Administration Building in Prairie Street, Biloela has been put up for sale. Council was approached regarding the possibility of leasing the building on a short term basis. Council subsequently negotiated a six month lease of the building with an option for an extension to a construction company working in the area.

Recently the Qld Audit Office advised that 43% of Queensland Councils were at moderate to high risk with regard to their long term financial sustainability. I am pleased to advise that Banana Shire Council is not included in that percentage. Council has worked diligently over the past five years to position itself in a solid financial position moving forward. While caution should always be exercised in interpreting this information, it is a satisfying result for Council. Council is also fully funding its depreciation and has finished the last six financial years with an operational surplus. As at 30 June 2012 Council's loan balance was \$12.06M.

Banana Shire Council, like all other Councils in Queensland, certainly will face challenges going forward, however as mentioned above, Council will be in a strong position to meet these challenges.

Once again, the positive and proactive approach of Councillors and staff has greatly assisted Council in moving forward and meeting challenges as they arise.

I would also take this opportunity to thank both Councillors and staff for their support and commitment over the last 12 months.

Ray Geraghty  
CHIEF EXECUTIVE OFFICER

## SENIOR MANAGEMENT

### Employees Remuneration Packages

*Local Government Act 2009 Section 201*

Number of remuneration packages payable to senior management 5

Number of employees in senior management who are being paid each band of remuneration

Package Range	Number
\$100,000 to \$199,999	4
\$200,000 to \$299,999	1

### Overseas Travel – Employees

*Local Government Regulation 2012 Section 188*

Name	No overseas travel was made in an official capacity by any Council employee during this year	Local Government Regulation 2012 Section 188 (1)(b)
Destination		Local Government Regulation 2012 Section 188 (1)(c)
Purpose		Local Government Regulation 2012 Section 188 (1)(d)
Cost		Local Government Regulation 2012 Section 188 (1)(3a)
Other relevant Information		Local Government Regulation 2012 Section 188 (2)



## **ASSESSMENT OF IMPLEMENTATION OF 5 YEAR CORPORATE PLAN and OPERATIONAL PLAN**

*Local Government Regulation 2012 Section 190 (1) (a)*

The 5 year Corporate Plan for Banana Shire Council for 2009/2014 (1 July 2009 to 30 June 2014) was adopted on 29 April 2009 and reviewed on 31 March 2010, 23 March 2011 and again on 25 July 2012 with alterations.

Council had programmed workshops to develop the new Corporate Plan in the first half of 2013. Unfortunately, due to flood events this had to be deferred.

Council will now undertake to review the Corporate Plan in the first half of the 2013-2014 financial year. The new Corporate Plan will be developed to reflect Council's strategic direction and vision for the future and also the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. The proposed Corporate Plan will be presented to Council for consideration prior to preparation of the Operational Plan and Budget for the next financial year.

Council's Annual Operational Plan and Budget for 2012/2013 were prepared to be consistent with this revised 2009/2014 5 year Corporate Plan.

An Operational Statement, Balance Sheet and Cash Flow including a percentage comparison of budget with actual is presented to and considered by Council each month.

A comprehensive review of progress in implementing the Operational Plan is presented to and considered by Council each quarter.

Completion of capital and maintenance works especially in the roads area have been severely restrained during the year due to restoration works of major flood damage over much of the Shire in the previous two years. Much of the Shire had suffered significant damage with some areas being inaccessible for considerable times. Council's workforce and contractors have been heavily engaged on flood restoration works.

Detailed reports and assessment on the status of the various functions of Council are included in the following pages of this Annual Report.

## COUNCIL'S OPERATIONS AND PERFORMANCE

*Local Government Regulation 2012 Section 190 (1) (b)*

### Other Issues Relevant to Making an Informed Assessment

During the Christmas 2010 New Year 2011 period a large portion of the Shire was subjected to significant flooding. In January, 2013, much of the Callide Valley section of the Shire was again impacted by similar flooding.

The social and financial impacts of the flooding were widespread. The resultant damage coupled with the restrictions on the use of Council permanent day labour workforce for flood restoration works, has continued to have a significant impact on Council's operations and budget.

The resource industry exploration and development boom and bust cycle continues to impact on Council operations and infrastructure. The coal industry appears to be suffering a downturn in some areas, with expansion continuing at Baralaba whilst the coal seam gas exploration and pipeline construction continues unabated.

- A continued increased demand on Council infrastructure has coincided with a reduction in Government Subsidies, and
- Council has had to continue to engage additional resources to deal with the large number of proposals and applications that it has to consider and respond to, and
- The attraction and retention of staff as a result of the ongoing resource industry boom in some areas and uncertainty in others is a major challenge for Council at present and into the future, and
- The high cost of accommodation and living in competition with resource and itinerant constructions workers discourages prospective employees.



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## CORPORATE PLAN

Council reviewed and amended its 5 year Corporate Plan for the years 2009 to 2014 on 25 July, 2012. This revised Corporate Plan applied for the whole of the Financial Year.

Council adopted the following outcomes as part of this review.

### 1. Governance, Service Delivery & Operations

#### 1.1. Outcome:

*To ensure that Council demonstrates leadership and is accountable to internal and external key stakeholders, including the community, through transparent and inclusive decision making processes and effective service delivery and operations.*

### 2. Social Wellbeing

#### 2.1. Outcome:

*To deliver our shared future and cultural vision, which is encapsulated by the following statement relating to strong communities: 'A shared community journey, where our past is revered, our present is strengthened, and our future is forged through living creatively together in a bountiful and vital location.'*

### 3. Environment

#### 3.1. Outcome:

*To promote and manage the unique natural resources of Banana Shire, ensuring a healthy and sustainable environment where the community's social, physical and economic well-being is enhanced for present and future generations.*

### 4. Economic

#### 4.1. Outcome:

*Support the retention, expansion and diversification of businesses and industries to provide long term economic sustainability.*

### 5. Infrastructure

#### 5.1. Outcome:

*Plan and deliver effective and efficient infrastructure services.*

## 1. GOVERNANCE, SERVICE DELIVERY & OPERATIONS

### 1.1. Outcome:

*To ensure that Council demonstrates leadership and is accountable to internal and external key stakeholders, including the community, through transparent and inclusive decision making processes and effective service delivery and operations.*

### Governance and Administration

Council operates under the *Local Government Act 2009* which came into force on 1 July 2010 and was substantially amended by the Queensland Government following the change of government with the state elections. The amended Act received assent on 24 November 2012. The accompanying regulations were consolidated into one new *Local Government Regulation 2012*. The purpose of this Act is to ensure that local government is accountable, effective, efficient and sustainable.

Council is required to act in accordance with the Local Government Principles, namely:

- (a) transparent and effective processes, and decision-making in the public interest;
- (b) sustainable development and management of assets and infrastructure, and delivery of effective services;
- (c) democratic representation, social inclusion and meaningful community engagement;
- (d) good governance of, and by, local government; and
- (e) ethical and legal behaviour of councillors and local government employees.

The Minister for Local Government has substantial powers over Council in monitoring and enforcing these principles.

The 2012/2013 year continued with the same Councillors however there was some adjustment to various functions included under the portfolio of each Councillor to more closely reflect the divisions within Council's corporate structure.

Open, honest and accountable government continues to be provided through public access to Council meetings and to meeting agendas, minutes and other relevant documents posted on Council's website or available for inspection at Council's offices. Hard copy agendas are also available to the public prior to the respective meetings.

Council is required under the *Integrity Act 2009* to record contact with lobbyists and to report any contact with unregistered lobbyists to the Queensland Integrity Commissioner. To achieve this Council maintains a register of any contact.

The *Public Interest Disclosure Act 2010* along with the *Public Sector Ethics Act 1994* place requirements on Council both in its operations and reporting.

To ensure compliance with these and other changes in legislation Council continues to review much of its governance operations.

In other key governance areas, Council continues to operate under the local laws and subordinate local

laws adopted on 26 October 2011, which are compliant with the *Local Government Act 2009* and are based on the models provided by the Department of Local Government and Planning.

The Internal Audit Committee has met as required by legislation to assist in monitoring Council's compliance with legislation and the principles. Council's financial records are audited by the Queensland Auditor General.

Council has continued to review all of its policies by removing any policies made obsolete by legislation or changing circumstances and to adopt relevant new or amended policies.

Council will also continue to focus on risk management in 2013/2014 as it seeks to minimise its exposure to risk and insurance liability through the delivery of compliant risk management strategies throughout its operations.



## **Human Resources Management**

In December 2012 Council moved its Administration Centre to Valentine Plains Road. This resulted in the move of almost 100 staff from three (3) separate buildings into one. In order to assist all staff and Councillors in this major change process, Baraka Training from Gladstone was engaged to present change management workshops for those who would be affected by this transition to the new building.

As part of this transition, the Payroll section was relocated to come under the management of the Human Resources Manager.

Council's Joint Consultative Committee (JCC) continues to meet quarterly. The purpose of the JCC is to act as a consultation and communication forum between employer and employee and their unions concerning workplace and industrial relation matters. For the 2012/13, no major issues/concerns were raised through the Committee. During this period, however, Jan Kelly CQ Organiser for the ASU retired from her position. Council recognises the excellent contribution Jan has made to the JCC on behalf of her members over several years and wishes her well in her retirement.

## **Learning and Development**

A major review of the work experience plan for high school students was carried out during the 2012/13 period. Council's continues to building strong relationships with Biloela and Moura high schools to develop school based traineeships that are effective and produce position outcome for both the students and Council.

During this period, Lindsay Ann Buckley commenced a traineeship in Certificate II in Water Operations with Council. This is the only traineeship currently being engaged in this area across the whole of Australia. Council is to be congratulated on its initiative to undertake and provide a placement in this area.

Origin Skill Scholarship funding has also been received by Council during this period, to help apprentices stay in their apprenticeship and assist financially towards career development and tools.

As a resulted of the review of Council's processes following the significant flood event early 2013, a plan for training of all staff in Disaster Management procedures has begun. This training will greatly assist Council staff who are on-call and those who also volunteer to man the Emergency Disaster Centre during a disaster event.

Council has established a dedicated IT classroom allowing for IT courses to be conducted on a regular and as needs basis, as well as providing a room for staff studying Council approved courses.

## **Work Health and Safety**

Council continues to review and update its Safety Management Plan. In the 2012/13 period, two external audits were conducted against the Plan to ensure compliance.

As a result of continued training and employees engaging in safe work practices, Council Workers Compensation premium for the next financial year has been reduced significantly and is currently below the QLD state average.

Council's Work Health and Safety Committee continue to meet quarterly and provide a platform to which Employee Safety Representatives and Management can bring concerns and issues with regards to safe workplaces practices across Council.

## **Workforce Statistics**

Council's workforce for the 2012/2013 year consisted of 377 employees including full time, part time, fixed term (includes trainees and apprentices), and casual employees. The following graphs and tables provide further information on the composition of Council's workforce and the number of employees in each Department.

<b>Employment Status</b>	<b>Male</b>	<b>Female</b>	<b>Sub Total</b>
Full Time	212	72	284
Part Time	3	17	20
Fixed Term	44	12	56
Casual	0	17	17
<b>TOTAL</b>	<b>259</b>	<b>118</b>	<b>377</b>

Unfilled Positions			23
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<b>Department</b>	<b>Number of Employees</b>
Executive Services	15
Corporate & Community Services	63
Development & Environmental Services	32
Infrastructure Services	194
Commercial Services	73

## **Records Management**

Council's Records Management Section continued to strive through sound operational procedures to comply with the requirements of the *Public Records Act 2002*. This Act sets the requirements for Council in relation to creating, capturing, storing, retrieving and disposing records.

This year was a consolidation of archiving of Council's records. The purchase of a scissor lift has meant that all archives are now contained and accessible in one location. There was a large push to archive all old records prior to the move to the new administration building to ensure that all Departments were clean and only active records were transferred. This exercise has been very beneficial and an annual archiving schedule has now been instituted.

One Right to Information application was received during the year which was finalised by 30 June 2013. One application received in the previous financial year was also finalised. One of these applications went to External Review with the ruling in Council's favour. This External Review was also completed by the end of financial year. Council also received two Third Party Consultations in relation to applications received by external parties. All were processed within the legislative timeframes.

The volume of incoming and outgoing correspondence has increased by 15% over the 2012/2013 year. Records management staff continued to monitor Council records throughout the year and identify those which could be legally destroyed in accordance with the retention schedule.

## **Information and Communication Technology**

The Information and Communication Technology Section (ICT) completed a number of major projects throughout the year in an effort to meet the increasing expectations and requirements of the organisation. ICT staff are continuing to source cost effective and relevant corporate technologies which will ensure the needs of the users are met now and in the future. Core network and corporate applications were available for more than ninety-nine per cent of work hours throughout the year with no security breaches occurring. 1,737 user support requests were completed during the year. Major projects completed and made operational during the year included:

- Relocation of existing and implementation of upgraded services to new council offices including: servers, network and security.
- Upgrade of Banana Shire Council website.
- Upgrade of Storage Area Network and further virtualisation and consolidation of servers.
- Upgrade to firewall incorporating network, email and web security enhancements.
- Desktop computer rollout and various network upgrades and expansion.

## **COMMUNITY DEVELOPMENT**

### **Staffing**

The Community Development Advisor continued in the role servicing the twelve (12) diverse communities of Banana Shire. The flood recovery State and Federally funded position of the Community Development Officer and Administration Assistant were active during the year enabling a team approach and information sharing across all roles. Both roles ceased as at 30<sup>th</sup> June 2013. The team were supported and guided by the Manager of Administration and Community Services.

### **Networking**

Regular meetings were attended by the Community Development Advisor throughout the financial year representing Council as required.

Banana Shire Council hosted the LGAQ CQ Regional Youth Development Network Meeting in August and the Youth Workers Professional Development Day in February. The Community Development Advisor also participated in the Department of Communities, Child Safety and Disability Services Regional Engagement Forum, 'Investing in Social Inclusion', held in Rockhampton in December.

Working alongside the Community Development Officer for Flood Recovery, the Community Development Advisor assisted in the delivery of seven grant writing workshops in flood affected communities of the Banana Shire.

Another successful National Youth Week programme was delivered with skate workshops in Biloela and Taroom.

### **Training**

The Community Development Advisor completed a Certificate IV in Local Government; undertook training in Disaster Management Coordination Centre operations; participated in a Cross Cultural Workshop; completed the Banana Shire Disaster Resilience Leadership Project; and attended 'Facilitating Groups and Projects within Community' training as part of the LGAQ Community Development Officer Forum in Mundubbera.

### **Community Planning**

The first review of the Community Plans commenced in mid April 2013 with overall better community attendance and participation than in previous years. Updates to the plans are still being finalised to take back to communities for ratification. The plans are available on Council's website at <http://www.banana.qld.gov.au/community-planning>.

## **Community Funding & Assistance Programmes**

The major review of these programmes to bring them in line with the Local Government Act (2009) commenced during the period.

Enquiries regarding Council's Community Funding and Assistance programmes were constant throughout the financial year, with reference to and knowledge of the programmes and accessing the forms from Council's website increasing. The number of applications received continues to increase year to year. In the 2012-2013 financial year, Council contributed a total of **\$28,641.14** to the community under these programs. The following is a breakdown of applications received:

- Twenty-one applications for In Kind Assistance, of which Council was able to provide assistance for nineteen applications, totalling \$11,877.88.
- Nine applications for Donations, of which six were awarded complete funding, and two were awarded partial funding, totalling \$4,423.76.
- Two approved applications for Grants were paid in the current financial year; totalling \$7,594.19.
- Five applications for Event Support, of which four were awarded complete funding, and one awarded partial funding, totalling \$4,516.04.
- A recurring annual contribution to the Special Children's Christmas Party totalling \$229.54.

## **Letters of Support**

Forty eight (48) letters of support were written throughout the period for a variety of community groups to strengthen their applications for funding from external sources. The amount of letters of support being provided has remained high in line with the previous financial year.

## **Web Pages and Online Services**

The new format for the Community Events Calendar was rolled out with the new website towards the end of the financial year. The new format allows for events to be submitted by the public via an online form.

At the end of the financial year, Council took up membership with My Community Directory. This membership involves external management of the Community Directory database ensuring information is up to date and accurate. Membership also allows Council the option of selecting specific target groups for information dissemination via text messages, emails and letters.



## **Customer Service**

This year has seen a continuation of development and other activity within the Shire continuing to place pressure to provide quality customer service, as well as efficient access to timely and relevant information.

The continued activity and development has resulted in a 9% increase in calls through the phone system during the year. Customer Service Officers answered approximately 31,402 calls. This equates to approximately 126 calls per work day and approximately 7,850 calls per Customer Service Officer annually. These statistics do not include calls made directly to the Moura and Taroom Offices or direct calls made to internal numbers or mobiles. Call statistics will continue to be monitored to ensure an efficient and effective service is provided to ratepayers.

The move to the new administration building has also resulted in an increase in residents attending at Council's offices.



## **Financial Services**

Operational and capital financial reports were presented to Council on a monthly basis and the long-term financial forecast will continue to be developed in conjunction with the long-term asset management in accordance with the *Local Government Regulation 2012*. The continual development of this long-term asset management plan remains a high priority within the financial services section of Council.

Council's 2012/2013 audit was completed without qualification and all other statutory reports were completed in accordance with the relevant legislation. The revaluation of Council's Land and Building assets was completed during the financial year providing an updated position of this class of assets. Other major asset classes continue to be reviewed by Council to ensure an accurate position is shown in our financial statements reflecting funding required for Council's medium to long term sustainability.

## **Stores/Purchasing**

The Store/Purchasing Section is an integral cog in the provision of timely service delivery to the community. Store staff must ensure that materials are ordered in accordance with Council's Purchasing Policy and purchasing delegations and are available on time to avoid operational delays. No operational delays were reported during the year due to materials not being available on time.

The Stores/Purchasing section had a successful relocation to the new Dunn Street workshop premises in December 2012. The relocation has further streamlined the stores processes ensuring that the high level of provision of this service to our customers continues to be maintained.



## Disaster Management

Disaster Management is an important function of Council. A Local Disaster Management Group exists to provide Council with management direction and strategies in relation to Disaster Management function and activities. The Group incorporates representatives from the various State Government departments including Queensland Police, Queensland Fire and Rescue, Queensland Ambulance, health service providers and other technical advisors.

Council has incorporated *Guardian* computer software to assist with the coordination of the Local Disaster Coordination Centre.

With record flooding in the northern areas of the Shire in January and February 2013, Council's Disaster Management processes were tried and tested this year. The events proved ideal to fine tune our Guardian Software, and the skills of the users. However, moving into the new Biloela Local Disaster Coordination Centre in Valentine Plains Road in December proved challenging as some of the electronic communication equipment was unproven at the time the flooding occurred.



## 2. SOCIAL WELLBEING

### 2.1 Outcome:

*To deliver our shared future and cultural vision, which is encapsulated by the following statement relating to strong communities: 'A shared community journey, where our past is revered, our present is strengthened, and our future is forged through living creatively together in a bountiful and vital location.'*

### Art Collection

Additions to the Shire collection this year include "City Lights" by Wendy Owen, "Last Light Isla Gorge" by Cathy McClelland, "Last Light Mimosa Creek" by Kath Dunne and an untitled piece by Jett James



### Art Exhibitions

The new Banana Shire Regional Art Gallery started operating in January with the official opening on the 2<sup>nd</sup> August 2013. The gallery has been very popular with the local community with bookings for exhibition space now as far ahead as August 2014. This includes travelling art exhibitions.



## Promotion



Council again supported Shire shows with attendance at, and displays outlining Council services and initiatives, at Taroom, Theodore, Baralaba, Biloela and Wowan Shows.

Displays were mounted at the Moura Coal and Country Festival and the annual Industry Summit. The eleventh annual Industry Summit took place in Biloela in October, with good attendance from public and industry representatives.

The Banana Shire Stories Trail project is now up and running. New town logo's have been approved and are now being incorporated into

their promotional material. Preparations are now in hand to have new town signs installed featuring the logo's and a trail icon which will identify those participating communities as part of the Banana Shire Stories trail.

## Focus



Council's newsletter "Focus" was circulated on time bi-monthly with strong community support for the Community Calendar. The newsletter is mailed to all mailing addresses within the Banana Shire (approximately 6400) and is also available from Shire Offices and Libraries (including the Mobile Library), as well as Information Centres and Thangool Airport. It is also available to view on Council's website, along with past issues.

Items from the Community Calendar can be viewed on Council's new website by accessing the "Community Events" menu on the main page. All clubs and organisations within the Shire seeking publicity for their event in the Focus may provide information on community and cultural events, in writing, to:

The Focus Co-ordinator  
PO Box 412,  
Biloela Qld 4715, or by  
Fax on 07 4992 3493.



## **2012-2013 Annual Report for Library**

### **Events**

#### **July**

The year started out with author and actor, Tristan Bancks, giving a Skype talk on how to write during the school holidays. Eighteen children attended at Taroom, Moura and Biloela.

The Laptops on Wheels program was rolled out, with Baralaba, Wowan and Taroom being the first towns to benefit. 23 people attended.

#### **August/ September**

Children's book week was in August with the theme "Champions Read".

The September school holidays saw 35 children, including 5 at Taroom, enjoying various craft activities.

Also in September, there were 25 people attending Laptops on Wheels sessions in Biloela, Banana and Theodore.

#### **October**

Steve Towson and Kunkala Station Band played in Biloela library, attracting 20 people.



#### **December**

The Biloela library staff enjoyed participating in the Biloela Street Festival with games and giveaways. The theme for the stall was 'Suessville' and over 200 people came to visit.

