



# Banana Shire Council



## Annual Report 2013/2014



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## 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
<b>Administration Centre</b> 62 Valentine Plains Road Biloela Qld 4715	Telephone: 4992 9500 Fax: 4992 3493	8.00 am – 5.00 pm Monday to Friday
<b>ON CALL - (After Hours Only)</b>		
Works		0408 067 196
Water & Sewerage		
➤ Baralaba, Biloela, Goovigen, Thangool, Wowan		0417 641 994
➤ Moura Banana		0419 021 584
➤ Theodore		0418 986 107
➤ Taroom		0427 646 584
Dog Attacks		0407 173 039
Stock Routes		0427 148 783
<b>Other Centres</b>		
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 Wednesday 9.00 am – 7.00 pm Thursday 9.00 am – 5.30 pm Friday 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.

## Vision, Mission Statement & Values

### Our Vision

*“Shire of Opportunity”*

“To improve the quality of life for our communities,  
through the delivery of efficient, effective and sustainable 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 2014

### *Recognising our Achievers*

#### **Nominees**

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

David Bawden  
Graham Christie  
Juanita Goodland  
Gail McBroom  
Rosemary Munroe

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

Rachael Briggs

##### **VOLUNTEER**

Cody Cummings  
Madalyn Cummings  
Joyce Goos  
Graeme McGreevey  
Peter Mills

##### **CULTURAL**

Tracey Hewitt

##### **JUNIOR CULTURAL**

Thomas Evetts  
Isabella Hanson  
Erin Skinner

##### **SENIOR SPORTSPERSON**

Mel Collins

##### **JUNIOR SPORTSPERSON**

Teeonie Fodriga  
Cormac McCarthy  
Christina McLure  
Amelija Swaffer-Selff  
Kelsea Wedemeyer

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

Glen Deighton  
Myfwangy Szepanowski

##### **COMMUNITY GROUP OR TEAM**

Biloela Open Representative Netball Team  
Theodore Senior Roosters Rugby League

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

'Indigenous Women Powering on  
Conference' (Anglicare CQ PaCE  
Program)  
Biloela State High School 50th  
Anniversary  
Thangool Inc. 60th Celebrations

## AUSTRALIA DAY AWARDS 2014 (Continued)

### Winners

#### CITIZEN OF THE YEAR

Rosemary Munroe

#### SENIOR SPORTSPERSON

Mel Collins

#### YOUNG CITIZEN OF THE YEAR

Rachael Briggs

#### JUNIOR SPORTSPERSON

Cormac McCarthy

#### VOLUNTEER

Joyce Goos

#### SPORTS COACH, OFFICIAL AND OR ADMINISTRATOR

Glen Deighton

#### CULTURAL

Tracey Hewitt

#### COMMUNITY GROUP OR TEAM

Biloela Open Representative Netball Team

#### JUNIOR CULTURAL

Isabella Hanson

#### COMMUNITY EVENT OF THE YEAR

'Indigenous Women Powering on  
Conference' (Anglicare CQ PaCE  
Program)

### ORDER OF AUSTRALIA

Mr Doug Adam from Taroom received the Medal of the Order of Australia for his many services to the community.



## ***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 14,947 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 5,808 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 1,704 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 585 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 452, supports a diverse rural community with its main industries being cotton growing and saw milling.

Other centres are Thangool, population approximately 296 and Baralaba population approximately 261.

## **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 Christian 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, make 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 Callide Dam Recreation Area, SILO (Biloela's Queensland Heritage Park), Glebe Weir Camping Area, 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.

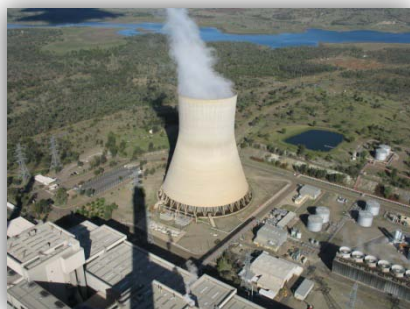
## **Resources**

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 newer 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**

Coal was 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. Following acquisition in 2011, this mine is now owned and operated by Evolution Mining.

In addition to the gold mine project, further exploration continues 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 14,947
- Main Administration Centre Biloela
- Other Towns & Villages 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 P-10 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 P-10 State School  
Wowan State School  
Mount Murchison State School  
Prospect Creek State School

## **Sister Shire**

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.



**SISTER SHIRE**



## Council Structure





## ELECTED MEMBERS

	<p><b>Cr Ron Carige (Mayor)</b>  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><b>Cr David Snell</b>  Elected to Council at the 27/03/2004 election - David resides in the Biloela area  Represents: Division 1  Portfolio: Water, Sewerage, Public Pools, Trade Waste, Clearance Dip (Taroom), Fleet, Solid Waste, Biloela Civic Centre, Land Tenure/Leases &amp; Land Development  Phone (h): 07 4992 2176 Email: <a href="mailto:david.snell@banana.qld.gov.au">david.snell@banana.qld.gov.au</a></p>
	<p><b>Cr Warren Middleton (Deputy Mayor)</b>  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, Wash Down Facilities, Saleyards, 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><b>Cr Pat J Brennan</b>  Elected to Council at the 15/03/2008 election - Pat resides in Thangool  Represents: Division 3  Portfolio: Design, Survey, GIS, Airports, Roads/Streets, Drainage, Parks, Recreation, Reserves, Contract/ Private Works, Quality Assurance, Quarries, Public Conveniences, Operational Works, Street Lighting, 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><b>Cr Nev G Ferrier</b>  Elected to Council at the 27/03/2004 election - Nev resides in Dululu  Represents: Division 4  Portfolio: Design, Survey, GIS, Airports, Roads/Streets, Drainage, Parks, Recreation, Reserves, Contract/ Private Works, Quality Assurance, Quarries, Public Conveniences, Operational Works, Street Lighting  Phone (h): 07 4937 1717 Email: <a href="mailto:nev.ferrier@banana.qld.gov.au">nev.ferrier@banana.qld.gov.au</a></p>
	<p><b>Cr Maureen E Clancy</b>  Elected to Council at the 26/03/1994 election - Maureen resides in Moura  Represents: Division 5  Portfolio: Financial Management, Purchasing/Stores, Rates, Asset Management, Customer Service, Records Management, Information Technology, Halls (excl Biloela Civic Centre), Libraries, Community Resource Centre, Arts/Culture, Tourism/Promotion, HACC, Community Development  Phone (h): 07 4997 1489 Email: <a href="mailto:maureen.clancy@banana.qld.gov.au">maureen.clancy@banana.qld.gov.au</a></p>
	<p><b>Cr Vaughn A Becker</b>  Elected to Council at the 15/03/2008 election - Vaughn resides in Taroom  Represents Division 6  Portfolio: Executive Services, Community Engagement. Community Consultation, Governance &amp; Risk, Major Projects, Media/PR, Sister Cities, Human Resources, Learning &amp; Development, Work Health &amp; Safety  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
HACC - Banana Shire Home and Community Care Advisory Committee	Clancy (Becker-Alternate member)
Banana Shire <b>Tourism</b> Advisory Committee	Carige Clancy
RADF - Banana Shire Regional Arts Development Fund	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 29	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
Gladstone Area Water Board Working Group	Snell (Chair) Carige
Leichhardt Centre Working Group	Cr Becker
Callide Dam Recreation Area Working Group	Carige Brennan Middleton Snell Clancy

The Mayor is invited to all advisory committee meetings & council working group meetings



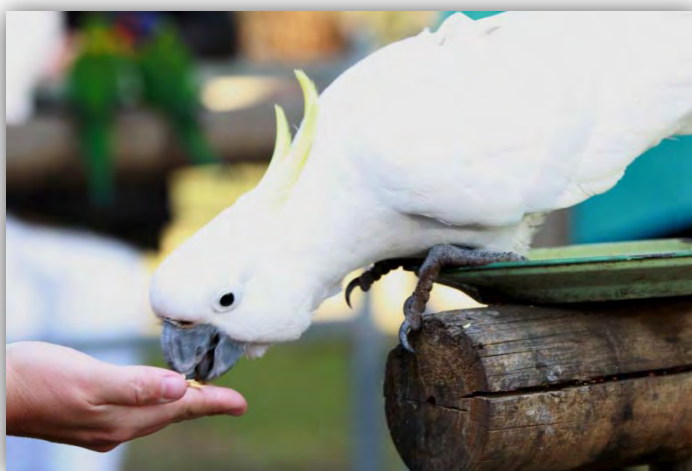


## **Community & Other Organisations Committees**

<b>Committee / Association / Group</b>	<b>Councillor/s</b>
<b><u>Governance</u></b>	
Central Queensland Regional Planning Committee	Carige
CQ Council of Mayors	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)
Santos Water Working Group	Becker
Sunwater Community Liaison Group for Nathan Dam & Pipelines Project	Becker
Taroom Resource Development Reference Group (or similar named group)	Becker



<b>Committee / Association / Group</b>	<b>Councillor/s</b>
Xstrata Wandoan Coal Community Reference Group	Becker
<b><u>Landcare &amp; Pest Management</u></b>	
CPMG - Capricorn Pest Management Group	Brennan
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 2013 to 30June 2014	
	% of MLA Rate	Remuneration Rate (This rate applied as from 1 January 2013)
Mayor	65	\$91,376
Deputy Mayor	37.5	\$52,717
Councillor	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 2013/14:

Councillor	Remuneration	Superannuation	Total
RJ Carige	91,375.96	10,965.24	102,341.20
VA Becker	45,688.24	5,482.62	51,170.86
PJ Brennan	45,688.24	5,482.62	51,170.86
ME Clancy	45,688.24	5,482.62	51,170.86
NG Ferrier	45,688.24	5,785.85	51,474.09
W Middleton	52,717.08	6,326.06	59,043.14
D Snell	45,688.24	5,482.62	51,170.86
	\$372,534.24	\$45,007.63	\$417,541.87