The Summer Reading Club was again highly popular. 108 participants joined in, with the theme this year being "Untangled Tales".



### January

Art activities developed by GoMa for the school holidays successfully saw 44 children participating in creating masks and collage pictures.



### April

Judy Webster, the noted genealogist gave talks at Taroom, Moura and Biloela, with a total of 30 attending.



### May

Bette Shiels, a published Bundaberg writer, again visited Biloela for another writing workshop. Eight people in all attended.

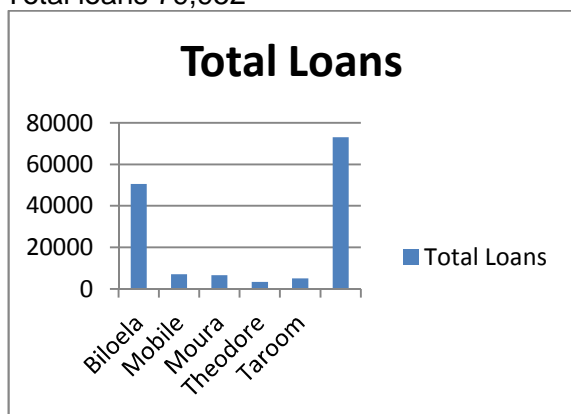
A National Simultaneous Storytime was held on the 22<sup>nd</sup> May, with eight children attending



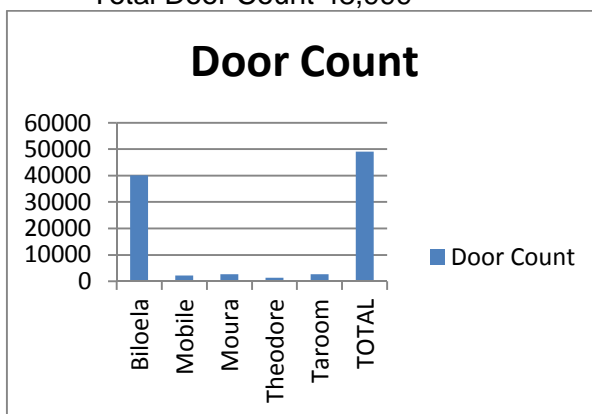


## Library Statistics

Total loans 79,952



Total Door Count 48,999



New Memberships – 745

Total Membership – 6394

Inter Library Loans – 223

The computerschool.net logins – 5229

Storytelling attendees – 757

Lapsit attendees – 397

## **Community Resource Centre 2012/2013**

The Community Resource Centre (CRC) seeks to support and empower individuals and families in the community by providing access to the most appropriate services and resources to meet their needs and during 2012/2013 has continued to provide these throughout the Banana Shire. This is achieved in the following ways:

### **Resource Library**

The CRC has lent 2706 items during the 2012/2013 period, to individuals, families, therapists, kindergartens, classroom teachers, carers and community organisations. These statistics represent borrowings throughout the Shire and include toys and games, classroom resources and specialised equipment. This community wide support is invaluable and attests to the value placed on the CRC by the residents of the Banana Shire.

### **CRC Programmes**

The CRC provides services to individuals in our community who have an identified physical, intellectual or social need. Clients are referred to the CRC through a wide network of people and organisations including numerous professionals, groups and organisations who visit and use the CRC facilities to provide centre based programmes and activities.

### **CRC Non School Organisations Programmes**

#### Therapy Support Programmes

Individual and group therapy services provided through the Non School Organisations (NSO) by Speech Language Pathologists, an Occupational Therapist, a Physiotherapist, Behaviour Therapist and Educators enhance the educational outcomes for eligible students. Therapists provided services to schools in Biloela (4 schools, early Childhood Development Programmes, 2 kindergartens and 2 childcare centres), Moura (2 schools), Theodore, Baralaba, Jambin and Thangool. Other NSO funded services (Professional Development, provision of Specialised Equipment and the Holiday Life Skills Programmes) have been accessed by schools and families in the aforementioned communities, as well as by eligible students, schools and families in Taroom, Banana, Monto, Blackwater, Rockhampton and Gladstone.

Therapy based groups targeting pre-school children with identified needs were run by CRC therapists during Term 4, 2012, focussing on the development of fine and gross motor and social skills.

#### Professional Development Workshops

The CRC continues to provide a wonderful venue for workshops and seminars designed to provide families, educators, therapists and carers with evidence based best practice information, resources and strategies to ensure that those in our community with disabilities have access to the best care and educational opportunities. Workshops that have been held during 2012/2013 include CRC information days, Changing Behaviour, Family Planning, Hearing Impairment and How the Brain Learns Literacy. The majority of these professional development events were held during Semester 1 of the school year to capitalise on opportunities for teachers, parents and carers to implement strategies learned and reflect on their usefulness and further development.

### Holiday life Skills Programme

This programme ran in January in Moura, Biloela and Monto, targeting skills required for children returning to school.

### **Programmes Run by other Organisations at the CRC**

Life skills sessions are held on a regular basis at the CRC and include a range of activities including: cooking, gardening, craft, dance, fine motor, life skills and many other skill building activities.



Life Skills programmes for clients include regular cooking lessons.



Circus Skills activities during the Holiday life Skills program help children develop Gross Motor skills.

Psychology, Counselling, Speech Pathology, Occupational Therapy and Dietetics services funded through Central Queensland Medicare Local were also provided at the CRC. These programmes are funded by the Commonwealth Department of Health and Ageing.

Interagency meetings are held every two months at the CRC, providing a forum for local and visiting services to meet and form networks to benefit our community.

The Helping Hands and Indigenous playgroups, run by Anglicare and Banana Shire Support Centre continue to meet weekly at the CRC.

Several support groups have met regularly at the CRC during this period including the Mental Health Support Group, Foster Carers' Support Group, Parkinson's Support Group, Cancer Council Queensland, Diabetes Support Group, a Yoga group and a meditation group.

The CRC played a vital role facilitating services into the Banana Shire. Outreach and local organisations are able to access resources and facilities to enhance and support their delivery of services to people/groups within our community.



Children at Playgroup enjoyed exploring the vegetable garden.



These services include: Child Safety visits both supervised and unsupervised, Commonwealth Rehabilitation Services (CRS), Queensland Health – New Parent Group, Lighten Up, Child and Youth Mental Health Services, Kinalearn Tutoring, Carers Queensland, Centacare, Family Day Care, Disability Services Queensland, Bluecare, Mental Health Community Support Group, Foster Carers Kinship Group, Youth Justice Programme, Dispute Resolution Services, Family Relationships Centre, Let's Talk Developmental Hub, Montrose Access, Drug and Alcohol Foundation, Queensland and many other service providers.

The Callide Dawson Special Needs Support Group Inc continues to provide the CRC with wonderful support and resources through their advocacy, successful funding applications and community donations. Donations and fund raising have been used to provide Professional Development Workshops during 2013, as these are no longer able to be funded by the Non School Organisations Programme.

The 2012/2013 year has been an exciting time for the CRC. We continue to grow and expand and to respond to the changing needs within the community and are excited about the future for our service.



## **RADF - REGIONAL ARTS DEVELOPMENT FUND**

The Regional Arts Development Fund continued to support local artists and cultural workers by providing assistance towards independent professional development, workshops and projects. Emerging and established artists were assisted to attend arts and cultural seminars and conferences in their chosen fields.

The Banana Shire Stories Trail project has created a strong sense within communities that Council and RADF desire to see locally driven projects succeed by providing support and assistance. Through RADF funding, a facilitator has been liaising with local steering groups on development and design of town logos and public art concepts. Communities have been energized by the opportunity to have the freedom to create what is special for them as a diverse and unique community in the Banana Shire.



## **HACC - Home and Community Care**

Council continued to provide HACC services to Taroom and Wandoan as per the new funding requirements. Funding has now been split between the Federal and State Governments and this has created an increase in administration, governance and reporting. Transitional funding has been received to purchase new systems to assist with reporting and governance requirements. This service is of great benefit to these communities where other providers are not available.





## **Parks and Gardens**

The Parks and Gardens teams have been busy keeping up with the rapidly growing grass after the significant rainfall events in January and February.

They have also had time to engage in developing some gardens in Biloela, most notably the intersection of Melton St and Kariboe St. This intersection was replanted with more suitable species after the existing trees had to be removed because of the encroachment into the overhead power lines.

The team also carried out stage 2 of the Administration building landscaping which entailed underground irrigation and the plantings in the central area of the building.



Part of Administration Building Landscaping

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## **ENVIRONMENTAL SERVICES**

### **Sharps disposal program:**

Council's sharps disposal programs continued and were well utilised throughout the year.

This program aims to promote appropriate disposal of sharps, in order to reduce the risk of needle stick and other such injury to the community and Council staff. This involves the provision of sharps disposal containers in public toilets in Biloela and Moura for use by the public, and a sharps disposal container exchange program, involving the provision of new containers and an avenue for disposal of filled containers, free of charge to diabetics or those with similar health needs, through a number of locations within the Shire.

### **Vector and vermin control:**

With the rain events of January and February, there was an increase in activity of the mosquito control program by:-

- Adult fogging for mosquitoes and black fly in all townships, with particular attention around schools.
- Larviciding in most towns, with approximately 80kg of larvicide being distributed or approximately 20 hectares.

Council continued to be proactive in reducing the public health and safety threats posed by vermin by identifying overgrown allotments throughout Shire townships, responding to complaints, issuing notices where appropriate, and undertaking enter and clear action where necessary.

Council officers assisted Queensland Health in an ovitrapping program in Biloela to detect the presence of *Aedes aegypti*, the Dengue Fever vector. The program commenced in November and finished in April and several locations indicated the presence of *Ae. Aegypti* in the community.

### **Public health, environmental and local law nuisances:**

Council officers continued to respond to complaints in relation to noise, smoke and odour nuisances, littering and water pollution, and public health risks, issuing directions or notices where appropriate, in an effort to protect the environment and the quality of life for the community.

## **Licensing:**

Licensed activities have continued to be monitored for compliance with legislative requirements to ensure safe, hygienic food and accommodation services and the minimisation of environmental harm or nuisance.

The number of facilities/businesses that held licenses by the end of the 2012/13 financial year was as follows:

Food business license	113
Environmental registration	68
Rental accommodation permit	2
Caravan park operator permit	8
Higher risk personal appearance service	0
Footpath permit	64
Commercial activity permit	4

Several infringement notices were also issued to businesses failing to comply with the *Food Act 2006*

## **Free Online Food Safety Training – I'M ALERT**

To assist food businesses and charity groups in ensuring they and their staff have appropriate skills and knowledge in food hygiene, Council provided access to a free online food safety training program called "I'm Alert" via Council's website.

I'm Alert is free to all Shire residents and is also recommended for members of community groups or charities involved in food preparation.



## **Animal control:**

Responsible pet ownership and Council's local law requirements for animal control continued to be enforced throughout the year, resulting in a total of:

- 1829 dogs registered;
  - 263 cats registered;
  - 7 Menacing dogs;
  - 0 Dangerous dogs;
- and
- 288 Dogs impounded;
  - 111 Cats impounded;
  - 83 Dogs destroyed;
  - 83 Cats destroyed;
  - 44 dogs rehomed;
  - 17 cats rehomed;
  - 146 dogs released;
  - 5 cats released.

Regular fortnightly early and late patrols for wandering dogs were carried out in all townships with several dogs being impounded. Where dogs were unable to be impounded, the owners were advised of their obligations, which were then confirmed in writing.

Compliance Officers continued to take the Petpep Program into the local primary schools, with 12 visits throughout the year. This program teaches children responsible pet ownership and dog bite prevention.

## **Cemeteries**

Initial works have been commenced with the redevelopment of the Biloela Lawn Cemetery and has received favourable community feedback. Preparation of the new burial area, toilet block and entrance statement have been planned for the 20013/14 year.

Landscape plans for Taroom and Theodore cemeteries have been developed, with positive feedback from community groups.

### **3. ENVIRONMENT**

#### **3.1 Outcome:**

*To promote and manage the unique natural resources of Banana Shire, ensuring a healthy and sustainable environment where the community's social, physical and economic well-being is enhanced for present and future generations.*

### **LAND PROTECTION**

#### **Declared Pest Control:**

Council's Land Protection staff continued the fight against declared pest plants with extensive treatment programs targeting Giants Rats Tail Grass, Parthenium, Mother of Millions, Prickly Acacia, Rubbervine, Lantana, Bellache Bush, Parkinsonia, and Harrisia Cactus. A pest survey program was ongoing throughout the year to assist staff in obtaining, identifying and addressing weed problems.

During the year Council officers detected an increase in infestation of Giants Rats Tail Grass on private property, Council's roads and reserves, which were treated. Council, jointly funded with CPMG and property owners, undertook chemical control of Giant Rats Tail Grass in difficult terrain over an area of approximately 1,400 hectares.

Council staff conducted 350 washdown inspections as a result of increased activity in the LNG projects within the Shire.

A coordinated effort towards pest management was also assisted by Council's continued involvement in the Capricorn Pest Management Group, resource sharing days and having a display at all the annual shows throughout the Shire.

Programs for the control of declared pest animals continued, including:

- 1080 baiting, with the quantity of baits provided to properties during the year adding up to nearly 15000kg, which included the following break-up:-

<b>Properties</b>	<b>Type of bait</b>	<b>Amount</b>
87 properties	Dog meat	6300 kg
39 properties	Pig meat	4780 kg
32 properties	Pig grain	3300 kg

There was an increase in the amount of pig baits distributed from last year (about 50% increase), while the amount of dog baits remained consistent.

- Council's bounty system for dingo and fox scalps continued.

### **DECLARED PEST CONTROL, STOCK ROUTES, WASHDOWN FACILITIES**

### **Stock and Stock Route Management:**

Applications for stock route agistment and travel permits continued throughout the financial year, with a number of permits issued by Council.

A large number of stock were reported wandering on Shire roads during the year and were subsequently attended to by Council's Land Protection staff.

### **Washdown Facilities**

Washbays at Moura, Baralaba and Taroom were opened during the year.

Planning commenced for an additional single road train washbay at Biloela to be constructed during 2013/14.



## **TOWN PLANNING**

Council provides a variety of Statutory Planning and Strategic Planning services to our key stakeholders.

### **Statutory Planning - Development Permit Applications**

All Development Permit Applications are processed in accordance with the *Sustainable Planning Act 2009* and are assessed against the Banana Shire Planning Scheme 2005 or the Taroom Shire Planning Scheme 2006.

The number of Development Permit Applications Council has received has increased since the previous financial year:

<b>Development Permit Type</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
Material Change of Use	26	14	32	34
Reconfiguration of a Lot	12	7	10	15
Combined (i.e. both Material Change of Use and Reconfiguration of a Lot)	2	1	0	0
Total	40	22	42	49

### **Strategic Planning**

Further development of the New Banana Shire Planning Scheme (which combines the Banana Shire Planning Scheme 2005 and the Taroom Shire Planning Scheme 2006) has occurred.

## **PLUMBING**

The number of Plumbing Approvals continues to increase:

Financial Year	2009/10	2010/11	2011/12	2012/13
Plumbing Approvals	110	126	136	142

## **BUILDING**

Rockhampton Building Approvals continue to provide a Building Certification service on behalf of Banana Shire Council.

The number of Building Approvals has decreased from the previous financial year:

Financial Year	2010/11	2011/12	2012/13
Building Approvals	201	269	216
Council certified Approvals		37	34
Privately certified Approvals		232	182



## **BUILT ENVIRONMENT**

Projects completed in 2012/2013:-

- New Council Administration Building and Art Gallery
- New Moura Youth Centre
- SES Moura heat and noise abatement
- Biloela SES heat and noise abatement
- New duplex - Halberstater Close
- New Biloela RSL Park shed
- Complete Asset Register
- Standing Offers
- Rotary Park Moura Upgrade
- Upgrades of Council's houses e.g. air conditioning, carpets, kitchens and bathrooms
- Upgrade of Council workshop – Dunn Street
- Upgrade of Taroom Library air conditioning
- Theodore RSL Hall upgrades – new rain water tank and the sanding and polishing of the floors
- Moura Rodeo commentators stand
- Baralaba Depot awning
- Moura Library (Replace ceiling tiles, new Library sign)
- Taroom Transit donga carport
- Biloela transit accommodation repaint
- CRC refurbishment and internal painting
- Bi-Centennial Park (Picnic table and new shelter)
- Tollemaches House (replaced effluent system)
- ARO Shed
- Pound (Epoxy resin floor)
- Wowan Park (new Shelter)
- Theodore WTP refurbishment
- Biloela STP refurbishment
- Theodore STP refurbishment

Projects currently being undertaken are as follows:-

- Biloela Aquatic Complex (25m, 50m and wading pool repairs and filter replacement)
- Biloela Pool power upgrade
- Pest Treatments Tender
- Air conditioners maintenance program
- New Moura Recreation Reserve change rooms
- Upgrade of Biloela Library air conditioning - replacement
- Upgrade - Kianga Hall sub floor rectification
- New air conditioning Kianga Hall
- New Theodore Skate Park
- Upgrade of Baralaba RSL Hall - ceiling installation
- 10 Year Plan
- Biloela Cemetery Public Toilets
- Lions Park Redevelopment
- Thangool Park Redevelopment
- Asbestos Register and removal
- Biloela WTP (Construction of office and lunch room)
- Removal of the pound house
- Magavalis Sports Complex (Edge Strip Netball Courts)
- Other miscellaneous maintenance

Built Environment received and completed over 1000 maintenance requests.

## **ECONOMIC**

### **4.1 Outcome:**

*Support the retention, expansion and diversification of businesses and industries to provide long term economic sustainability.*

## **Tourism Development**

The Banana Shire Tourism Advisory Committee has continued to meet quarterly. Committee members have enjoyed hosting these meetings in their home towns and this has contributed to the knowledge of what is on offer in the various locations. This will continue into the coming year.

There has been continued distribution of town and other brochures. The process of updating some town brochures has been protracted due to a lack of quality photos. The 'Simple Pleasures' brochure continues to be extremely popular and a review of the brochure is planned for the coming year to reflect a more modern image. Current stocks will be used prior to distribution of the reviewed brochure.

Council's participation in both the Leichhardt Highway Committee and Australia's Country Way Committee remains strong. This year, the Australia's Country Way Committee has promoted the Highway at major travel shows in Brisbane, Sydney and Melbourne, regional tourism guides and motoring magazines, opened a new website and partnered with RACQ to promote the Highway through their virtual VIC. The Leichhardt Highway Committee has reviewed their Business Plan, partnered with RACQ to promote the Highway through the virtual VIC and has been investigating apps to ensure that Leichhardt Highway is part of the growing digital trend.

GAPDL again attended the travel and holiday shows distributing regional guides and talking about attractions and activities in the region including the Banana Shire. Banana Shire Council staff were also in attendance at the Sydney and Brisbane Shows. Numbers were down slightly at both shows, but they again presented an excellent marketing opportunity with direct contact with the consumer. As tourism has been recognised as one of the four pillars of the Queensland economy, the State Government is continuing to engage regional tourism organisations, local governments and operators to drive this market.

The Banana Shire tourism website has suffered some delays due to technical difficulties, but work continues and this should be completed within the next quarter.

Upgraded interpretive signage at the Spirit of the Land mural on State Farm Road, Biloela has enhanced this asset.



## **Economic Development**

Council has continued to advance and promote partnerships with key economic development stakeholders throughout the 2012/13 financial year, through continued participation in the Combined Development Associations. This group is chaired by the Mayor and includes:

- Enterprise Biloela Association Inc (EBAI)
- Moura Chamber of Commerce
- Theodore Chamber of Commerce
- Taroom District Development Association Inc (TDDA)
- Progress Associations from Baralaba, Wowan, Dululu, Jambin, Goovigen, Banana and Thangool

Through these partnerships, Council continued to support and encourage development projects and industries affecting Banana Shire and region, including:

- Procurement support to new industries
- Regular meetings and workshops with development agencies
- Submissions to the State Government regarding infrastructure needs, including the Nathan Dam, arterial roads and infrastructure needs to reduce cumulative impact
- Business Recovery process, including the provision of business mentoring
- Facilitation of the “Business Network”
- Facilitation of the Banana Shire “Business Newsletter”
- Communication of Priority Infrastructure Projects
- Supply of relevant statistical information

## **Promotion**

Promotion of the Shire to Government Departments and industry was ongoing and assisted by 2012 Industry Summit, Membership of the Bowen and Surat leadership groups, Membership of CQLGA (Central Queensland Local Government Association), QLGA (Queensland Local Government Association) and Membership of GAPDL (Gladstone Area Promotion And Development Limited)



**Banana Shire Industry Summit**

## **Employment Projects**

Ongoing support for GAGAL through the establishment of the BEST Centre.

## **Strategic Planning**

Economic Development Strategies have commenced for all twelve communities and the Shire wide Economic Development Strategy has also commenced.

- The Moura Economic Development Strategy has been completed.
- Adoption of the Banana Shire Infrastructure Plan.
- Adoption of the Draft Banana Shire Strategic Plan.

These documents will compliment the twelve "Placed Based" community plans and the Banana Shire Strategic Community Plan Development of the disaster recovery "Local Plan".

## **Industry Development**

Industry is supported through all aspects of Council's Economic Development processes including:

- The development of the Raedon Street industrial land in Biloela
- Identification of industrial land in Moura
- The undertaking of development plans for industrial land in Taroom

## **Investment Support**

Prospective developers are assisted through Council's meet and greet processes and holistic information dissemination process. This includes the opportunity for developers to meet with Councillors and senior staff in a workshop setting.



## **5. INFRASTRUCTURE**

### **5.1 Outcome:**

*Plan and deliver effective and efficient infrastructure services.*

### **WATER SUPPLY & SEWERAGE**

Council operates and maintains eleven (11) water supply schemes and four (4) sewerage schemes that have a total asset (replacement) value of over \$130 Million.

The communities of Banana, Baralaba, Moura and Theodore are provided with treated water from the Dawson River. Taroom is supplied with chlorinated groundwater water from the Great Artesian Basin. Biloela, Thangool and Callide Dam communities are provided with a combination of treated water from the Callide Dam and chlorinated groundwater water obtained from the Callide Valley Aquifer. Water supplied to the towns of Goovigen and Wowan (non-potable) is chlorinated water obtained from local groundwater bores.

A non-potable trickle feed water supply scheme is provided for Cracow, and additional raw water schemes supply a number of community based users at Taroom and Baralaba.

Reticulated sewerage schemes are operated and maintained for the towns of Biloela, Moura, Taroom and Theodore.

Council monitors and reports water quality parameters to the Water Supply Regulator in accordance with the *Water Supply (Safety & Reliability) Act 2008*.

Ongoing focus remained on asset replacement necessitated by the deterioration with age of Council's water supply scheme infrastructure and included significant water main replacement works at Baralaba (\$514K), Biloela (\$776K), and Taroom (\$582K). In addition, augmentation of Biloela trunk water main infrastructure (stage 1) was completed (\$634K).

Work highlights for this financial year include, but are not limited to:-

- Commenced installation of Tertiary Filtration System at the Biloela STP.
- Maintaining and restoring water supply services to communities during January 2013 flood events.
- Implementation of telemetry monitoring to Council's Sewage Pump Stations at Biloela, Moura, Taroom and Theodore.
- Implementation of upgraded telemetry monitoring system for water supply (Shire wide).
- Replacement and upgrade of the Banana Range Radio Repeater Site.
- Employment of school based trainees in Water Operations at Biloela (x2) and Taroom (x1).
- Development and implementation of database for managing water quality results from external laboratories and automated notification of water quality events

- Programmed water meter replacement (all schemes).
- Implementation of Drinking Water Quality Management Plan throughout all schemes
- Review and update of Council's Drought Management Plan.
- Sewer main extension (Taroom)
- Sewer manhole replacement (Biloela)

Operational efficiencies continue to be pursued in all water supply and sewerage schemes, and there is a focus on replacement of ageing infrastructure to assist in the reduction of maintenance costs and repair costs, particularly the replacement of old pipelines that are no longer serviceable.

There was increased focus on drinking water quality compliance as implementation of Council's Drinking Water Quality Management Plan progressed in accordance with the *Water Supply (Safety and Reliability) Act 2008*.



## **INFRASTRUCTURE SERVICES**

Infrastructure Services consists of two sections; "Technical Services" and "Works".

### **TECHNICAL SERVICES**

Technical Services is basically the regulatory and design section for Council, with regard to roads, drainage, parks, aerodromes, and private works. Counter disaster management is also a Technical Services function.

The Technical Services section undertakes survey and design in preparation of capital improvements to its road, stormwater and pathway networks. Strategic planning is also an important function of this section with regard to upgrades to park-lands, road safety issues, urban parking, heavy vehicle management, resource company projects and street lighting.

#### **Survey & Design**

The Technical Services Section, which incorporates survey and design, is primarily focused on strategic planning of infrastructure and project delivery. Strategic planning is well underway including Aerodrome Management, Stormwater Management, Road Safety Management, Pathways and Bikeways, Heavy Vehicle Management, Local Area Traffic Management and Street Lighting strategies.

With its in-house engineering survey team, Technical Services is able to assist the Works section, and other Council Departments with its "As Constructed" surveys, job setting out as well as general site surveys.

#### **Road Safety**

The Road Safety Management Working Group includes representatives from Banana Shire Council, Department of Transport & Main Roads, Queensland Ambulance Service, Queensland Fire & Rescue Service and Queensland Police Service. The aim of the group is to identify and assess road safety high risk areas and develop strategies to minimise road accidents. A number of road safety initiatives have to date been put in place, including roundabouts, threshold treatments at intersections, school precinct improvements, road signage and street lighting.

#### **Quality System**

Council maintains its Third Party Certification of its Quality System in accordance with ISO AS/NZS 9001. This assists Council to maintain Prequalification for Major Works Projects to level R1 (Roadwork's) with the Department of Transport and Main Roads. Quality procedures allow Council to plan for, control and continually improve the quality of the roadwork's services it provides. Safety and Environment certification is now incorporated along with our Quality System.

## **WORKS**

2012-2013 has been an extremely busy year in many respects and presented the Works Department with many challenges. Both the Director of Infrastructure Services and the Works Manager left and with the new Administration building being constructed Works was the only department to be separated.

With all the internal disruption Works still managed to deliver during the year particularly in flood damage, capital works, Main Roads and private works areas.

### **Flood Damage**

Works completed its flood damage restoration work from Cyclone Tasha in 2010 with a final total expenditure of about \$45M. This work was completed on time and with the considerable assistance of local contractors. The contractors enabled Council to claim the full cost of the work including day labour.

The year also saw Cyclone Oswald cause more road damage to the Shire with over \$1M in emergent works and an estimated \$35M in restoration work. Work has already started on the restoration work and again this is being done primarily with local contractors.

Works also received Relational Incentive Contract work from Main Roads for the rehabilitation of the Leichhardt Highway at Taroom and Theodore and the gravel resheeting of sections of the Fitzroy Developmental Road. These works were estimated at about \$17M and commenced in April 2013 and will be complete by October 2013.

### **Private Works**

Works also carried out significant work for Origin/APLNG with the major work being a \$4.6M capital project and many minor projects which related to the construction of APLNG's gas pipeline through the Shire.

### **Transport and Main Roads**

This year also saw Works carry out a significant amount of work for TMR. On top of the allocation of \$2.6M in the annual maintenance contract a further \$6M was expended on projects such as the sealing, widening and overlay of about 10km of Rannes-Baralaba Rd. Truck stops at the Burnett Highway/Dawson Highway intersection in Biloela and on the Leichhardt Highway opposite the Caltex service station at Taroom were also constructed and sealed.

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**WORKS - FLOOD DAMAGE, PRIVATE WORKS, TRANSPORT & MAIN ROADS,  
CAPITAL WORKS**





## Capital Works

Works completed the vast majority of the approved capital works program during the year with the highlights being:

- Valentine Plains Rd – roundabout and access to the new administration centre
- Calvale Rd – widening and bitumen sealing
- Jambin-Dakenba Rd – drainage upgrade at Dingo Gully
- Coal Road – timber bridge replacement
- Urban and rural reseal program of \$1.1M

Callide St drainage and rehabilitation work also commenced with completion in 2013/14.



Coal Road Timber Bridge Replacement



Jambin-Dakenba Rd Drainage Upgrade



Valentine Plains Rd – Administration Building Access

**WORKS - FLOOD DAMAGE, PRIVATE WORKS, TRANSPORT & MAIN ROADS,  
CAPITAL WORKS**

## **WASTE MANAGEMENT**

### **Waste Disposal Facilities:**

Council Officers successfully lodged a development application with the Department of Environment & Heritage Protection to increase the acceptance criteria of Trap Gully Landfill to accept 10,000 to 20,000 tonnes of waste per year.



## **Aerodrome**

Banana Shire maintains five (5) aerodromes located at Thangool, Taroom, Moura, Theodore and Baralaba. Passenger services are conducted from the Thangool aerodrome while the other aerodromes are maintained for general aviation with a primary focus on availability for emergency services aircraft.

Banana Shire has four sealed aerodromes, Thangool, Moura, Theodore and Baralaba. The Taroom aerodrome is currently unsealed.

Council is actively committed to the improvement and maintenance of all Shire aerodromes with regular maintenance occurring to uphold the excellent condition of these facilities.

An Aerodromes Working Group exists to provide Council with strategic plans for all aerodromes, asset and risk management strategies and other management directions.

A recent assessment of the Shire aerodromes has identified the Thangool and Taroom Aerodromes as being strategically significant to the Shire in providing an important air link to Brisbane or potentially other regional airports. Council plans to monitor the need for future upgrades to Taroom Airport, and has commenced this process by purchasing the land from the State Government.

Preliminary planning is underway for the introduction in 2014 of security requirements at Thangool Aerodrome as well as the upgrading of the runway to an asphalt standard and improvements to runway lighting.





## **PLANT OPERATIONS**

Council maintains a plant fleet with an asset value in excess of \$17 million. Income generated from hire charges on plant items used on projects provides the return to ensure that the fleet is self-funded. The management of the fleet continues to be focused on providing cost effective plant hire to construction and maintenance operations within Council.

The fleet is supported by Council's workshop which is an approved inspection station and authorised service centre performing all servicing and routine maintenance on Council equipment, now in its newly located address at Dunn Street, Biloela.

Council operates an annual replacement and acquisition program for plant and this ensures Council maintains the most cost-effective plant operations available when benchmarked against external plant hire sources.





## **Beneficial Enterprises**

*Local Government Act 2009 Section 41*

Council did not conduct any Beneficial Enterprises during the Financial Year

## **Business Activities**

*Local Government Act 2009 Section 45 (a) to (d)*

Schedule of business activities conducted during the financial year

(a) List of Business Activities	(b) Significant Business Activity	(c) Competitive Neutrality Principle Applied **	(d) New Business Activity
Airports	No	No	No
Cemeteries, Funerals & Undertaking	No	No	No
Land Development	No	No	No
Roads	No	Yes	No
Roads-Other	No	No	No
Sewerage	Yes	Yes	No
Waste Management	No	Yes	No
Water	Yes	Yes	No

\*\* (Reason must be supplied if Competitive Neutrality Principle is not applied to a Significant Business Activity)

## **Commercial Business Unit – Annual Operational Reports**

*Local Government Regulation 2012 Section 190 (1) (c)*

Council did not conduct any Commercial Business Units during the Financial Year

## **Commercial Business Unit – Information to Allow Informed Assessment**

*Local Government Regulation 2012 Section 190 (2) (a) to (d)*

Council did not conduct any Commercial Business Units during the Financial Year

## **Joint Local Government Activity**

*Local Government Regulation 2012 Section 190 (1) (d)*

Council does not have any arrangement or agreements for conducting a joint local government activity and accordingly no other Local Government has taken any action for, and expenditure on, a service, facility or activity for Council under an arrangement for conducting a joint government activity; for which Council levied special rates or charges during the financial year.

## **Invitations to Change Tenders**

*Local Government Regulation 2012 Section 190 (1) (e)*

Council did not issue any invitations to change tenders under section 228 (7) of the *Local Government Regulation 2012 during the financial year.*

## **List of Registers**

*Local Government Regulation 2012 Section 190 (1) (f)*

Council keeps the following registers:

- Local Laws Register
- Register of Roads
- Register of Cost-Recovery Fees
- Local Government Delegations
- Register of Interests (of a Councillor)
- Register of Interests (of a Senior Executive Employee)
- Register of Interests (of the CEO)
- Register of Interests (of a Related Person of a Councillor)
- Register of Interests (of a Related Person of a Senior Executive Employee)
- Register of Interests (of a Related Person of a CEO)
- Asset Register
- Register of Pre Qualified Suppliers
- Register of Gifts & Sponsored Hospitality Benefits
- Register of Contact with a Lobbyist

## **Concessions on Rates and Charges**

*Local Government Regulation 2012 Section 190 (1) (g)*

<b>Function</b>	<b>Reference</b>	<b>Concessions</b>
Retirement Homes	2010-1195-0000	\$81,288.74
Council Pension Rebate	2010-1180-0000 2010-1181-0000 2010-1182-0000	\$151,837.06
Rates Based Financial Assistance	2010-1194-0000	\$37,798.43
<b>Total Council Concessions</b>		<b>\$270,924.23</b>
State Government Pension Rebate	2010-1170-0000	\$108,579.80

## **Internal Audit – Report for the Financial Year**

*Local Government Regulation 2012 Section 190 (1) (h)*

The Audit Plan from the previous year was carried forward into 2012/2013. Council's Internal Audit Committee continued to meet three times during the financial year to consider the status of each item on this Audit Action Plan and to report to Council. Council has held discussions with the Local Government Association of Queensland on most suitable arrangement for this council to comply with the changes in legislation and expectations by the Queensland Audit Office.

A new charter has been developed as part of these discussions and will be considered for adoption in July 2013.

Council proposes to utilise the services of the Performance Solutions section of the Local Government Association of Queensland to assess the major risks to Council and develop an Internal Audit Plan including an Action Plan for 2013/2014 in cooperation with Council Staff and the Audit Committee.

## **Competitive Neutrality Complaints – Summary of Investigation Notices**

*Local Government Regulation 2012 Section 190 (1) (i)*

No investigation notices were given in the financial year under Section 49 of the *Local Government Regulation 2012* for competitive neutrality complaints.

## **Competitive Neutrality Complaints – Council's Response**

*Local Government Regulation 2012 Section 190 (1) (j)*

No recommendations for competitive neutrality complaints under Section 52 (3) of the *Local Government Regulation 2012* were received from the Queensland Competition Authority during the financial year.

## **ETHICS**

*Public Sector Ethics Act 1994 Section 23*

### **Implementation Statement**

Detailing action taken to comply with:

- Section 15 Preparation of Codes of Conduct
- Section 21 Education and Training
- Section 22 Procedures and Practices for Public Sector Entities

Council has commenced preparation of a new Code of Conduct to meet the principles of the *Public Sector Act 1994* and to include the standard of conduct required from Councillors, employees and other persons who have a contract or other agreement with Council.—As allowed under the Act, different provisions will be made for Councillors and employees.

Council continues to use a collaborative approach in preparation of this Code of Conduct.

The provisions for employees, volunteers and other persons carrying out work for Council are based on the compliant Code of Conduct prepared by the LGAQ HR Advance Service.

Council will develop a training model for employees which will be presented and explained to all existing employees by means of on-line learning through Learning seat, face to face training and workshops. The Code of Conduct will be part of the induction process for all new employees.

Councillors will receive appropriate training on the provisions of the Code relevant to them.

All employees and other relevant persons will have ready access to the ethics principles and values and the standards of conduct stated in Council's Code of Conduct on Council's web site and its internal intranet. As well hard copies will be readily available for those requiring this medium.

The Code of Conduct will also be readily available on Council's website for the general public.

The administrative procedures and management practices of Council will have proper regard to the *Public Sector Act 1994*, in particular, the ethics principles and values; and also Council's approved Code of Conduct.



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## **Council's Finance**

### **GENERAL PURPOSE FINANCIAL STATEMENT**

*Local Government Regulation 2012 Section 183 (a)*

See Attached Document (Page 83 to End)

### **CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT**

*Local Government Regulation 2012 Section 183 (b)*

See attached document (Page 131)

### **LONG TERM FINANCIAL SUSTAINABILITY STATEMENT**

*Local Government Regulation 2012 Section 183 (c)*

See attached document (Page 132 to 133)

### **AUDITOR GENERAL'S REPORT ABOUT THE GENERAL PURPOSE FINANCIAL STATEMENT**

*Local Government Regulation 2012 Section 183 (d)*

See Attached Document (*Included in the Financial Statements*)

### **COMMUNITY FINANCIAL REPORT**

*Local Government Regulation 2012 Section 184*

#### **1. About Council's End of Year Financial Statements**

##### **What you will find in the Financial Statements**

The Audited Financial Statements of Council set out the financial performance, financial position, cash flows and the net wealth of Council for the financial year ended 30 June 2013.

##### **About the Management Certificate**

The Financial Statements must be certified by both the Mayor and the Chief Executive Officer as "presenting fairly" the Council's financial results for the year, and are required to be adopted by Council - ensuring both responsibility for and ownership of the Financial Statements by management and elected representatives.

### **About the Primary Financial Statements**

The Financial Statements incorporate 4 "primary" financial statements and accompanying notes that provide greater detail on the line numbers within the "primary" financial statements:

**1. A Statement of Comprehensive Income**

A summary of Council's financial performance for the year, listing both (i) regular income and expenses and (ii) other comprehensive income which records items such as changes in the fair values of Council's assets and investments.

**2. A Statement of Financial Position (Balance Sheet)**

A 30 June snapshot of Council's Financial Position including its assets and liabilities.

**3. A Statement of Changes in Equity**

The overall change for the year (in dollars) of Council's "net wealth".

**4. A Statement of Cash Flows**

Indicates where Council's cash came from and where it was spent.

### **About the Auditor's Reports**

Council's Financial Statements are required to be audited by the Queensland Audit Office. The audit of many Queensland Councils is contracted to Audit firms that specialise in Local Government. The Auditor provides an audit report which gives an opinion on whether the Financial Statements present fairly the Council's financial performance and position.

A complete version of Council's Financial Statements for the 12 months to 30 June 2013 can be found in the 2012/13 Annual Report on our website:

<http://www.banana.qld.gov.au>

or at Council's administration offices at:

62 Valentine Plains Road, Valentine Plains, Biloela Qld 4715  
18 Yaldwyn Street, Taroom Qld 4420  
Gillespie Street, Moura Qld 4718

## **2. An Overview of this year's Financial Result and Financial Position**

### **2.1 Council's Statement of Comprehensive Income (Profit & Loss) for 2012/13**

Council's result for the 2012/13 year was a \$11,304,292 surplus. This includes capital income and expenses.

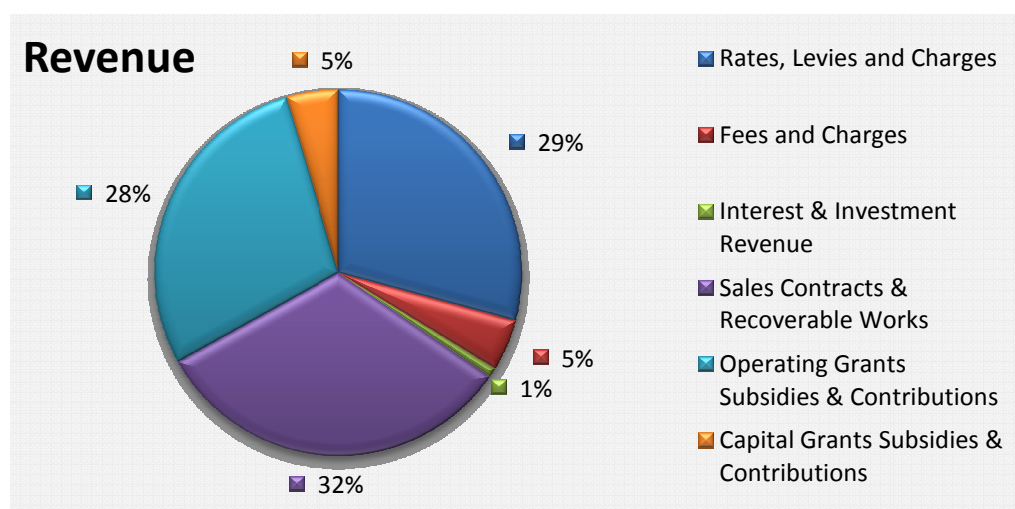
#### **Council's Operating Result**

	<b>\$ Actual 2013</b>	<b>\$ Budget 2013</b>	<b>\$ Actual 2012</b>
Expenditure (excl. capital expenses)	(82,105,785)	(71,538,762)	(78,523,663)
Revenues (excl. capital income)	92,566,640	72,423,060	80,466,744
<b>Operating Surplus/(Deficit) for the period</b>	<b>10,460,855</b>	<b>884,298</b>	<b>1,934,081</b>

This compares to a budgeted operating surplus of \$884,298 - meaning Council's operating result came in better than was budgeted. The main reason for the difference between the actual result and the budgeted result was a significant increase in contract works completed during the year.

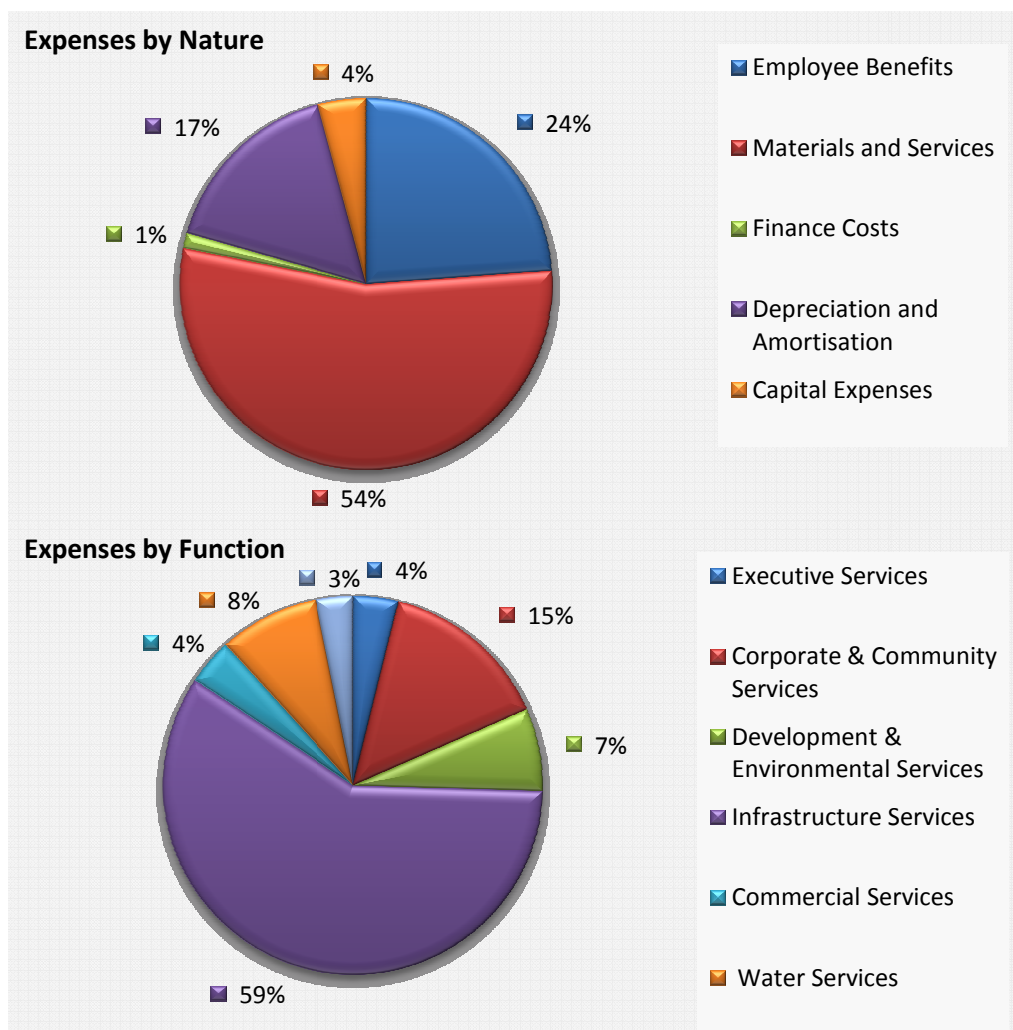
#### **Council's Revenue Sources for the 2012/13 year**

The chart below summarises where Council's revenue came from:



## **Council's Expenditure for the 2012/13 year**

Council's total expenditures (operating and capital) covered the following activities/functions:



## **2.2 Councils Statement of Financial Position (Balance Sheet) for 2012/13**

### **Council's Net Wealth**

The Statement of Financial Position discloses the Net Community Equity of Council, which represents its wealth as measured by a dollar value of its asset less liabilities. The value of Council's non-current assets increased as a result of writing back the impairment of flood damaged roads and a revaluation of the water and sewerage assets.



### **3 Financial Sustainability Measures**

(Sec 169(5) *Local Government Regulation 2012*)

**The financial sustainability of Councils is now a cornerstone of the Local Government Act and a core responsibility of individual Councils across Queensland.**

Financial sustainability is defined as when a **"Local Government is able to maintain its financial capital and infrastructure capital over the long term"** [source: *Local Government Act 2009* section 102(2)].

The Financial Sustainability measures comprise two statements that Council must publish together with the rationale for their use. These statements are called the current-year financial sustainability statement and the long-term financial sustainability statement and are prepared in accordance with the *Local Government Regulation 2012* and the *Financial Management Sustainability Guideline 2011*. A summary of historical and future indicators is listed below:

#### **Financial Sustainability Indicators**

Ratio	Target	Actual 2011	Actual 2012	Actual 2013	Budget 2014
Operating Surplus Ratio	0 - 10%	0.96%	2.41%	11.30%	4.97%
Net Financial Liabilities Ratio	< 60%	-16.38%	-5.00%	-12.82%	-2.22%
Asset Sustainability Ratio	> 90%	102.45%	185.35%	83.52%	156.46%

Ratio	Target	Long Term Financial Plan Projections							
		Yr 1 2015	Yr 2 2016	Yr 3 2017	Yr 4 2018	Yr 5 2019	Yr 6 2020	Yr 7 2021	Yr 8 2022
Operating Surplus Ratio	0 - 10%	2.86%	2.68%	2.84%	3.06%	2.95%	3.30%	3.64%	3.98%
Net Financial Liabilities Ratio	< 60%	-1.65%	-1.43%	-4.01%	5.21%	-0.30%	-8.85%	-15.33%	-20.65%
Asset Sustainability Ratio	> 90%	121.73%	115.36%	121.33%	186.37%	101.86%	92.24%	92.65%	92.79%

## **VALUATION OF NON-CURRENT PHYSICAL ASSETS**

*Local Government Regulation 2012 Section 185 (b)*

No resolutions, under section 206 (2) of the *Local Government Regulation 2012*, setting an amount for each different type of non-current physical asset below which the value of an asset of the same type must be treated as an expense, were made during the year.

## **COUNCIL'S BORROWINGS & DEBT**

### **Budgeted Debt and Interest & Redemption by Fund and Function**

#### **FOR THE YEAR TO 30 JUNE 2013**

The current repayment terms to the individual loan accounts are as follows:

	A	B	C	C(1)	D (A-C)
FUNCTION DESCRIPTION	EST BOOK DEBT BALANCE 30/06/12	QTC INTEREST	QTC REDEMPTION	NEW ADVANCES	BOOK DEBT BALANCE 30/06/13
<b>GENERAL FUNCTIONS</b>					
Dawson Highway Major Roundabout	2,072,944	122,665	344,399		1,728,545
Theodore Land Development	934,221	39,377	68,312		865,909
Administration Centre	5,670,356	339,157	181,470		5,488,886
Workshop/Store Facility	1,925,740	95,530	160,472		1,790,368
<b>WATER FUNCTIONS</b>					
Cracow Water Supply	171,252	10,871	5,460		165,792
<b>SEWERAGE FUNCTIONS</b>					
Moura STP	1,841,452	117,894	58,747		1,782,705
Theodore STP	945,059	56,526	30,245		914,814
<b>TOTAL</b>	<b>\$13,561,024</b>	<b>782,021</b>	<b>849,105</b>		<b>\$12,737,019</b>

	<u>Debt Pool</u>	<u>Approximate Remaining Term</u>
Moura Sewerage Plant	15 years	18 years
Cracow Water Supply	15 years	18 years
Dawson Hwy Major Roundabout	9 years	6 years
Theodore Land Development	15 years	15 years
Administration Centre	15 years	18 years
Theodore Sewerage Plant	15 years	18 years
Workshop/Store Facility	10 years	9 years

The existing term of the Portfolio varies between separate accounts and will fluctuate in proportion to the market value provision applied.

New borrowings will lengthen the term of each debt pool unless taken as a separate loan account. This will allow the term of the loan to better match the repayment structure of the asset being funded.

The estimated total repayment amounts for the 2012/2013 financial year are indicated in the above table.



# BANANA SHIRE COUNCIL



## **2012/2013 FINANCIAL STATEMENTS**



## **BANANA SHIRE COUNCIL**

### **Financial Statements**

**For the year ended 30 June 2013**

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### **Table of contents**

<b>Note</b>	
	<b>Statement of Comprehensive Income</b>
	<b>Statement of Financial Position</b>
	<b>Statement of Changes in Equity</b>
	<b>Statement of Cash Flows</b>
	<b>Notes to the financial statements</b>
1	Significant accounting policies
2	Analysis of results by function
3	Revenue analysis
4	Grants, subsidies and contributions
5	Gain (loss) on the disposal of inventory land developed for resale
6	Gain (loss) on the disposal of capital assets
7	Employee benefits
8	Materials and services
9	Finance costs
10	Depreciation and amortisation
11	Capital expenses
12	Loss on write-off of capital assets
13	Cash assets and cash equivalents
14	Trade and other receivables
15	Inventories
16	Land purchased for development and sale
17	Cash investments
18	Non-current assets classified as held for sale
19	Property, plant and equipment
20	Intangible assets
21	Trade and other payables
22	Provisions
23	Borrowings
24	Other liabilities
25	Council capital
26	Asset revaluation surplus
27	Retained surplus
28	Reserves
29	Commitments for expenditure
30	Events after balance date
31	Contingent liabilities
32	Superannuation
33	Trust funds
34	Reconciliation of net result for the year to net cash inflow (outflow) from operating activities

## **BANANA SHIRE COUNCIL**

### **Financial Statements**

**For the year ended 30 June 2013**

---

### **Table of Contents - continued**

35	Financial Instruments
36	National competition policy comprising:
	Management Certificate
	Independent Audit Report
	Financial sustainability statements and certificates

### **Addendum to the financial statements**

The following unaudited statements and reports are attached to provide additional information that the Council considers will provide the reader with more useful information in the process of interpreting these financial statements. These additional reports are not required under the Australian Accounting Standards and therefore do not form part of the audited financial statements.

- Statement of Operating Performance
- Statement of Appropriations
- Statement of Capital Funding
- Financial indicators and ratios of the accounts

# BANANA SHIRE COUNCIL

## Statement of Comprehensive Income For the year ended 30 June 2013

	Note	2013 \$	2012 \$
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent revenue</b>			
Rates and levies	3 (a)	28,324,220	26,587,748
Fees and charges	3 (b)	2,947,821	2,782,448
Rental and levies	3 (c)	257,809	175,431
Interest received	3 (d)	802,864	1,310,658
Sales of contract and recoverable works	3 (e)	31,365,974	16,625,142
Other recurrent income	3 (f)	248,516	626,673
Grants, subsidies and contributions	4 (i)	27,669,051	31,738,457
Proceeds from sales of land developed for resale	5	950,385	620,187
Total operating revenue		<u>92,566,640</u>	<u>80,466,744</u>
<b>Capital revenue</b>			
Grants, subsidies and contributions	4 (ii)	4,417,505	2,076,221
Total revenue		<u>4,417,505</u>	<u>2,076,221</u>
Total income		<u>96,984,145</u>	<u>82,542,965</u>
	2	<u>96,984,145</u>	<u>82,542,965</u>
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	7	(20,423,091)	(19,893,575)
Materials and services	8	(45,961,307)	(46,343,961)
Current cost of developed land sold	5	(542,018)	(676,622)
Finance costs	9	(1,133,987)	(1,129,953)
Depreciation and amortisation	10	(14,045,382)	(10,479,552)
Total operating expenses		<u>(82,105,785)</u>	<u>(78,523,663)</u>
<b>Capital expenses</b>			
Other capital expenses	11	(3,574,068)	(1,864,326)
Total expenses		<u>(85,679,853)</u>	<u>(80,387,989)</u>
Net result		<u>11,304,292</u>	<u>2,154,976</u>
<b>Other comprehensive income</b>			
<b>Items that will not be classified to net result</b>			
Increase in asset revaluation surplus		34,959,210	56,880,448
Total other comprehensive income		<u>34,959,210</u>	<u>56,880,448</u>
Total comprehensive income for the year		<u>46,263,501</u>	<u>59,035,424</u>

The above statement should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies.

**BANANA SHIRE COUNCIL**

**Statement of Financial Position**

As at 30 June 2013

	Note	2013 \$	2012 \$
<b>Current Assets</b>			
Cash assets and cash equivalents	13	16,958,971	19,554,863
Cash investments	17	1,000,000	1,029,581
Trade and other receivables	14	21,772,410	4,377,909
Inventories	15	2,950,623	3,623,743
		<u>42,682,004</u>	<u>28,586,096</u>
Non-current assets classified as held for sale	18	701,000	-
		<u>43,383,004</u>	<u>28,586,096</u>
<b>Non-current Assets</b>			
Property, plant and equipment	19 (a)	609,649,931	571,216,484
Intangible assets	20	10,967	21,934
		<u>609,660,898</u>	<u>571,238,418</u>
<b>TOTAL ASSETS</b>		<u>653,043,902</u>	<u>599,824,514</u>
<b>Current Liabilities</b>			
Trade and other payables	21	8,899,413	4,460,025
Provisions	22	452,623	416,222
Borrowings	23	900,968	849,745
Other	24	3,061,998	52,972
		<u>13,315,002</u>	<u>5,778,964</u>
<b>Non-current Liabilities</b>			
Trade and other payables	21	673,899	727,511
Provisions	22	5,693,480	5,319,691
Borrowings	23	11,836,048	12,736,376
		<u>18,203,427</u>	<u>18,783,578</u>
<b>TOTAL LIABILITIES</b>		<u>31,518,429</u>	<u>24,562,542</u>
<b>NET COMMUNITY ASSETS</b>		<u>621,525,473</u>	<u>575,261,972</u>
<b>Community Equity</b>			
Council Capital:			
Investment in capital assets	25	183,192,530	177,185,965
Asset revaluation surplus	26	417,136,345	382,177,136
Retained surplus (deficiency)	27	5,825,090	2,176,660
Reserves	28	15,371,508	13,722,211
<b>TOTAL COMMUNITY EQUITY</b>		<u>621,525,473</u>	<u>575,261,972</u>

The above statement should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies.

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**BANANA SHIRE COUNCIL**

**Statement of Cash Flows**

For the year ended 30 June 2013

	Note	2013 \$	2012 \$
<b>Cash flows from operating activities :</b>			
<b>Receipts</b>			
General rates and utility charges		28,437,928	26,893,177
Rental and levies, fees and charges		3,205,630	3,639,824
Grants, subsidies and contributions		27,669,051	31,738,457
Other income		17,066,278	19,102,928
GST received		6,896,473	4,277,123
Receipts from customers		83,275,360	85,651,509
Interest received		831,410	1,229,052
Proceeds from sales of land developed for resale		950,385	620,187
<b>Payments</b>			
Payments materials and services		(42,216,160)	(45,598,613)
Payment to employees		(20,055,386)	(19,716,468)
Costs incurred on inventory land held for sale		(21,745)	(1,189,593)
GST paid		(6,385,379)	(4,392,742)
Payments to suppliers		(68,678,670)	(70,897,416)
Borrowing costs		(788,638)	(804,892)
<b>Net cash inflow (outflow) from operating activities</b>	34	<b>15,589,847</b>	<b>15,798,440</b>
<b>Cash flows from investing activities:</b>			
State Government subsidies & grants		2,934,277	1,501,594
Capital contributions		1,483,228	574,627
Payments for property, plant and equipment		(22,510,054)	(20,546,154)
Net transfer (to) from cash investments	17	29,581	(1,029,581)
Proceeds from sale of property plant and equipment	6	726,334	1,183,984
<b>Net cash inflow (outflow) from investing activities</b>		<b>(17,336,634)</b>	<b>(18,315,530)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from borrowings	23	-	2,000,000
Repayment of borrowings	23	(849,105)	(938,207)
<b>Net cash inflow (outflow) from financing activities</b>		<b>(849,105)</b>	<b>1,061,793</b>
<b>Net increase (decrease) in cash and cash equivalents held</b>		<b>(2,595,892)</b>	<b>(1,455,297)</b>
Cash and cash equivalents at beginning of the financial year		19,554,863	21,010,160
<b>Cash and cash equivalents at end of the financial year</b>	13	<b>16,958,971</b>	<b>19,554,863</b>

*The above statement should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies.*

**BANANA SHIRE COUNCIL**

**Statement of Changes in Equity**  
For the year ended 30 June 2013

	Note	Total		Retained surplus (deficit)		Reserves		Asset revaluation surplus		Council Capital	
		2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at beginning of period		575,261,972	516,226,548	2,176,660	261,018	13,722,211	19,439,376	382,177,136	325,296,688	177,185,965	171,229,466
Net result		11,304,292	2,154,976	11,304,292	2,154,976						
Other comprehensive income for the period											
Revaluations:											
Property, plant & equipment	19	27,854,319	47,021,729					27,854,319	47,021,729		
Impairments:											
Property, plant & equipment	19	7,104,891	9,858,719					7,104,891	9,858,719		
<b>Total comprehensive income for period</b>		<b>46,263,501</b>	<b>59,035,424</b>	<b>11,304,292</b>	<b>2,154,976</b>	<b>-</b>	<b>-</b>	<b>34,959,210</b>	<b>56,880,448</b>	<b>-</b>	<b>-</b>
Transfers (to) from retained earnings to capital	27		-	461,238	2,575,990					(461,238)	(2,575,990)
Transfers (to) from retained earnings and recurrent reserves	27		-	(5,734,313)	(2,480,257)	5,734,313	2,480,257				
Transfers (to) from capital reserves and capital	25		-	(2,382,787)	(335,067)	(4,085,016)	(8,197,422)			6,467,803	8,532,489
<b>Net transfers in the period</b>		<b>-</b>	<b>-</b>	<b>(7,655,862)</b>	<b>(239,334)</b>	<b>1,649,297</b>	<b>(5,717,165)</b>	<b>-</b>	<b>-</b>	<b>6,006,565</b>	<b>5,956,499</b>
Balance at end of period		<b>621,525,473</b>	<b>575,261,972</b>	<b>5,825,089</b>	<b>2,176,660</b>	<b>15,371,508</b>	<b>13,722,211</b>	<b>417,136,345</b>	<b>382,177,136</b>	<b>183,192,530</b>	<b>177,185,965</b>

The above statement should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies.

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## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2013

### 1 Significant accounting policies

#### 1.1 Basis of preparation

These general purpose financial statements are for the period 1 July 2012 to 30 June 2013 and have been prepared in compliance with the requirements of the Local Government Act 2009 and the Local Government Regulation 2012. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain non-current assets.

#### 1.2 Statement of compliance

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to Council's operations and effective for the current reporting period. Because the Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied, these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

#### 1.3 Constitution

The Banana Shire Council is constituted under the Queensland Local Government Act 2009 and is domiciled in Australia.

#### 1.4 Date of authorisation

The financial statements are authorised for issue on the date it was submitted to the Auditor-General for final signature. This is the date the management certificate is signed.

#### 1.5 Currency

The Council uses the Australian dollar as its functional currency and its presentation currency.

#### 1.6 Adoption of new and revised Accounting Standards

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Effective for  
annual report  
periods beginning  
on or after:

AASB 9 Financial Instruments (December 2009)	1 January 2015
AASB 10 Consolidated Financial Statements	1 January 2013
AASB 11 Joint Arrangements	1 January 2013
AASB 12 Disclosure of interests in other entities	1 January 2013
AASB 13 Fair Value Measurement	1 January 2013
AASB 119 Employee benefits (completely replaces existing standard)	1 January 2013
AASB 127 Separate Financial Statements (replaces the existing standard together with AASB 10)	1 January 2013
AASB 128 Investments in Associates and Joint Ventures (replaces the existing standard)	1 January 2013
AASB 1053 Application of Tiers of Australian Accounting Standards	1 July 2013
AASB 1055 Budgetary Reporting	1 July 2014
2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (December 2009)	1 January 2015
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	1 July 2013

QAO  
certified statements

## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2013

AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	1 January 2015
AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets	1 January 2012
AASB 2010-10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters	1 January 2013
AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements	1 July 2013
AASB 2011-3 Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments	1 July 2012
AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements	1 July 2013
AASB 2011-6 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements	1 July 2013
AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards	1 January 2013
AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13	1 January 2013
AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income	1 July 2012
AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)	1 January 2013
AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	1 July 2013
AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20 (AASB 1)	1 January 2013
AASB 2012-1 Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, AASB 7, AASB 13, AASB 140 & AASB 141]	1 July 2013
AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	1 January 2014
AASB 2012-4 Amendments to Australian Accounting Standards – Government Loans [AASB 1]	1 January 2013
AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2]	1 January 2013
AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, AASB 2009-11, AASB 2010-7, AASB 2011-7 & AASB 2011-8]	1 January 2013
AASB 2012-7 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 7, AASB 12, AASB 101 & AASB 127]	1 July 2013
AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039	1 January 2013
AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12]	1 January 2013
AASB 2012-11 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments [AASB 1, AASB 2, AASB 8, AASB 10, AASB 107, AASB 128, AASB 133, AASB 134 & AASB 2011-4]	1 July 2013
AASB 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements	1 July 2014
Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2013

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### **AASB 9 Financial Instruments (effective from 1 January 2013)**

AASB 9, which replaces AASB 139 Financial Instruments: Recognition and Measurement, is effective for reporting periods beginning on or after 1 January 2015 and must be applied retrospectively. The main impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost and financial assets will only be able to be measured at amortised cost where very specific conditions are met. Had this requirement been adopted at 30 June 2013, as Council does not hold any financial assets (other than cash and receivables) there would have been no impact on the financial statements.

### **AASB 13 Fair Value Measurement (AASB 13)**

AASB 13 applies to reporting periods beginning on or after 1 January 2013 and will therefore be applied by Council in the 2013-14 reporting period. This standard is not required to be applied retrospectively, therefore there is no impact from the application of AASB 13 to values or other disclosures in the 2012-13 financial statements.

The standard sets out a new definition of "fair value", as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of the Council's assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based on fair value. The key changes will relate to the level of disclosures required.

The Banana Shire Council has commenced reviewing its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies don't comply, the necessary changes will be implemented. While the Council is yet to complete this review, no significant changes are anticipated, based on the fair value methodologies presently used. Therefore, and at this stage, no consequential material impacts are expected for the Banana Shire Council's property, plant and equipment as from 2013-14.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. The recognised fair values will be classified according to the following fair value hierarchy that reflects the significance of the inputs used in making these measurements:

- Level 1 - Fair values that reflect the unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 - Fair values that are based on inputs other than quoted prices that are directly or indirectly observable for the asset or liability
- Level 3 - Fair values that are derived from data not observable in a market.

To the extent that any fair value measurement for an asset or liability uses data that is not "observable" outside the Council, the amount of information to be disclosed will be relatively greater.

### **Amendments to AASB 119 Employee Benefits**

A revised version of AASB 119 Employee Benefits applies from reporting periods beginning on or after 1 January 2013. The revised AASB 119 is generally to be applied retrospectively.

The revised standard includes changed criteria for accounting for employee benefits as "short-term employee benefits". Had the council applied the revised standard this year annual leave currently classified as a "short-term benefit" would have been reclassified as a "long-term benefit".

However, no reported amounts would have been amended as the Council already discounts the annual leave liability to present value in respect of amounts not expected to be settled within 12 months (refer Note 1.20).



## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2013

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The concept of "termination benefits" is clarified and the recognition criteria for liabilities for termination benefits will be different. If termination benefits meet the timeframe criterion for "short-term employee benefits", they will be measured according to the AASB 119 requirements for "short-term employee benefits". Otherwise, termination benefits will need to be measured according to the AASB 119 requirements for "other long-term employee benefits". Under the revised standard, the recognition and measurement of employer obligations for "other long-term employee benefits" will need to be accounted for according to most of the requirements for defined benefit plans.

The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. Banana Shire Council contributes to the Local Government Superannuation Scheme (Qld) as disclosed in note 32.

The revised standard will require Banana Shire Council to make additional disclosures regarding the Defined Benefits Fund element of the scheme.

The reported results and position of the council will not change on adoption of the other pronouncements as they do not result in any changes to the council's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. The council does not intend to adopt any of these pronouncements before their effective dates.

### 1.7 Critical accounting judgements and key sources of estimation uncertainty

In the application of Council's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and ongoing assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Judgements, estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

- Valuation and depreciation of property, plant and equipment - note 1.15 and note 19 (b)
- Impairment of property, plant and equipment - note 1.17 and note 19 (a)
- Provisions - note 1.22 and note 22
- Contingencies - note 31

### 1.8 Revenue

Rates, levies, grants and other revenue are recognised as revenue on receipt of funds or earlier upon unconditional entitlement to the funds.

#### (a) Rates and levies

Where rate monies are received prior to the commencement of the rating/levying period, the amount is recognised as revenue in the period in which they are received, otherwise rates are recognised at the commencement of rating period.

#### (b) Grants and subsidies

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. An equivalent amount is transferred from retained earnings to the relevant reserve until the funds are expended. Unspent non-reciprocal capital grants are placed in the Constrained grants, subsidies and contributions reserve.

Council has not spent all recurrent grants in the year received and therefore Council has established a reserve for this purpose.

Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled. Council does not currently have any reciprocal grants.

## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2013

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(c) **Non-cash contributions**

Non-cash contributions with a value in excess of the recognition thresholds, are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue and expenses.

Physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when the development becomes "on maintenance" (i.e. the Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. All non-cash contributions are recognised at the fair value of the contribution received on the date of acquisition

(d) **Cash contributions**

Developers also pay infrastructure charges for trunk infrastructure, such as pumping stations, treatment works, mains, sewers and water pollution control works. These infrastructure charges are not within the scope of AASB Interpretation 18 because there is no performance obligation associated with them. Consequently, the infrastructure charges are recognised as income when received.

(e) **Rental income**

Rental revenue from investment and other property is recognised as income on a periodic straight line basis over the lease term.

(f) **Interest and dividends**

Interest received from term deposits is accrued over the term of the investment. Dividends are recognised once they are formally declared by the directors of the controlled entity.

(g) **Sales revenue**

Sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer, generally when the customer has taken undisputed delivery of the goods.

The council generates revenues from a number of services including motor vehicle repairs and contracts for road and earthworks. Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed.

(h) **Fees and Charges**

Fees and charges are recognised upon unconditional entitlement to the funds. Generally this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.

### 1. 9 **Financial assets and liabilities**

Council recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, Council becomes a party to the contractual provisions of the instrument.

Banana Shire Council has categorised and measured the financial assets and financial liabilities held at balance date as follows:

**Financial assets**

Cash and cash equivalents (note 1.10)

Receivables - measured at amortised cost less any impairment (note 1.11)

**Financial liabilities**

Payables - measured at amortised cost (note 1.19)

Borrowings - measured at amortised cost (note 1.21)

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## BANANA SHIRE COUNCIL

### Notes to the Financial Statements For the year ended 30 June 2013

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Financial assets and financial liabilities are presented separately from each other and offsetting has not been applied.

The fair value of financial instruments is determined as follows:

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximate their carrying amounts and are not disclosed separately.

The fair value of borrowings, as disclosed in note 23 to the financial statements, is determined by reference to published price quotations in an active market and/or by reference to pricing models and valuation techniques. It reflects the value of the debt if the Council repaid it in full at balance date. As it is the intention of the Council to hold its borrowings for their full term, no adjustment provision is made in these financial statements.

The fair value of trade receivables approximates the amortised cost less any impairment. The fair value of payables approximates the amortised cost.

All other disclosures relating to the measurement and financial risk management of financial instruments are included in note 35.

#### 1. 10 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

#### 1. 11 Receivables

Trade receivables are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase price / contract price. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment. The loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

All known bad debts were written-off at 30 June. Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income. If an amount is recovered in a subsequent period it is recognised as revenue.

Because Council is empowered under the provisions of the Local Government Act 2009 to sell an owner's property to recover outstanding rate debts, Council does not impair any rate receivables.

#### 1. 12 Inventories

Stores and raw materials held for resale are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost.

Inventories held for distribution (internal consumption) are:

- goods to be supplied at no, or nominal, charge, and
- goods to be used for the provision of services at no, or nominal, charge.

Inventory for distribution is valued at cost, adjusted when applicable for any loss of service potential.

## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2013

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Land acquired by Council with the intention of reselling it (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value. As an inventory item, this land held for resale is treated as a current asset. Proceeds from the sale of this land will be recognised as sales revenue on the signing of a valid unconditional contract of sale.

### 1. 13 Non current assets held for sale

Items of property, plant and equipment are reclassified as non-current assets as held for sale when the carrying amount of these assets will be recovered principally through a sales transaction rather than continuing use. Non-current assets classified as held for sale are available for immediate sale in their present condition and management believe the sale is highly probable. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell and are not depreciated. On the eventual sale of these assets a gain or loss is recognised.

### 1. 14 Investments

Term deposits in excess of three months are reported as investments, with deposits of less than three months being reported as cash equivalents. Council holds various investments. These are reflected in Note 13.

At 30 June 2013 Council did not have any term deposits in excess of three months.

### 1. 15 Property, plant and equipment

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment with a total value of less than \$5,000, and infrastructure assets and buildings with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

The classes of property plant and equipment recognised by the council are reported in note 19 (a).

#### (a) Acquisition of assets

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs.

Property, plant and equipment received in the form of physical contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value means the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

#### (b) Capital and operating expenditure

Wage and materials expenditure incurred for the acquisition or construction of assets are treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

#### (c) Valuation

Land and improvements, buildings, and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB 116 Property, Plant & Equipment. Other plant and equipment and work in progress are measured at cost.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every three years. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection.

## BANANA SHIRE COUNCIL

### Notes to the Financial Statements For the year ended 30 June 2013

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In the intervening years, Council uses internal engineers to assess the condition and cost assumptions associated with all infrastructure assets, the results of which are considered in combination with an index for the region, published by the Department of Housing and Public Works. Together these are used to form the basis of a management valuation for infrastructure asset classes in each of the intervening years. With respect to the valuation of the land and improvements and buildings classes in the intervening years, management engage independent, professionally qualified valuers to perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are sound.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense to the extent it exceeds the balance, if any, in the revaluation surplus of that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

Further details in relation to valuers, the methods of valuation and the key assumptions used are disclosed in note 19 (b).

(d) **Capital work in progress**

The cost of property, plant and equipment being constructed by the Council includes the cost of purchased services, materials, direct labour and an appropriate proportion of labour overheads.

(e) **Depreciation**

Land is not depreciated as it has an unlimited useful life. Depreciation on other property, plant and equipment assets is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Council.

Major spares purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to the Council or the unexpired period of the lease, whichever is the shorter.



## BANANA SHIRE COUNCIL

### Notes to the Financial Statements For the year ended 30 June 2013

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Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date.

Details of the range of estimated useful lives for each class of asset are shown in note 19 (a).

(f) **Land under roads**

Land under roads acquired before 30 June 2008 is recognised as a non-current asset where the Council holds title or a financial lease over the asset. The Banana Shire Council currently does not have any such land holdings.

Land under the road network within the Council area that has been dedicated and opened for public use under the Land Act 1994 or the Land Title Act 1994 is not controlled by council but is controlled by the state pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements.

**1. 16 Intangible Assets**

Intangible assets with a cost or other value exceeding \$10,000 are recognised as intangible assets in the financial statements, items with a lesser value being expensed.

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the development of computer software are capitalised and are amortised on a straight-line basis over the period of expected benefit to Council.

Amortisation methods, estimated useful lives and residual values are reviewed at the end of each reporting period and adjusted where appropriate. Details of the estimated useful lives assigned to each class of intangible assets are shown in note 20.

**1. 17 Impairment of non current assets**

Each non-current physical and intangible asset and group of assets is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation surplus increase.

**1. 18 Leases**

Leases of plant and equipment under which the Council as lessee/lessor assumes/transfers substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases. Other leases, where substantially all the risks and benefits remain with the lessor, are classified as operating leases.

The council has no finance leases.

## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2013

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### Operating leases

Payments made under operating leases are expensed in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

#### 1. 19 Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price net of applicable discounts other than contingent discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

#### 1. 20 Liabilities - employee benefits

Liabilities are recognised for employee benefits such as wages and salaries, annual leave and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee benefits are assessed at each reporting date. Where it is expected that the leave will be paid in the next twelve months the liability is treated as a current liability. Otherwise the liability is treated as non-current.

##### (a) Salaries and wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense and is included in note 21 as a payable.

##### (b) Annual leave

A liability for annual leave is recognised. Amounts expected to be settled within 12 months (the current portion) are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months (the non-current portion) are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

##### (c) Superannuation

The superannuation expense for the reporting period is the amount of the contribution the local government makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in note 32.

##### (d) Long service leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value.

This liability is reported in note 22 as a provision.

#### 1. 21 Borrowings

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these liabilities are measured at amortised cost. In accordance with the Local Government Regulation 2012 council adopts an annual debt policy that sets out council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

All borrowing costs are expensed in the period in which they are incurred. No borrowing costs are capitalised on qualifying assets.

## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2013

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### 1. 22 Restoration provision

A provision is made for the cost of restoration in respect of refuse dumps and quarries where it is probable the Council will be liable, or required, to incur such a cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required, discounted to current day values using the interest rates attaching to Commonwealth Government guaranteed securities with a maturity date corresponding to the anticipated date of the restoration.

Within each restoration provision there may be many site locations some of which can be on council controlled land and some which are not. The following accounting treatments apply depending on the site location:

#### Restoration on land not controlled by Council

Where the restoration site is on State reserves which the council does not control, the cost of the provisions for restoration of these sites has to be treated as an expense in the year the provision is first recognised. Changes in the provision due to either time, discount rate or expected future cost are treated as an expense or income in the reporting in which they arise.

#### Restoration on land controlled by Council

Restoration sites that are situated on Council controlled land and are classified as land and improvement assets. The provision for restoration is, therefore, included in the cost of the land and amortised over the expected useful life. Changes in the provision not arising from the passing of time are added to or deducted from the asset revaluation surplus for land. If there is no available revaluation surplus, increases in the provision are treated as an expense and recovered out of future decreases (if any).

Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

The council has the following restoration provisions:

#### Refuse sites

The provision represents the present value of the anticipated future costs associated with the closure of the refuse sites, decontamination and monitoring of historical residues and leaching on these sites.

The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred.

The provision recognised for refuse sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that sites will periodically close and restoration will occur progressively over subsequent years.

All council refuse sites are on Council Land

### 1. 23 Council capital

In accordance with AASB101 paragraphs 5 and 6 the following disclosure is provided as the council considers such presentation is relevant to the understanding of the council's financial performance.

The Council's capital account at the reporting date, represents the amount the community has invested in capital assets to deliver future services, plus any equity and property investments it holds, less the amount it has borrowed to fund these assets. At the creation of the council any operating assets and liabilities that required to be recognised, were brought to account through the capital account.

The maintenance of the Councils capital capacity is fundamental to its long term sustainability to continue to deliver essential services to the community, it has therefore been separately identified and the change in value is reported in the Statement of Changes in Equity and note 25.

## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2013

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### 1. 24 **Asset revaluation surplus**

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus.

Increases and decreases on revaluation are offset within a class of assets.

Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense.

When an asset is disposed of, the amount reported in surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

### 1. 25 **Retained surplus (deficit)**

The retained surplus represents that part of the Council's equity, that corresponds to the amount of cash (reported within cash and cash equivalents) that is held for this purpose, and has not been restricted to meet specific future funding needs at the reporting date. These funds are available as a general funding source in future years. A retained deficit represents an overall funding shortfall which needs to be recovered in future years to maintain a fully funded position.

### 1. 26 **Reserves held for funding future capital expenditure**

These are cash backed reserves and represent funds, from revenue sources, that are accumulated to meet anticipated future capital asset funding requirements. In each case the amount relates to a perceived future requirement which is not currently a liability.

Council has decided to retain these reserves as they provide ongoing recognition of the internal restrictions that limit the amount that is available for discretionary or future use.

#### (a) **Future capital sustainability reserve**

Where the council has accumulated unspent cash arising from the funding of depreciation, (i.e. revenues have been received to fund the write down in the capital assets value through use (depreciation)), but this cash has not been reinvested in capital assets at the reporting date; the council restricts the future use of this cash to capital asset purchases only, to ensure the maintenance its capital capacity to deliver future services. (future sustainability). The amounts reported in this reserve at balance date correspond to the amount of cash (reported within cash and cash equivalents) that is held for this purpose. Should the asset management plans indicate a shortfall in funding, additional funding can be transferred from the retained surplus account. The timing of future expenditure from this reserve is based on the council's 10 year asset management plans.

#### (b) **Unspent loan cash reserve**

The amounts reported in this reserve at balance date correspond to the amount of cash (reported within cash and cash equivalents) which has been received in respect of approved loan funds from QTC that have been drawn down but not expended on the specific capital projects. As the funds are expended they are transferred to the council's capital account. Refer notes 13 and 28 (a).

#### (c) **Constrained grants and subsidy contributions reserve**

The amounts reported in this reserve at balance date correspond to the amount of cash (reported within cash and cash equivalents) which has been received in respect of capital works where the required capital works have not yet been carried out. Where non-reciprocal grants, subsidies and contributions are received for specific capital projects, amounts equivalent to the capital grants received are transferred from retained surplus to the constrained works reserve. When the grant monies are expended on the respective projects, an equivalent amount is transferred out of the constrained works reserve to retained surplus. The Council does not reallocate amounts in this reserve to any other reserve or for any other purpose.

## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2013

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- (d) **Capital Aquisitions reserve**  
This reserve hold funds to contribute to the future replacement of Council's infrastructure assets.
  - (e) **Plant reserve**  
This reserve holds funds to contribute to the future replacement of Council's plant and equipment.
  - (f) **Waste Disposal reserve**  
This reserve holds funds to contribute to the future replacement of Council's environmental infrastructure such as waste disposal facilities and landfill sites.
  - (g) **Special Projects reserve**  
This reserve holds funds to contribute to special capital projects and operating activities nominated by Council.
  - (h) **Aerodrome reserve**  
This reserve holds funds to contribute to the future replacement of Council's aerodrome infrastructure.
  - (i) **Community Housing reserve**  
This reserve holds contributions for the purpose of funding specific capital expenditure.
1. 27 **Reserves held for funding future recurrent expenditure:**  
These are cash backed reserves and represent funds that are accumulated within the Council to meet anticipated future recurrent or operating expenditure needs. In each case the amount relates to a perceived future requirement which is not currently a liability.
- Operating Grants in Advance reserve**  
This reserve holds operating grants received in advance.
- CDEI Grant reserve**  
This reserve holds funds relating to a specific State Government initiative developed to assist community recovery following the 2010 weather event.
1. 28 **National competition policy**  
The Council has reviewed its activities and has identified four activities that are business activities. Details of these activities can be found in note 36.
1. 29 **Rounding and comparatives**  
The financial statements have been rounded to the nearest \$1.
- Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.
1. 30 **Trust funds held for outside parties**  
Funds held in the trust account on behalf of outside parties include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages) paid into the trust account by the Council. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements.
- For details see note 33.
1. 31 **Taxation**  
Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax ('GST'). The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

The Council pays payroll tax to the Queensland Government on certain activities.

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## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2013

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1. 32      **Carbon Pricing**

Council has been, and will continue to be indirectly impacted through increased costs arising from the carbon pricing mechanism. Taking this into consideration the council has carefully assessed the current and immediate future political predictions on carbon tax pricing and considers that the impact on the council current financial position will have not be material affected. The council will continue to monitor the impact of carbon pricing as future political policies are determined.

## BANANA SHIRE COUNCIL

Notes to the financial statements  
For the year ended 30 June 2013

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### 2 (a) Components of council functions

The activities relating to the Council's components reported on in Note 2 (a) are as follows :

#### **Executive Services**

Includes councillors and council committee expenditure, executive support, human resources, workplace health and safety.

#### **Corporate & Community Services**

Includes customer service, financial management and services, records management, stores and procurement, information technology, library and education services and community development.

#### **Planning, Strategy & Sustainability Services**

Includes health services, animal control, pest control, stock routes environmental management, cemeteries, public halls and council building maintenance, town planning and development.

#### **Infrastructure Services**

Includes construction and maintenance of roads, stormwater drainage, footpaths, bicycle ways, street lighting, maintenance of parks and public toilets, aerodromes , technical services, SES and disaster management.

#### **Sewerage Services**

Includes sewerage reticulation and treatment.

#### **Water Services**

Includes water supply distribution, water pumping stations and reticulation mains.

#### **Commercial Services**

Includes supervision of council commercial activities for public buildings, sport and recreation facilities, waste collection and management, plant management and water and sewerage services (reported separately).

**BANANA SHIRE COUNCIL**

Notes to the financial statements  
For the year ended 30 June 2013

**2 Analysis of results by function**

**(b) Revenue, expenses and assets have been attributed to the following functions :**

Functions	Income		Total income	Total expenses	Net result for period	Assets
	Grants	Other				
	2013 \$	2013 \$	2013 \$	2013 \$	2013 \$	2013 \$
Executive Services	139,250	37,022	176,272	3,291,982	(3,115,710)	12,679
Corporate & Community Services	6,354,899	18,402,488	24,757,387	12,490,443	12,266,944	49,335,633
Planning, Strategy & Sustainability Services	69,984	2,324,985	2,394,969	6,043,318	(3,648,349)	73,664,913
Infrastructure Services	23,420,659	32,420,053	55,840,712	50,468,665	5,372,047	431,876,033
Sewerage Services	-	2,999,371	2,999,371	3,385,438	(386,067)	28,682,801
Water Services	-	6,342,559	6,342,559	7,287,216	(944,657)	67,652,348
Commercial Services	112,220	4,360,655	4,472,875	2,712,791	1,760,084	1,819,495
<b>Total</b>	<b>30,097,012</b>	<b>66,887,133</b>	<b>96,984,145</b>	<b>85,679,853</b>	<b>11,304,292</b>	<b>653,043,902</b>

**Prior Year**

Functions	Income		Total income	Total expenses	Net result for period	Assets
	Grants	Other				
	2012 \$	2012 \$	2012 \$	2012 \$	2012 \$	2012 \$
Executive Services	81,443	20,406	101,849	2,957,797	(2,855,948)	12,679
Corporate & Community Services	8,248,009	18,044,418	26,292,427	11,459,097	14,833,330	30,971,936
Planning, Strategy & Sustainability Services	159,000	1,523,851	1,682,851	6,363,571	(4,680,720)	63,683,752
Infrastructure Services	24,265,943	18,536,914	42,802,857	47,857,196	(5,054,339)	413,499,852
Sewerage Services	-	2,912,601	2,912,601	2,885,428	27,173	30,110,649
Water Services	-	5,686,440	5,686,440	6,518,388	(831,948)	61,325,408
Commercial Services	88,615	2,975,325	3,063,940	2,346,512	717,428	220,238
<b>Total</b>	<b>32,843,010</b>	<b>49,699,955</b>	<b>82,542,965</b>	<b>80,387,989</b>	<b>2,154,976</b>	<b>599,824,514</b>

# BANANA SHIRE COUNCIL

Notes to the financial statements  
For the year ended 30 June 2013

	2013	2012
Note	\$	\$
<b>3 Revenue analysis</b>		
<b>(a) Rates and levies</b>	1.8(a)	
General rates	19,557,418	18,447,207
Water	5,539,439	5,292,489
Sewerage	3,213,475	3,013,176
Waste management	667,541	622,045
Garbage charges	2,119,228	1,808,257
Rates and utility charge revenue	31,097,101	29,183,174
Less: Discounts	(2,538,391)	(2,367,310)
Less: Pensioner remissions	(234,490)	(228,116)
Net rates and utility charges	28,324,220	26,587,748
<b>(b) Statutory fees and charges</b>		
Town planning fees	263,643	298,564
Building fees & charges	446,933	348,397
Dog registrations	(31,419)	162,439
Licences and permits	56,003	118,251
Fines and infringements	3,480	2,403
Saleyard fees	90,151	128,127
Disposal fees	479,723	416,060
Other statutory fees	205,845	198,362
User fees and charges	1,433,462	1,109,845
	2,947,821	2,782,448
<b>(c) Rental and levies</b>		
Other property rental income	257,809	175,431
	257,809	175,431
<b>(d) Interest received</b>		
Investments	594,610	1,073,471
Over due rates and utility charges	208,254	237,187
	802,864	1,310,658
<b>(e) Sales of contract and recoverable works</b>		
Revenue	31,365,974	16,625,142
	31,365,974	16,625,142
The amount recognised as revenue from contract works during the period is the amount receivable in respect of invoices issued during the period.		
There are no contracts in progress at the period end.		
The contract work carried out is not subject to retentions.		
<b>(f) Other recurrent income</b>		
Other income	248,516	626,673
	248,516	626,673
<b>4 Grants, subsidies and contributions</b>	1.8(b)	
<b>(i) Recurrent - grants, subsidies and contributions are analysed as follows:</b>		
General purpose grants	7,601,446	10,297,161
State Government subsidies & grants	19,561,289	21,044,255
Other Non-Government Subsidies	-	83,078
Contributions	506,316	313,963
Total recurrent revenue	27,669,051	31,738,457

The 1st half of the 2014 Financial Assistance Grant for the amount of \$4,096,202 was paid to Council in June 2013.

# BANANA SHIRE COUNCIL

Notes to the financial statements  
For the year ended 30 June 2013

		2013	2012
	Note	\$	\$
<b>(ii) Capital - grants, subsidies, and contributions are analysed as follows:</b>			
Monetary revenue constrained for capital purposes:			
State Government subsidies & grants		2,934,277	1,501,594
Contributions		1,483,228	574,627
Total capital revenue		<u>4,417,505</u>	<u>2,076,221</u>
<b>(iii) Conditions over contributions</b>			
Non-reciprocal grants and contributions which were recognised as revenues during the reporting period and which were obtained on the condition that they be expended in a general specified manner (eg. headworks) by the contributor but had not been expended at the reporting date:			
Grants for infrastructure		151,500	-
		<u>151,500</u>	<u>-</u>
Non-reciprocal grants and contributions which were recognised as revenues during a previous reporting period and were expended during the current reporting period.			
Grants for infrastructure		381,447	-
		<u>381,447</u>	<u>-</u>
<b>5 Gain (loss) on the disposal of inventory land developed for resale</b>			
Proceeds from sales of land developed for resale		950,385	620,187
Current cost of developed land sold	16	<u>(542,018)</u>	<u>(676,622)</u>
		<u>408,367</u>	<u>(56,435)</u>
<b>6 Gain (loss) on the disposal of capital assets</b>			
Proceeds from the sale of plant and equipment		726,334	1,183,984
Less: Book value of plant and equipment sold		<u>(818,976)</u>	<u>(1,494,499)</u>
		<u>(92,642)</u>	<u>(310,515)</u>
Total gain (loss) on the disposal of capital assets	11	<u>(92,642)</u>	<u>(310,515)</u>
<b>7 Employee benefits</b>			
Operational staff wages and salaries		13,399,325	13,292,602
Councillors' remuneration		391,619	422,444
Annual, sick and long service leave entitlements		3,593,213	3,317,002
Superannuation	32	<u>2,003,154</u>	<u>1,851,523</u>
		<u>19,387,311</u>	<u>18,883,571</u>
Other employee related expenses		<u>1,035,780</u>	<u>1,010,004</u>
		<u>-</u>	<u>-</u>
		<u>20,423,091</u>	<u>19,893,575</u>
Wages and salaries exclude capitalised wages charged to the construction of capital assets.			
Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.			
Total Council employees at June 2013:			
Elected members		7	7
Administration staff		95	92
Depot and outdoors staff		168	215
Total full time equivalent employees		<u>270</u>	<u>314</u>



# BANANA SHIRE COUNCIL

Notes to the financial statements  
For the year ended 30 June 2013

		2013	2012
	Note	\$	\$
<b>8 Materials and services</b>			
Audit of annual financial statements by the Auditor-General of Queensland		118,139	52,156
Donations and Contributions Paid		99,685	164,060
Legal fees		206,624	142,199
Insurance		178,893	169,458
Administration supplies and consumables		133,484	152,848
Telephone and Communications		271,757	240,578
Electricity		1,151,668	999,309
Contractors (non Works)		1,226,915	1,294,034
Professional Fees		537,538	1,490,952
Counter Disaster Operations		133,282	83,606
Flood Restorations		13,168,669	24,716,596
Other material and services		28,734,653	16,838,165
		<u>45,961,307</u>	<u>46,343,961</u>
<b>9 Finance costs</b>			
Finance costs charged by the Queensland Treasury Corporation		788,638	804,892
Bank charges		48,553	45,412
Impairment of receivables and bad debts written off		92,120	88,363
Refuse sites - change in PV over time		204,676	191,286
		<u>1,133,987</u>	<u>1,129,953</u>
<b>10 Depreciation and amortisation</b>	1.15(e)		
(a) Depreciation of non-current assets			
Site improvements		993,191	-
Buildings		1,142,347	809,548
Plant and equipment		1,726,952	2,035,480
Road, bridge and drainage network		6,172,197	4,582,034
Water		2,188,024	1,807,745
Sewerage		1,524,110	967,959
Environmental Infrastructure Assets		103,292	84,853
Other Assets NC		184,302	180,966
		<u>14,034,415</u>	<u>10,468,585</u>
(b) Amortisation of other intangible assets			
Computer software		10,967	10,967
		<u>10,967</u>	<u>10,967</u>
Total depreciation and amortisation		<u>14,045,382</u>	<u>10,479,552</u>
<b>11 Capital expenses</b>			
Loss on the sale of capital assets	6	92,642	310,515
Loss on write-off of capital assets	12	3,481,426	1,481,473
Revaluation down of property, plant and equipment	19 (a)	-	72,338
Total capital expenses		<u>3,574,068</u>	<u>1,864,326</u>
<b>12 Loss on write-off of capital assets are as follows:</b>			
Land		447,000	-
Buildings		194,665	1,463,345
Road, bridge and drainage network		2,839,761	18,128
	11	<u>3,481,426</u>	<u>1,481,473</u>
<b>13 Cash assets and cash equivalents</b>	1.10		
Cash at bank and on hand		4,547,006	4,036,109
Deposits at call		12,411,965	15,518,754
Balance per statement of cash flows		<u>16,958,971</u>	<u>19,554,863</u>

Councils cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

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# BANANA SHIRE COUNCIL

Notes to the financial statements  
For the year ended 30 June 2013

		2013	2012
	Note	\$	\$
Externally imposed expenditure restrictions at the reporting date relate to the following assets:			
Unspent loan monies	28 (ii)	1,000,000	2,251,331
Unspent government grants and subsidies	28 (iii)	-	525,545
Unspent developer contributions	28 (iii)	1,690,150	1,460,203
Internally imposed expenditure restrictions at the reporting date relate to the following assets:			
Funds set aside by council and held in reserves for future projects		12,681,358	9,485,132
Total unspent restricted cash held in reserves	28	15,371,508	13,722,211

Operating cash accounts are held with the National Australia Bank, Bank of Queensland and the Australia New Zealand Bank (NAB, BOQ & ANZ). At call funds are held with Queensland Treasury Corporation (QTC).

Investments at fixed interest rates are term deposits held with the National Australia Bank (NAB) and vary in term from 3 to 12 months. Unspent loan funds relate to one project delayed by the flood event in January 2013.

## 14 Trade and other receivables

1.11

### Current

Rateable revenue and utility charges	1,585,242	1,698,950
Accrued interest	53,060	81,606
GST recoverable	-	124,322
Other debtors	19,921,817	2,428,879
Less: Impairment provision	(53,220)	(25,400)
	21,506,899	4,308,357
Prepayments	265,511	69,552
	21,772,410	4,377,909

Interest is charged on outstanding rates at a rate of 11% per annum.

No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges. The impairment provision for fees and other debtors receivable reflects anticipated defaults.

Movement in accumulated impairment losses (trade and other receivables) is as follows:

Opening balance	25,400	229,925
Impairment adjustment in period	27,820	(204,525)
Closing balance	53,220	25,400

## 15 Inventories

1.12

### Current

Inventories for internal use:		
Quarry and road materials	97,720	267,635
Stores and materials	763,633	746,565
	861,353	1,014,200

Valued at cost, adjusted when applicable for any loss of service potential.

Land purchased for development and sale

16	2,089,270	2,609,543
	2,950,623	3,623,743

## 16 Land purchased for development and sale

1.13

Balance at the beginning of financial year	2,609,543	2,096,572
Development costs	21,745	1,189,593
Less: Cost of developed land sold	(542,018)	(676,622)
Balance at end of the financial year	2,089,270	2,609,543

Land purchased for development and sale is valued at the lower of cost and net realisable value.

QAO  
certified statements

## BANANA SHIRE COUNCIL

Notes to the financial statements  
For the year ended 30 June 2013

	2013	2012
Note	\$	\$
<b>17 Cash investments</b>		
Fixed term held with other institutions realisable between 3 and 12 months - unrestricted	1,000,000	1,029,581
	<u>1,000,000</u>	<u>1,029,581</u>
Term deposits at fixed interest rates are held with the following financial institutions: National Australia Bank (A- 1+). Maturity ranges from 5 to eight months and bear interest rates from 3.80% to 4.35%.		
	\$	\$
<b>18 Non-current assets classified as held for sale</b>		
Internal transfer from land and improvements	120,000	-
Internal transfer from buildings at fair value	581,000	-
	<u>701,000</u>	<u>-</u>
This is land which was previously used as Council's chambers and administrative hub. Council has decided to sell this land and the associated buildings as they are no longer required. It has been placed with real estate agents and is expected to be sold within one year.		
The land is valued at the lower of cost and selling price less cost to sell.		

**BANANA SHIRE COUNCIL**

Notes to the financial statements  
For the year ended 30 June 2013

**19 (a) Property, plant and equipment**

**Basis of measurement**

**Asset Values**

Opening gross value as at 1 July 2012  
Additions at cost  
Internal transfers from work in progress  
Disposals  
Write-offs  
Revaluation adjustment to the ARS\*  
Internal transfers between asset classes  
Closing gross value at 30 June 2013

Land	Site improvements	Buildings	Plant and equipment	Road, bridge and drainage network	Water	Sewerage	Environmental Infrastructure Assets	Other Assets NC	Works in progress	Total
Fair Value 2013	Fair Value 2013	Fair Value 2013	Cost 2013	Fair Value 2013	Fair Value 2013	Fair Value 2013	Fair Value 2013	Fair Value 2013	Cost 2013	2013
\$ 7,602,387	\$ 2,386,807	\$ 63,557,240	\$ 26,253,653	\$ 477,335,904	\$ 105,766,286	\$ 63,053,724	\$ 2,519,274	\$ 7,121,809	\$ 11,042,204	\$ 766,639,288
151,157	-	-	1,900,603	-	-	-	-	-	20,458,294	22,510,054
-	-	12,602,638	-	6,684,280	2,867,980	229,836	2,380,406	144,995	(24,910,135)	-
(447,000)	-	-	(1,694,781)	-	-	-	-	-	-	(1,694,781)
4,300,614	-	(251,139)	-	(3,947,462)	-	-	-	-	-	(4,645,601)
(120,000)	-	6,486,777	-	17,714,657	5,127,904	3,062,593	-	-	-	36,692,545
11,487,158	2,386,807	81,814,516	26,459,475	497,787,379	113,762,170	66,346,153	4,899,680	7,266,804	6,590,363	818,800,505

**Accumulated depreciation and impairment**

Opening balance  
Depreciation provided in period  
Depreciation on disposals  
Depreciation on write-offs  
Revaluation adjustment to the ARS\*  
Impairment adjustment to the ARS\*  
Closing accumulated depreciation and impairment balance

-	993,191	8,237,054	8,972,707	93,449,048	47,888,022	33,249,633	913,135	2,713,205	-	195,422,804
-	-	1,142,347	1,726,952	6,172,197	2,188,024	1,524,110	103,292	184,302	-	14,034,415
-	-	-	(875,805)	-	-	-	-	-	-	(875,805)
-	-	(56,475)	-	(1,107,701)	-	-	-	-	-	(1,164,176)
-	-	1,619,702	-	3,372,949	88,877	3,756,699	-	-	-	8,838,227
-	-	-	-	(7,104,891)	-	-	-	-	-	(7,104,891)
-	993,191	10,942,628	9,823,854	94,781,602	50,164,923	38,530,442	1,016,427	2,897,507	-	209,150,574

Net value at 30 June 2013

Residual value										
Range of estimated useful life in years										
Addition of renewal assets	11,487,158	1,393,616	70,871,889	16,635,621	403,005,777	63,597,246	3,883,253	4,369,297	6,590,363	609,649,931
Addition of other assets	Not depreciated	5-15	34,791,037	6,992,026	227,432,384	0	4,688	979,587	-	270,199,722
Total additions in period	151,157	-	10,100	2-35	5-100	15-80	10-60	10-100	-	-
* ARS denotes - Asset Revaluation Surplus	151,157	-	1,505,513	1,592,898	5,857,281	2,153,308	454,022	-	(0)	11,720,993
			5,027,130	307,705	123,566	714,672	1,926,384	144,995	2,321,587	10,789,061
			6,532,643	1,900,603	5,980,847	2,867,980	2,380,406	144,995	2,321,587	22,510,054

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# BANANA SHIRE COUNCIL

Notes to the financial statements  
For the year ended 30 June 2013

## 19 (a) Property, plant and equipment - prior year

### Basis of measurement

#### Asset Values

Opening gross value

Additions at cost

Internal transfers from work in progress

Disposals

Write-offs

Revaluation adjustment to the ARS\*

Closing gross value

### Accumulated depreciation and impairment

Opening balance

Depreciation provided in period

Depreciation on disposals

Depreciation on write-offs

Revaluation adjustment to the ARS\*

Revaluation adjustment to the Income

Impairment adjustment to the ARS\*

Closing accumulated depreciation

and impairment balance

Net value at 30 June 2012

Range of estimated useful life in years

\* ARS denotes - Asset Revaluation Surplus

Land	Site improvements	Buildings	Plant and equipment	Road, bridge and drainage network	Water	Sewerage	Environmental Infrastructure	Other Assets NC	Works in progress	Total
Fair Value	Cost	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
7,602,387	2,386,807	59,983,756	25,467,779	444,824,675	88,268,935	50,100,426	2,519,274	6,901,322	6,509,836	694,565,197
-	-	-	-	-	-	-	-	-	20,546,154	20,546,154
-	-	5,323,582	3,618,007	3,631,074	2,123,122	1,097,514	-	220,487	(16,013,786)	-
-	-	-	(2,832,133)	-	-	-	-	-	-	(2,832,133)
-	-	(1,750,098)	-	(33,072)	-	-	-	-	-	(1,783,170)
-	-	-	-	28,913,227	15,374,229	11,855,784	-	-	-	56,143,240
7,602,387	2,386,807	63,557,240	26,253,653	477,335,904	105,766,286	63,053,724	2,519,274	7,121,809	11,042,204	766,639,288

Land	Site improvements	Buildings	Plant and equipment	Road, bridge and drainage network	Water	Sewerage	Environmental Infrastructure	Other Assets NC	Works in progress	Total
Fair Value	Cost	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
7,602,387	2,386,807	59,983,756	25,467,779	444,824,675	88,268,935	50,100,426	2,519,274	6,901,322	6,509,836	694,565,197
-	-	-	-	-	-	-	-	-	20,546,154	20,546,154
-	-	5,323,582	3,618,007	3,631,074	2,123,122	1,097,514	-	220,487	(16,013,786)	-
-	-	-	(2,832,133)	-	-	-	-	-	-	(2,832,133)
-	-	(1,750,098)	-	(33,072)	-	-	-	-	-	(1,783,170)
-	-	-	-	28,913,227	15,374,229	11,855,784	-	-	-	56,143,240
7,602,387	2,386,807	63,557,240	26,253,653	477,335,904	105,766,286	63,053,724	2,519,274	7,121,809	11,042,204	766,639,288

Land	Site improvements	Buildings	Plant and equipment	Road, bridge and drainage network	Water	Sewerage	Environmental Infrastructure	Other Assets NC	Works in progress	Total
Fair Value	Cost	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
7,602,387	2,386,807	59,983,756	25,467,779	444,824,675	88,268,935	50,100,426	2,519,274	6,901,322	6,509,836	694,565,197
-	-	-	-	-	-	-	-	-	20,546,154	20,546,154
-	-	5,323,582	3,618,007	3,631,074	2,123,122	1,097,514	-	220,487	(16,013,786)	-
-	-	-	(2,832,133)	-	-	-	-	-	-	(2,832,133)
-	-	(1,750,098)	-	(33,072)	-	-	-	-	-	(1,783,170)
-	-	-	-	28,913,227	15,374,229	11,855,784	-	-	-	56,143,240
7,602,387	2,386,807	63,557,240	26,253,653	477,335,904	105,766,286	63,053,724	2,519,274	7,121,809	11,042,204	766,639,288

Land	Site improvements	Buildings	Plant and equipment	Road, bridge and drainage network	Water	Sewerage	Environmental Infrastructure	Other Assets NC	Works in progress	Total
Fair Value	Cost	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
7,602,387	2,386,807	59,983,756	25,467,779	444,824,675	88,268,935	50,100,426	2,519,274	6,901,322	6,509,836	694,565,197
-	-	-	-	-	-	-	-	-	20,546,154	20,546,154
-	-	5,323,582	3,618,007	3,631,074	2,123,122	1,097,514	-	220,487	(16,013,786)	-
-	-	-	(2,832,133)	-	-	-	-	-	-	(2,832,133)
-	-	(1,750,098)	-	(33,072)	-	-	-	-	-	(1,783,170)
-	-	-	-	28,913,227	15,374,229	11,855,784	-	-	-	56,143,240
7,602,387	2,386,807	63,557,240	26,253,653	477,335,904	105,766,286	63,053,724	2,519,274	7,121,809	11,042,204	766,639,288

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## BANANA SHIRE COUNCIL

Notes to the financial statements  
For the year ended 30 June 2013

	2013	2012
Note	\$	\$
<b>19 (b) Property, plant and equipment valuations were determined by reference to the following:</b>		
<b>Land</b>		
The fair value of land has been valued by APV Valuers & Asset Management as at 30 June 2013. Fair value was derived by reference to market based evidence including observable historical sales data for properties of similar size and specification within Banana Shire and surrounding areas.		
<b>Site improvements</b>		
Site improvements relate to Council's Environmental and Landfill sites that will be rehabilitated at the end of their useful lives. This value represents the recognition of those costs.		
In 2013, Council began to amortise this asset over its useful life. Accumulated amortisation was calculated to reflect straight line usage of the asset from time of recognition, the 2009-10 financial year, to the end of the 2012-13 financial year.		
<b>Buildings</b>		
Buildings were valued by APV Valuers & Asset Management as at 30 June 2013 in consultation with Council management. It was agreed that the following two methods would be used:		
(a) Market Value - Where a depth in the market was identified, the fair value was assessed as a best estimate of the price reasonably obtainable in the market at the date of valuation. This was based on available market evidence of sales of similar or reference assets. In this instance, the net value of the building/ site improvement is the difference between the market value of the asset (as a whole) less market value of the land component. The market value of the land component was derived using the same methodology as was used to assess the fair value of Council's vacant land.		
(b) Depreciated Current Replacement Cost (DCRC) - Where the above approach was inappropriate the fair value was determined on a DCRC basis. This was calculated by determining the gross current replacement cost and determining the amount of accumulated depreciation to reflect the level of service potential remaining in the asset.		
Council agreed that these methodologies were consistent with the accounting standards and suitable to apply to the assets in this class. The assumptions detailed in the final report by APV Valuers & Asset Management were developed and agreed in consultation with Council management.		
During the assessment of the revaluation by Council staff it became evident that a number of assets were not included in the list of assets provided for revaluation. These assets have subsequently been valued at their 2012 value. These assets will be revalued during the 2013/14 financial year. Council believes that the change in value of the assets not included would not be material to the overall balance of the asset class.		
Council considers that the revaluation variance of approximately 3% is consistent with the valuation methodologies and assumptions applied and, more broadly, is consistent with the indexation principles applied in years between formal valuations.		
<b>Plant and equipment</b>		
Other plant and equipment is measured at original cost less accumulated depreciation.		

QAO  
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## BANANA SHIRE COUNCIL

Notes to the financial statements  
For the year ended 30 June 2013

	2013	2012
Note	\$	\$
<b>Infrastructure</b>		
There is no market for Council's infrastructure assets as these are held to provide essential services to the community. Accordingly, the fair value of all infrastructure assets is measured at written down current replacement cost.		
<b>Road, bridge and drainage network</b>		
Valuation of roads, bridges and drainage was carried out at 30 June 2009 by Darren Shepherd [BE Civil RPEQ] of Shepherd Services Pty Ltd, Asset and Infrastructure Management.		
Due to significant weather events over the last three years Council decided to delay a full revaluation of its Roads, Bridge and Drainage network. It is Council's intention to conduct a full revaluation in the 2013-2014 financial year.		
As part of the 2009 revaluation process of roads and infrastructure, a basis of service level delivery of these assets to the community was adopted as a major premise in the valuation of such assets.		
To determine what indexes might be required to be applied against the asset stock for 2012-13, Darren Shepherd [BE Civil RPEQ] of Shepherd Services Pty Ltd have again completed a review of Australian Bureau of Statistics indexes and found a cumulative index of 3.69% for the last year (Mar 12 – Mar 13). Whilst 3.69% is less than the 5% materiality threshold, the impact of such an increase on the overall asset stock is approximately \$18M. Council considers this a material variation.		
This year's review of actual project unit rates for high depreciation sub classes was inconclusive, with "rural surface sprayed seal" unit rate conflicting with experienced conditions, whilst unit rate reviews for "urban surface sprayed seal", "concrete footpaths" and "asphalt surface" were not possible as there was insufficient data to have any confidence in the results.		
Although asset sub class checks were inconclusive as to specific increases in unit rate costs, consultation between Council engineering staff and Darren Shepherd [BE Civil RPEQ] of Shepherd Services Pty Ltd, indicated that plant, labour and material rates have increased for these sub-classes.		
Therefore Council decided that they be indexed at 3.69%; along with all other road and drainage assets.		
<b>Water and Sewerage</b>		
Valuation of water and sewerage infrastructure was carried out as at 30 June 2012 by external valuers Cardno.		
During the 2012/13 year, as part of identified continuous improvement opportunities, significant work was undertaken to update and to reconcile Council's GIS data with the Fixed Asset Register for water supply and sewerage assets.		
This reconciliation process identified various discrepancies with respect to passive assets, resulting in increases to water main length, sewer main length and the quantity of sewer manholes. A full revaluation of passive water and sewerage assets was undertaken accordingly, based on the updated asset data.		
Active assets were not impacted as part of the GIS reconciliation process and an indexation of 2% was applied from 2012 to 2013. This indexation was established in consultation between the valuers and Council staff, having due regard to the limited recent active asset projects undertaken in the Shire, and relevant construction information available and analysis undertaken on other projects by Cardno.		

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## BANANA SHIRE COUNCIL

Notes to the financial statements  
For the year ended 30 June 2013

	2013	2012
Note	\$	\$
For passive water assets the variance in the replacement cost is due to increases in water main lengths captured on GIS and not previously valued, and increases in unit rates for asset replacement and additions during 2012-13. There is some variance in the fair value due to changes in construction dates and pipe material resulting from GIS update. The total increase is considered immaterial.		
For passive sewerage assets the resulting variance is primarily due to additional sewer main lengths and manholes captured on GIS and not previously valued. However, other variances resulted from increased asset knowledge and the increased number of sewer gravity mains now valued by depth, as well as refinement of manhole depth (eg 96 manholes are now valued at a depth >3m which causes a variance of \$180k had they been valued at 1.5-3.0m as per the 2012).		
The 2013 valuation contains around 70 additional manholes with an average value of \$250k (assuming they are 1.5-3.0 deep). When deducting the variance due to the new depths and that of the additional manholes, the net variance is close to 2% which is consistent with the increase in the applied unit rates. Updates to construction dates and pipe materials also affect the fair value and depreciation.		
The resultant variances for total sewerage assets are approximately a 5% increase in total replacement cost, and a decrease in fair value of about 7%.		

### Environmental Infrastructure Assets

Environmental infrastructure assets were valued at replacement cost by Aurecon Australia Pty Ltd at 30 June 2010. This included an inventory assessment, review of useful lives and residual values. Based on advice from the valuers and asset managers there has been no material increase in value this year.

Over the last three years Council has undertaken a significant upgrade of Environmental infrastructure assets. This upgrade is due for completion in the 2013-2014 financial year. Under these circumstances, it is Council's intention to complete a full revaluation following the completion of these works. The revaluation will occur in the 2014-2015 financial year.

A provision to restore environmental sites at the end of their useful lives was calculated at 1 July 2009. This is recorded in the Site Improvements column of note 18(a) and in note 21.

An increase in this provision due to a change in time is recorded as a finance cost. There has been no change in the inflation or investment rates used.

### Other Assets NC

Artwork was revalued to market value at 30 June 2011, by Betinna MacAulay (Art Valuer) of MacAulay Partners.

Aerodromes were valued at replacement cost at 30 June 2009 by Council's Director of Engineering Services (Mr Colin Head [BTECH (Civil), BECON, MIE Aust., RPEQ]). Aerodrome infrastructure is revalued using the same unit rates as road infrastructure.

Due to significant weather events over the last three years Council decided to delay a full revaluation of its Aerodromes. It is Council's intention to conduct a full revaluation in the 2013-2014 financial year.

## 20 Intangible assets

Net carrying value at period end:  
Computer software

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10,967	21,934
10,967	21,934

# BANANA SHIRE COUNCIL

Notes to the financial statements  
For the year ended 30 June 2013

		2013	2012
	Note	\$	\$
<b>Computer software</b>			
Opening gross carrying value		195,300	195,300
		<u>195,300</u>	<u>195,300</u>
<b>Accumulated amortisation</b>			
Opening balance		173,366	162,399
Amortisation in the period		10,967	10,967
		<u>184,333</u>	<u>173,366</u>
Net carrying value at end of the financial year		<u>10,967</u>	<u>21,934</u>
Straight line amortisation has been used with no residual value. Software has a finite life estimated at ten years.			
<b>21 Trade and other payables</b>			
<b>Current</b>			
Accruals		5,896,644	3,113,313
Creditors		1,377,949	324,467
GST payable		386,772	-
Annual leave	1.20(b)	1,072,432	874,840
Other entitlements		165,616	149,131
		<u>8,899,413</u>	<u>4,460,025</u>
<b>Non Current</b>			
Annual leave	1.20(b)	673,899	727,511
		<u>673,899</u>	<u>727,511</u>
<b>22 Provisions</b>			
<b>Current</b>			
Long service leave	1.20(d)	452,623	416,222
		<u>452,623</u>	<u>416,222</u>
<b>Non-Current</b>			
Long service leave	1.20(d)	2,564,863	2,395,750
Property restoration:			
Refuse sites	1.22	3,128,617	2,923,941
		<u>5,693,480</u>	<u>5,319,691</u>
<b>Details of movements in provisions:</b>			
<b>Long service leave</b>			
Balance at the beginning of financial year		2,811,972	2,659,382
Amount provided for in the period		536,428	466,127
Amount paid in the period		(330,914)	(313,537)
Balance at end of the financial year		<u>3,017,486</u>	<u>2,811,972</u>
Current portion		452,623	416,222
Non-current portion		<u>2,564,863</u>	<u>2,395,750</u>
		<u>3,017,486</u>	<u>2,811,972</u>
<b>Refuse sites</b>			
Balance at the beginning of financial year		2,923,941	2,732,655
Increase in provision - due to change in time		204,676	191,286
Balance at end of the financial year		<u>3,128,617</u>	<u>2,923,941</u>
Current portion		-	-
Non-current portion		<u>3,128,617</u>	<u>2,923,941</u>
		<u>3,128,617</u>	<u>2,923,941</u>

This is the present value of the estimated future cost of restoring the refuse sites under the State Government environmental regulations at the end of their useful lives.

# BANANA SHIRE COUNCIL

Notes to the financial statements  
For the year ended 30 June 2013

	2013	2012
Note	\$	\$

## 23 Borrowings

### (a) Bank overdraft

The council does not have a bank overdraft facility.

### (b) Unsecured borrowings

Unsecured borrowings are provided by the Queensland Treasury Corporation. All borrowings are in \$A denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 26 September 2017 to 6 May 2030.

There have been no defaults or breaches of the loan agreement during the period.

Principal and interest repayments are made quarterly in arrears.

### Details of borrowings at balance date are:

#### Current

Queensland Treasury Corporation

900,968

849,745

#### Non Current

Queensland Treasury Corporation

11,836,048

12,736,376

-

-

-

-

### Details of movements in borrowings:

#### Queensland Treasury Corporation

Balance at the beginning of financial year

13,586,121

12,524,328

Loans raised

-

2,000,000

Principal repayments

(849,105)

(938,207)

Balance at end of the financial year

12,737,016

13,586,121

#### Classified as :

Current

900,968

849,745

Non-current

11,836,048

12,736,376

12,737,016

13,586,121

The QTC loan market value at the reporting date was \$13,712,587.

This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

No assets have been pledged as security by the council for any liabilities, however, all loans are guaranteed by the Queensland State Government.

## 24 Other liabilities

### Current

Unearned revenue

3,061,998

52,972

3,061,998

52,972



# BANANA SHIRE COUNCIL

Notes to the financial statements  
For the year ended 30 June 2013

		2013	2012
	Note	\$	\$
<b>25 Council capital</b>	<b>1.23</b>		
(i) <b>Calculation of capital value and retained surplus:</b>			
Cash and cash equivalents		17,958,971	19,554,863
Less restricted cash:			
Reserves (excluding the asset revaluation)		(14,371,508)	(9,317,280)
Capital sustainability reserve		-	(2,153,600)
Unspent loan capital fund reserve		(1,000,000)	(2,251,331)
Revenue received in advance		(3,061,997)	(52,972)
Cash funds allocated for future rehabilitation costs		(1,198,123)	(993,447)
Working capital cash (including employee entitlements)		7,497,747	(3,639,154)
Retained surplus (deficit) available for distribution	27	5,825,090	1,147,079
Total council capital value	25 (ii)	183,192,530	177,185,965
Total capital and retained surplus at end of period		189,017,620	178,333,044
(ii)(a) <b>Movement in council capital account</b>			
Balance at beginning of the financial year		177,185,965	171,229,466
Adjustments from (to) retained surplus:			
Transfer of capital expenses in the period		(3,574,068)	(1,864,326)
Transfer of revenue expended on capital assets		3,112,830	-
Transfer of unspent capital revenue		-	(711,664)
Total transfers (to) from retained surplus		(461,238)	(2,575,990)
Transfer (to) from restricted reserves:			
Net transfer (to) from Future capital sustainability reserve	28 (a)(i)	2,153,600	189,382
Net transfer (to) from Unspent loan cash reserve	28 (a)(ii)	1,251,331	4,748,669
Grants, subsidies and contributions reserve	28 (a)(iii)	2,894,277	1,968,559
Transfer (to) from general reserves:	28 (b)(1)		
Plant Reserve		-	1,625,879
Waste Disposal Reserve		168,595	-
Total transfers (to) from reserves		6,467,803	8,532,489
Total council capital at end of the financial year		183,192,530	177,185,965
The amount by which the Council has increased (decreased) its capital capacity to deliver future services to the community before inflation adjustments		6,006,565	5,956,499
<b>26 (i) Asset revaluation surplus</b>			
Movements in the asset revaluation surplus were as follows:			
Balance at the beginning of financial year		382,177,136	325,296,688
(a) Adjustments to property, plant and equipment through revaluations:	19		
Land		4,300,614	-
Buildings		4,867,076	-
Road, bridge and drainage network		14,341,708	22,721,395
Water		5,039,026	15,374,229
Sewerage		(694,106)	8,926,105
		27,854,318	47,021,729
(b) Adjustments to property, plant and equipment through impairments:			
Road, bridge and drainage network		7,104,891	9,858,719
		7,104,891	9,858,719
Balance at end of the financial year		417,136,345	382,177,136

# BANANA SHIRE COUNCIL

Notes to the financial statements  
For the year ended 30 June 2013

	2013	2012
Note	\$	\$
<b>(ii) Asset revaluation surplus analysis</b>		
The closing balance of the asset revaluation surplus is comprised of the following asset categories:		
Land	9,435,022	5,134,408
Buildings	30,645,000	25,777,924
Plant and equipment	569,574	569,574
Road, bridge and drainage network	311,082,240	289,635,641
Water	46,134,271	41,095,245
Sewerage	16,986,625	17,680,730
Other Assets NC	2,283,614	2,283,614
	<u>417,136,345</u>	<u>382,177,136</u>
<b>27 Retained surplus</b>	1.25	
<b>Movement in retained surplus</b>		
Balance at the beginning of financial year	2,176,660	261,018
Net result	<u>11,304,292</u>	<u>2,154,976</u>
	<u>13,480,952</u>	<u>2,415,994</u>
Transfers (to) from capital account:		
Transfer of capital expenses	11 3,574,068	1,864,326
General revenue used for capital funding purposes	(3,112,830)	-
Unspent capital revenue transferred from capital	-	711,664
Net capital account transfers	<u>461,238</u>	<u>2,575,990</u>
Transfers (to)/ from capital reserves for future capital project funding, or from reserves funds that have been expended:		
Constrained grants and subsidy contributions reserve	(2,598,679)	(576,221)
Capital Aquisitions reserve	141,011	-
Special Projects reserve	74,881	174,929
Community Housing reserve	-	66,225
	<u>(2,382,787)</u>	<u>(335,067)</u>
Transfers (to) recurrent reserves for future project funding, or from reserves funds that have been expended:		
Operating Grants in advance reserve	(5,879,864)	(2,320,205)
CDEI Grant reserve	145,551	(160,052)
	<u>(5,734,313)</u>	<u>(2,480,257)</u>
Balance at end of the financial year	<u>5,825,090</u>	<u>2,176,660</u>
<b>28 Reserves</b>	1.26	
<b>(a) Restricted capital reserves</b>		
<b>(i) Future capital sustainability reserve</b>		
This cash forms part of council's capital value as the balance represents accumulated funded unspent depreciation cash plus additional cash funding, if required, to maintain the council's capital value under its' long term asset management plans.		
Balance at the beginning of financial year	2,153,600	2,342,982
Funded depreciation on capital assets in period	13,052,191	10,479,552
Less: Funds utilised in the period	<u>(15,205,791)</u>	<u>(10,668,934)</u>
Balance at end of the financial year	<u>-</u>	<u>2,153,600</u>
<b>(ii) Unspent loan cash reserve</b>		
This cash forms part of council's capital value as the balance represents loan cash drawn down but unspent at balance date. The cash is restricted to specific project funding.		
Balance at the beginning of financial year	2,251,331	7,000,000
Loan funds drawn down in period.	-	2,000,000
Loan cash expended in period.	<u>(1,251,331)</u>	<u>(6,748,669)</u>
Balance at end of the financial year	<u>1,000,000</u>	<u>2,251,331</u>

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# BANANA SHIRE COUNCIL

Notes to the financial statements  
For the year ended 30 June 2013

	2013	2012
Note	\$	\$
<b>(iii) Constrained grants and subsidy contributions reserve</b>		
Balance at the beginning of financial year	1,985,748	3,378,086
Transfer from retained earnings non reciprocal grants, subsidies and contributions received and allocated to specific capital projects	4,417,505	2,076,221
Transfers to the capital account funds expended in the period	(2,894,277)	(1,968,559)
Transfer to retained earnings funds expended	(1,818,826)	(1,500,000)
Balance at end of the financial year	1,690,150	1,985,748
Total restricted capital reserves	2,690,150	6,390,679
<b>(b) Other reserves</b>		
<b>(1) Summary of capital reserves held for funding future projects:</b>		
(ii) Capital Aquisitions reserve	2,230,719	2,371,730
(iii) Plant reserve	54,732	54,732
(iv) Waste Disposal reserve	127,338	295,933
(v) Special Projects reserve	105,017	179,898
(vi) Aerodrome reserve	130,407	130,407
	2,648,213	3,032,700
<b>(2) Summary of recurrent reserves held for funding future projects:</b>		
(i) Operating Grants in Advance reserve	10,018,644	4,138,780
(ii) CDEI Grant reserve	14,501	160,052
	10,033,145	4,298,832
Total general reserves	12,681,358	7,331,532
<b>Movements in capital reserves are analysed as follows:</b>		
<b>(ii) Capital Aquisitions reserve</b>		
Balance at the beginning of financial year	2,371,730	2,371,730
Transfer to retained earnings funds expended	(141,011)	-
Balance at end of the financial year	2,230,719	2,371,730
<b>(iii) Plant reserve</b>		
Balance at the beginning of financial year	54,732	1,680,611
Transfer to the capital account funds expended in the period	-	(1,625,879)
Balance at end of the financial year	54,732	54,732
<b>(iv) Waste Disposal reserve</b>		
Balance at the beginning of financial year	295,933	295,933
Transfer to the capital account funds expended in the period	(168,595)	-
Balance at end of the financial year	127,338	295,933
<b>(v) Special Projects reserve</b>		
Balance at the beginning of financial year	179,898	354,827
Transfer from retained earnings for future expenditure	48,559	16,060
Transfer to retained earnings funds expended	(123,440)	(190,989)
Balance at end of the financial year	105,017	179,898
<b>(vi) Aerodrome reserve</b>		
Balance at the beginning of financial year	130,407	130,407
Balance at end of the financial year	130,407	130,407
<b>(vii) Community Housing reserve</b>		
Balance at the beginning of financial year	-	66,225
Transfer to retained earnings funds expended	-	(66,225)
Balance at end of the financial year	-	-

## BANANA SHIRE COUNCIL

Notes to the financial statements  
For the year ended 30 June 2013

	2013	2012
Note	\$	\$
<b>Movements in recurrent reserves are analysed as follows:</b>		
(i) <b>Operating Grants in Advance reserve</b>		
Balance at the beginning of financial year	4,138,780	1,818,575
Transfer from retained earnings for future expenditure	10,018,644	4,138,780
Transfer to retained earnings funds expended	(4,138,780)	(1,818,575)
Balance at end of the financial year	10,018,644	4,138,780
(ii) <b>CDEI Grant reserve</b>		
Balance at the beginning of financial year	160,052	-
Transfer to retained earnings funds expended	(145,551)	(168,948)
Balance at end of the financial year	14,501	160,052
<b>29 Commitments for expenditure</b>		
<b>Capital Commitments</b>		
Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities are as follows:		
Various Plant Items	50,108	34,235
Council Administration Building	-	3,622,547
	50,108	3,656,782
These expenditures are payable :		
Within one year	50,108	3,656,782
	50,108	3,656,782

### 30 Events after balance date

There were no material adjusting events after balance date.

### 31 Contingent liabilities

#### Local Government Workcare

The Banana Shire Council is a member of the Queensland local government workers compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is:

451,796	451,796
---------	---------

#### Local Government Mutual

The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

As at 30 June 2012 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

### 32 Superannuation

The Council contributes to the Local Government Superannuation Scheme (Qld) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB119 Employee Benefits.

The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.

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# BANANA SHIRE COUNCIL

Notes to the financial statements  
For the year ended 30 June 2013

	2013	2012
	\$	\$
<b>The scheme has three elements referred to as:</b>		
The City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund		
The Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments; and		
The Accumulation Benefits Fund (ABF)		
The ABF is a defined contribution scheme as defined in AASB 119. Council has no liability to or interest in the ABF other than the payment of the statutory contributions as required by the Local Government Act 2009.		
The Regional DBF is a defined benefit plan as defined in AASB 119. The Council is not able to account for the Regional DBF as a defined benefit plan in accordance with AASB 119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs.		
Any amount by which either fund is over or under funded would only affect future benefits and contributions to the Regional DBF, and is not an asset or liability of the Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.		
The audited general purpose financial report of the scheme as at 30 June 2012 (the most recent available) which was not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the vested benefits.		
The most recent actuarial assessment of the scheme was undertaken as at 1 July 2012. The actuary indicated that "the Regional DBF is currently in a satisfactory but modest financial position and remains vulnerable to adverse short and medium term experience."		
Following the previous actuarial assessment in 2009, councils were advised by the trustee of the scheme, following advice from the scheme's actuary, that additional contributions may be imposed in the future at a level necessary to protect the entitlements of Regional DBF members. In the 2012 actuarial report the actuary has recommended no change to the employer contribution levels at this time.		
Under the Local Government Act 2009 the trustee of the scheme has the power to levy additional contributions on councils which have employees in the Regional DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.		
The next actuarial investigation will be conducted as at 1 July 2015.		
The amount of superannuation contributions paid by Banana Shire Council to the scheme in this period for the benefit of employees was:	2,003,154	1,851,523
<b>33 Trust funds</b>	1.30	
Trust funds held for outside parties:		
Security deposits	432,223	316,861
Unclaimed monies	63,827	36,331
	496,050	353,192

The Banana Shire Council performs only a custodial role in respect of these monies, and because the monies cannot be used for Council purposes, they are not brought to account in these financial statements.

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# BANANA SHIRE COUNCIL

Notes to the financial statements  
For the year ended 30 June 2013

		2013	2012
	Note	\$	\$
<b>34 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities</b>			
Net result		11,304,292	2,154,976
Non-cash operating items:			
Impairment of receivables and bad debts written off	9	92,120	88,363
Depreciation and amortisation	10	14,045,382	10,479,552
Current cost of developed land sold	16	542,018	676,622
Change in restoration provisions expensed to finance costs		204,676	191,286
		14,884,196	11,435,823
Investing and development activities:			
Capital grants, subsidies and contributions	4 (ii)	(4,417,505)	(2,076,221)
Capital expenses	11	3,574,068	1,864,326
Payment for land for sale and development costs in the period		(21,746)	(1,189,593)
		(865,183)	(1,401,488)
Changes in operating assets and liabilities :			
(Increase) decrease in receivables		(16,903,890)	2,637,776
(Increase) decrease in inventories (excluding land)		152,847	(68,939)
Increase (decrease) in payables		3,803,045	884,216
Increase (decrease) in provisions		205,514	152,590
Increase (decrease) in other liabilities		3,009,026	3,486
		(9,733,458)	3,609,129
<b>Net cash inflow from operating activities</b>		<b>15,589,847</b>	<b>15,798,440</b>



## BANANA SHIRE COUNCIL

Notes to the financial statements

For the year ended 30 June 2013

### 35 Financial Instruments

Banana Shire Council has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note provides information (both qualitative and quantitative) to assist statement users evaluate the significance of financial instruments on the Council's financial position and financial performance, including the nature and extent of risks and how the Council manages these exposures.

#### Financial risk management

Banana Shire Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies.

Council's management approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

The Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council.

Banana Shire Council does not enter into derivatives.

#### Credit Risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations.

These obligations arise principally from the Council's investments and receivables from customers.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations.

The carrying amount of financial assets represents the maximum credit exposure.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar state/ commonwealth bodies or financial institutions in Australia, in line with the requirements of the Statutory Bodies Financial Arrangements Act 1982.

No collateral is held as security relating to the financial assets held by Banana Shire Council.

The following table represents the maximum exposure to credit risk based on the carrying amounts of financial assets at the end of the reporting period:

	Note	2013 \$	2012 \$
<b>Financial Assets</b>			
Cash and cash equivalents - Banl	13	4,547,006	4,036,109
Cash investments held with - QT	13	8,360,630	11,518,754
Cash investments held with other approved deposit taking institutic	13&17	5,051,335	5,029,581
Receivables - rates	14	1,585,242	1,698,950
Receivables - other	14	19,921,657	2,609,407
<b>Other credit exposure</b>			
Guarantee	31	451,796	451,796
<b>Total</b>		<b>39,917,666</b>	<b>25,344,597</b>

#### Cash and cash equivalents

The Council may be exposed to credit risk through its investments in the QTC Cash Fund and QTC Working Capital Facility. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Working Capital Facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "AAA to AA-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

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# BANANA SHIRE COUNCIL

Notes to the financial statements  
For the year ended 30 June 2013

## 35 Financial instruments - continued

### Trade and other receivables

In the case of rate receivables, the Council has the power to sell the property to recover any defaulted amounts. In effect this power protects the Council against credit risk in the case of defaults.

In other cases, the Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

By the nature of Council's operations, there is a geographical concentration of risk within Council's boundaries. Also, as the area's economic activity is largely agricultural and mining based, risk is concentrated in these sectors.

Ageing of past due receivables and the amount of any impairment is disclosed in the following table:

	Fully Performing  \$	Past due				Less Impaired  \$	Total  \$
		Less than 30 days  \$	31 to 60 days  \$	61 to 90 days  \$	Over 90 days  \$		
Receivables:							
2013	18,694,584		186,566	5,078	2,673,890	(53,220)	21,506,899
2012	2,418,556	-	227,046	7,993	1,680,162	(25,400)	4,308,357

### Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Banana Shire Council is exposed to liquidity risk through its normal course of business and through its borrowings with QTC and other financial institutions.

The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in note 21.

The following table sets out the liquidity risk in relation to financial liabilities held by the Council. It represents the remaining contractual cashflows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

	0 to 1 year \$	1 to 5 years \$	Over 5 years \$	Total contractual cash flows \$	Carrying amount \$
2013					
Trade and other payables	7,661,365	-	-	7,661,365	7,661,365
Loans QTC	1,625,999	6,170,804	10,904,798	18,701,601	12,737,016
	9,287,364	6,170,804	10,904,798	26,362,966	20,398,381
2012					
Trade and other payables	3,436,054	-	-	3,436,054	3,436,054
Loans QTC	1,625,999	6,503,997	12,023,303	20,153,299	13,586,121
	5,062,053	6,503,997	12,023,303	23,589,353	17,022,175

The outflows in the above table are not expected to occur significantly earlier and are not expected to be for significantly different amounts than indicated in the table.

## BANANA SHIRE COUNCIL

Notes to the financial statements

For the year ended 30 June 2013

### 35 Financial instruments - continued

#### Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Council's income or the value of its holdings of financial instruments.

#### Interest rate risk

Banana Shire Council is exposed to interest rate risk through investments and borrowings with QTC and other financial institutions.

The Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

#### Sensitivity

Sensitivity to interest rate movements is shown for variable financial assets and liabilities based on the carrying amount at reporting date.

The following interest rate sensitivity analysis depicts what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values at the end of the reporting period. The that the change in

2013

Financial assets and liabilities that are held at variable interest rates total:

QTC cash funds

Other investments

Loans - QTC

Net total

Net carrying amount	Change in profit & (loss) from		Change in equity from	
	1% increase	1% decrease	1% increase	1% decrease
\$	\$	\$	\$	\$
8,360,630	83,606	(83,606)	83,606	(83,606)
4,051,335	40,513	(40,513)	40,513	(40,513)
(12,737,016)	(127,370)	127,370	(127,370)	127,370
(325,051)	(3,251)	3,251	(3,251)	3,251

2012

QTC cash funds

Other investments

Loans - QTC

Net total

11,518,754	115,188	(115,188)	115,188	(115,188)
4,000,000	40,000	(40,000)	40,000	(40,000)
(13,586,121)	(135,861)	135,861	(135,861)	135,861
1,932,633	19,326	(19,326)	19,326	(19,326)

In relation to the QTC loans held by the Council, the following has been applied:

QTC Fixed Rate Loan - financial instruments with fixed interest rates which are carried at amortised cost are not subject to interest rate sensitivity.

QTC Generic Debt Pool - the generic debt pool products approximate a fixed rate loan. There is a negligible impact on interest sensitivity from changes in interest rates for generic debt pool borrowings.

QTC Client Specific Pool - client specific pool products are often rebalanced to a target benchmark duration. This partially exposes clients to the level of interest rates at the time of rebalancing. Sensitivity on these products is provided by QTC through calculating the interest effect over the period.

The sensitivity analysis provided by QTC is currently based on a 1% change but this is subject to change.

## BANANA SHIRE COUNCIL

Notes to the financial statements  
For the year ended 30 June 2013

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### 35 Financial instruments - continued

#### Fair Value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

The fair value of borrowings with QTC is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market value of debt is provided by QTC and is discussed below and disclosed in note 23.

QTC applies a book rate approach in the management of debt and interest rate risk, to limit the impact of market value movements to clients' cost of funding. The book value represents the carrying value based on amortised cost using the effective interest method.

**BANANA SHIRE COUNCIL**  
Notes to the Financial Statements

For the year ended 30 June 2013

**36 National Competition Policy - Statement of activities to which the code of competitive conduct applies**

A 'business activity' of Council is divided into two categories:

- (a) Business activity – trading in goods and services to clients in competition with the private sector, or the submission of a competitive tender in Council's own tendering process in competition with others for the provision of goods and services to itself. Excluded activities are activities or part thereof prescribed by legislation.
- (b) Roads business activity – the construction or maintenance of State controlled roads for which Council submits an offer to carry out work in response to a tender invitation other than through a sole supplier arrangement, or submission of a competitive tender for construction or road maintenance on local roads which Council has put out to tender, or called for by another local government.

These business activities are referred to as type 3 activities.

Council may elect to apply a Code of Competitive Conduct (CCC) to its identified business activities. This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity. The application of the CCC to the roads business activity is mandatory.

As part of its on-going dedication to the principles of best-practice, during the year Council re-affirmed by resolution its commitment to the principles of competitive neutrality embodied in the CCC to the following business activities –

- 1. Plant Operations;
- 2. Roads;
- 3. Refuse Management; and
- 4. Water and Sewerage Services.

Notwithstanding community service obligations, Council is committed to operating these activities as business activities in accordance with the CCC.

The following table summarises the financial results for those activities, including competitive neutrality adjustments. This is a summary only. Full information is available for inspection at Council's offices.

	\$
Revenues from services provided to internal customers	9,661,542
Revenues from services provided to external customers	43,222,110
Community service obligations	4,970,000
Total revenues	57,853,652
Expenditures	(50,536,278)
Surplus/(deficiency)	7,317,374

**BANANA SHIRE COUNCIL**  
Notes to the Financial Statements

**For the year ended 30 June 2013**

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**36 National Competition Policy - Statement of activities to which the code of competitive conduct applies**

Details of community service obligations for activities to which NCP reforms have been applied are:

*Plant Operations Nil*

- Provide plant and machinery under hire arrangements to internal customers.

*Roads Nil*

- Provide road construction and maintenance services to the State Government to assist in maintaining the State road network.

*Water and Sewerage Services \$4,970,000*

- Maintain the appeal of the Shire's parks and gardens.
- Provision of water and sewerage in public conveniences.
- Manage the two-part water tariffs to effect water management policies.
- Provision of quality supply and standards in water supply and sewerage.

*Refuse Management Nil*

- Provide adequate landfill and refuse disposal in the Shire.

**TOTAL \$4,970,000**



**BANANA SHIRE COUNCIL**

**FINANCIAL STATEMENTS**

For the year ended 30 June 2013

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**MANAGEMENT CERTIFICATE**

For the year ended 30 June 2013

These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the Local Government Regulation 2012 (the Regulation) and other prescribed requirements.

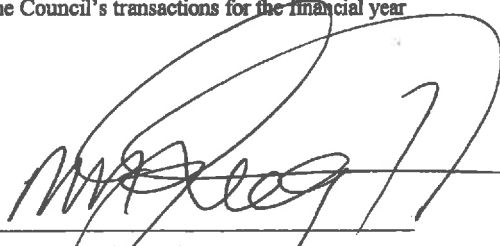
In accordance with section 212(5) of the Regulation we certify that:

- (i) the prescribed requirements of the Local Government Act 2009 and Local Government Regulation 2012 for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 44, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.

  
\_\_\_\_\_  
Mayor

Name: RON CARIGE

Date: 22 / 10 / 13

  
\_\_\_\_\_  
Chief Executive Officer

Name: RAY CORRAUGHT

Date: 22 / 10 / 13

## INDEPENDENT AUDITOR'S REPORT

To the Mayor of Banana Shire Council

### Report on the Financial Report

I have audited the accompanying financial report of Banana Shire Council, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Mayor and Chief Executive Officer.

#### *The Council's Responsibility for the Financial Report*

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Local Government Act 2009* and *Local Government Regulation 2012*, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

### *Opinion*

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of Banana Shire Council for the financial year 1 July 2012 to 30 June 2013 and of the financial position as at the end of that year.

### **Other Matters - Electronic Presentation of the Audited Financial Report**

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



P J FLEMMING CPA  
As delegate of the Auditor-General of Queensland



Queensland Audit Office  
Brisbane

**BANANA SHIRE COUNCIL**  
**Current-year Financial Sustainability Statement**  
**For the year ended 30 June 2013**

**Measures of Financial Sustainability**

**(i) Operating surplus ratio**

Operating surplus (Net result excluding all capital items) divided by total operating revenue (excludes capital revenue)

**(ii) Asset sustainability ratio**

Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.

**(iii) Net financial liabilities ratio**

Total liabilities less current assets divided by total operating revenue

Council's performance at 30 June 2013 against key financial ratios:

Target

Actual

Operating surplus ratio	Asset sustainability ratio	Net financial liabilities ratio
between 0% and 10%	greater than 90%	not greater than 60%
11.30%	83.52%	-12.82%

**Certificate of Accuracy**

**For the year ended 30 June 2013**

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the regulation).

In accordance with Section 112(b) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.

Mayor

Name: RON DARILGE

Date: 22 / 10 / 13

Chief Executive Officer

Name: RAY CORRAGHY

Date: 22 / 10 / 13

**BANANA SHIRE COUNCIL**  
Notes to the Sustainability Statement

For the year ended 30 June 2013

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**1. Basis of Preparation**

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2013.

## **INDEPENDENT AUDITOR'S REPORT**

To the Mayor of Banana Shire Council

### **Report on the Current-Year Financial Sustainability Statement**

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Banana Shire Council for the year ended 30 June 2013, comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer.

#### *The Council's Responsibility for the Current-Year Financial Sustainability Statement*

The Council is responsible for the preparation and fair presentation of the current-year financial sustainability statement in accordance with the *Local Government Regulation 2012*. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the current-year financial sustainability statement based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the statement.

My responsibility is to form an opinion as to whether the statement has been accurately calculated based on the Council's general purpose financial report. My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the Council's future sustainability.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.



## *Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

## *Opinion*

In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Banana Shire Council for the year ended 30 June 2013 has been accurately calculated.

## *Emphasis of Matter – Basis of Accounting*

Without modifying my opinion, attention is drawn to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the *Financial Management (Sustainability) Guideline 2013* for the purpose of fulfilling the Council's reporting responsibilities under the *Local Government Regulation 2012*. As a result, the statement may not be suitable for another purpose.

## **Other Matters - Electronic Presentation of the Audited Statement**

Those viewing an electronic presentation of this special purpose financial report should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



**P J FLEMMING CPA**  
As delegate of the Auditor-General of Queensland



Queensland Audit Office  
Brisbane

**BANANA SHIRE COUNCIL**

For the year ended 30 June 2013

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**THE FOLLOWING REPORTS DO NOT FORM PART OF THE**

**AUDITED FINANCIAL STATEMENTS. THEY HAVE BEEN PROVIDED**

**AS ADDITIONAL MANAGEMENT INFORMATION TO ASSIST THE**

**READER IN THEIR ANALYSIS OF THE FINANCIAL STATEMENTS**

## BANANA SHIRE COUNCIL

### Long-Term Financial Sustainability Statement

Prepared as at 30 June 2013

#### Measures of Financial Sustainability

(i) Operating surplus ratio

Operating surplus (Net result excluding all capital items) divided by total operating revenue (excludes capital revenue)

(ii) Asset sustainability ratio

Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.

(iii) Net financial liabilities ratio

Total liabilities less current assets divided by total operating revenue

Council's performance at 30 June 2013 against key financial ratios:

#### Target

Actuals at 30 June 2013

Projected for the years ended:

30 June 2014  
30 June 2015  
30 June 2016  
30 June 2017  
30 June 2018  
30 June 2019  
30 June 2020  
30 June 2021  
30 June 2022

Operating surplus ratio	Asset sustainability ratio	Net financial liabilities ratio
between 0% and 10%	greater than 90%	not greater than 60%
11.30%	83.52%	-12.82%
4.97%	156.46%	-2.22%
2.86%	121.73%	-1.65%
2.68%	115.36%	-1.43%
2.84%	121.33%	-4.01%
3.06%	186.37%	5.21%
2.95%	101.86%	-0.30%
3.30%	92.24%	-8.85%
3.64%	92.65%	-15.33%
3.98%	92.79%	-20.65%

#### Financial Management Strategy

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to

The table below summarises how we performed against set targets for the seven key financial performance indicators established in our financial strategy. In

#### Certificate of Accuracy

For the long-term financial sustainability statement prepared as at 30 June 2013

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the regulation).

In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.

Mayor

Name: RON CARIGE

Date: 22 / 10 / 13

Chief Executive Officer

Name: Ray GORABHY

Date: 22 / 10 / 13

# BANANA SHIRE COUNCIL

## Statement of Operating Performance

For the year ended 30 June 2013

UNAUDITED

		2013	2012
	Note	\$	\$
<b>Operating Income</b>			
Rates and utility charge revenue	3 (a)	31,097,101	29,183,174
Less: Discounts		(2,538,391)	(2,367,310)
Less: Pensioner remissions		(234,490)	(228,116)
Net rates and utility charges		28,324,220	26,587,748
Fees and charges	3 (b)	2,947,821	2,782,448
Rental and levies	3 (c)	257,809	175,431
Interest received	3 (d)	802,864	1,310,658
Sales of contract and recoverable works	3 (e)	31,365,974	16,625,142
Other recurrent income	3 (f)	248,516	626,673
Grants, subsidies and contributions	4 (i)	27,669,051	31,738,457
Proceeds from sales of land developed for resale	-	950,385	620,187
Total operating revenue		92,566,640	80,466,744
<b>Operating Expenses</b>			
Employee benefits	7	(20,423,091)	(19,893,575)
Materials and services	8	(45,961,307)	(46,343,961)
Current cost of developed land sold	5	(542,018)	(676,622)
Finance costs	9	(1,133,988)	(1,129,953)
Depreciation and amortisation	10	(14,045,382)	(10,479,552)
Total operating expenses	-	(82,105,786)	(78,523,663)
<b>Operating surplus (deficit) for the period</b>		<b>10,460,854</b>	<b>1,943,081</b>
<b>Capital revenue</b>			
Grants, subsidies and contributions	4 (ii)	4,417,505	2,076,221
<b>Capital income</b>			
Total capital revenue and income		4,417,505	2,076,221
<b>Capital expenses</b>			
Loss on the sale of capital assets	6	(92,642)	(310,515)
Loss on write-off of capital assets	12	(3,481,426)	(1,481,473)
Revaluation down of property, plant and equipment	19 (a)	-	(72,338)
Total capital expenses		(3,574,068)	(1,864,326)
<b>Net result</b>		<b>11,304,292</b>	<b>2,154,976</b>

**BANANA SHIRE COUNCIL**
**Statement of Appropriations**

For the year ended 30 June 2013

**UNAUDITED**

		2013	2012
	Note	\$	\$
Retained surplus (deficiency) from prior years		2,176,660	261,018
Net result for the period		<u>11,304,292</u>	<u>2,154,976</u>
		<u>13,480,952</u>	<u>2,415,994</u>
<b>Transfers (to) from capital account:</b>			
Transfer of capital expenses	11	3,574,068	1,864,326
General revenue used for capital funding purposes	CFS*	(3,112,830)	-
Unspent capital revenue transferred from capital	CFS*	-	711,664
Net capital account transfers		<u>461,238</u>	<u>2,575,990</u>
Transfers (to) from restricted reserves			
Constrained grants and subsidy contributions reserve	28	<u>(2,598,679)</u>	<u>(576,221)</u>
<b>Retained surplus (deficiency) available for transfer to reserves</b>		<u>11,343,511</u>	<u>4,415,763</u>
<b>Transfers (to) from reserves for future capital funding:</b>			
Capital acquisitions reserve	28 (ii)	141,011	-
Special projects reserve	28 (v)	74,881	174,929
Community housing reserve	28 (vii)	-	66,225
<b>Transfers (to) from reserves for future recurrent funding purposes:</b>			
Operating Grants in advance reserve	28 (2)(i)	(5,879,864)	(2,320,205)
CDEI Grant reserve	28(2)(ii)	145,551	(160,052)
		-	-
		-	-
<b>Retained surplus (deficit) at end of period</b>		<u><b>5,825,090</b></u>	<u><b>2,176,660</b></u>

\*CFS - Denotes Capital Funding Statement

**BANANA SHIRE COUNCIL**
**Statement of Capital Funding**

For the year ended 30 June 2013

**UNAUDITED**

	Note	2013 \$	2012 \$
<b>Sources of capital funding</b>			
General revenue used for capital purposes		3,112,831	-
Excess capital revenue provided in period		-	(711,664)
Loan monies expended		1,251,331	6,748,669
Funded depreciation and amortisation		15,205,791	10,668,934
Proceeds from the sale of capital assets	6	726,334	1,183,984
Constrained grants, subsidies and contributions		2,894,277	1,968,559
Plant reserve		-	1,625,879
Waste Disposal reserve		168,595	-
		<u>23,359,159</u>	<u>21,484,361</u>
<b>Application of capital funding</b>			
Non current capital assets :			
Land		151,157	
Buildings		12,602,638	5,323,582
Plant and equipment		1,900,603	3,618,007
Road, bridge and drainage network		6,684,280	3,631,074
Water		2,867,980	2,123,122
Sewerage		229,835	1,097,514
Environmental Infrastructure Assets		2,380,406	-
Other Assets NC		144,995	220,487
Movement in capital work in progress		(4,451,841)	4,532,368
		<u>22,510,054</u>	<u>20,546,154</u>
Principal loan redemptions :			
Queensland Treasury Corporation		849,105	938,207
		<u>849,105</u>	<u>938,207</u>
		<u>23,359,159</u>	<u>21,484,361</u>

*The above statement should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies.*



# BANANA SHIRE COUNCIL

Notes to the financial statements  
For the year ended 30 June 2013

UNAUDITED

	2013	2012
<b>Financial indicators and ratios of the accounts</b>	\$	\$
<b>Maintenance of council's physical operating capability</b>		
This indicates whether the opening capital value of the council has been maintained by operational activities during the year.		
A continue decline in capital value will lead ultimately to a decline in services to be provided to the community.		
Opening capital value	601,328,876	386,582,067
Operating surplus/(deficit) in period	10,460,854	1,943,081
Transfers from operating reserves to retained earnings in period	4,284,331	1,987,523
Retained surplus/(deficit) brought forward from prior year	2,176,660	261,018
Closing balance of the opening capital value	618,250,721	390,773,689
Change in the opening capital value	16,921,845	4,191,622
	%	%
<b>Asset sustainability ratio</b>		
Expenditure on replacement assets divided by depreciation expense	83.52%	0.00%
Target range >90%		
<b>Operating surplus ratio</b>		
	11.30%	2.41%
Guidance range is between 0% and 10%		
<b>Net financial liability</b>		
	-12.82%	-5.00%
Guidance range is not greater than 60%		
A negative percentage indicates that the current asset exceed the total liabilities which is a very strong financial postion		
<b>Asset consumption ratio</b>		
Book value of infrastructure assets divided by there gross value		
Target range is between 40% and 80%	72.98%	0.00%
<b>Interest cover ratio</b>		
Net interest expense divided by total operating revenue	-0.02%	-0.63%
Target range is between 0% and 5%		
A negative percentage indicaes that interest income exceeds the interest expense.		
<b>Working capital ratio:</b>		
	1.0 : 1	0.6 : 1
Guidance range 1:1 to 4:1		
<b>Change in community equity ratio:</b>		
The percentage change in the net wealth of the Council.	8.04%	11.44%
<b>Debt servicing ratio:</b>		
The percentage that the Council's total recurrent revenue that is used to service loan interest and principal repayments	1.77%	2.17%
<b>General rate revenue ratio:</b>		
The Council's dependence on general rate revenue as a percentage of total recurrent revenue	21.13%	22.93%

**Revenue ratio:**

The Council's dependence on net rates and utility charges as a percentage of total recurrent revenue	30.60%	33.04%
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**Debt exposure ratio:**

The percentage of Council's capital debt to total community equity	2.05%	2.36%
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**Capital expenditure ratio**

The ratio of capital expenditure to depreciation	160.27%	196.06%
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**Rate arrears ratio**

The percentage of rates and charges receivable to net rate and charges revenue	5.60%	6.39%
The effectiveness of Council's collection of rates and charges		