## 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:** 25 June 2014

**Minute No:** OM002808

**Resolution:**

***That Council amend its Councillors Expenses Reimbursement Policy by adoption of the attached Councillors Expenses Reimbursement Policy document.***

***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	513.90	Office at Administration Centre, Vehicle for Council use only, Mobile Phone, Tablet Computer with Internet Access
VA Becker	1,521.49	Vehicle for Council use only, Tablet Computer with Internet Access
PJ Brennan*	3,563.00	Mobile Phone, Tablet Computer with Internet Access
ME Clancy*	19,489.80	Tablet Computer with Internet Access
NG Ferrier*	13,041.70	Tablet Computer with Internet access
W Middleton	325.00	Tablet Computer with Internet Access
D Snell	325.00	Tablet Computer with Internet Access
	38,779.89	

\*Includes reimbursement for use of Councillor's private vehicle to carry out 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	7	13
VA Becker	11	1	5	9
PJ Brennan	12	1	2	13
ME Clancy	12	1	13	12
NG Ferrier	11	1	2	13
W Middleton	12	1	1	13
D Snell	10	1	1	11

## **OVERSEAS TRAVEL - COUNCILLORS**

*Local Government Regulation 2012 Section 188*

Name	Cr R Carige	<i>Local Government Regulation 2012 Section 188 (1)(a)</i>
Destination	Boulouparis New Caledonia	<i>Local Government Regulation 2012 Section 188 (1)(c)</i>
Purpose	To foster the formal twinning agreement and the active Sister Shires relationship held by Banana Shire with the commune of Boulouparis in the South Province of New Caledonia, an overseas Territory of France, and to maintain a good relationship with its Local Government and local communities.	<i>Local Government Regulation 2012 Section 188 (1)(d)</i>
Cost	\$2,512.04	<i>Local Government Regulation 2012 Section 188 (1)(3a)</i>
Other relevant Information	Costs associated with the accompanying person were paid privately and are not included in the cost above.	<i>Local Government Regulation 2012 Section 188 (2)</i>



## **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> .	One	<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
4	4	1	Nil

## **GRANTS TO COMMUNITY ORGANISATIONS**

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

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

*Local Government Regulation 194-195 & Community Grants Policy*

Account Number	Name	Amount	
3190-2120-0001	Community Development – Grants to Community Organisations	74,116.88	
3190-2120-0002	Community Development – In Kind Assistance	8,067.92	
2010-1194-0000	Rates Based Financial Assistance- Sports & Community Groups	43,625.72	
2010-1195-00000	Rates Based Financial Assistance- Retirement Homes	102,997.90	Plus General Rates on applicable premises and water consumption.
3450-2380-0000	Regional Arts Development Fund – Grants to Locals	56,457.91	
	<b>TOTAL</b>	<b>\$285,266.33</b>	

## **COUNCILLOR'S DISCRETIONARY FUNDS**

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

*Local Government Act 2009 Section 109 Local Government Regulation 2012 Section 202*

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





## Annual Report 2013-14

### Mayor's Message



The main talking point at the start of any financial year is the budget, and the 2013-2014 Budget did not disappoint anyone. For me one of the main points of the budget was the abolition of rates capping. There needed to be some adjustments made to the budget, and it was a positive move to cut out the cross subsidization.

Flood damage was still proving to be a major part of our work throughout the Shire. I believe the residents of the Banana Shire will be so much better off when this work is completed. This will be as a result of the high standard of work done by our Council employees and contractors.

The funding of projects under the Royalties for the Regions Program has been a great benefit to the Banana Shire. Successful projects under Round 1 were started during the year, i.e. the sealing of the Theodore-Eidsvold Road and the Theodore Sewerage Treatment Plant. Successful projects under Round 2 are the Baralaba Water Treatment Plant and the Water Reservoir at Banana. Both these projects are needed to allow for future growth of the Banana Shire and are progressing.

The 2013 Industry Summit was a success, highlighting how the Banana Shire contributed to the Four Pillars of the Queensland Economy, which are:

- Agriculture - It was a tough year for our farmers and graziers with the seasons being very challenging due to lack of rain. I felt for the cotton growers who just scraped home with the dwindling water availability.
- Tourism - Our Tourism Industry is growing and will improve more as communities pull together to promote their natural tourism attractions, e.g. Dawson River.
- Manufacturing - I believe the seasonal conditions and the gas pipeline work created an increase in the manufacturing sector compared to the previous twelve months.
- Resources - This is a very important sector which has been hit hard with the downturn in the price of both coal and gold. The repercussions of this downturn have been felt right across the Shire.

We have had a number of obstacles to overcome in the last twelve months, however due to the negotiations our staff has completed with the gas companies, and the commencement of the Royalties for the Regions Projects, I believe the outlook for the next twelve months in the Banana Shire is very positive.

Cr Ron Carige  
**MAYOR**



## **Annual Report 2013/2014**

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

Following on from the opening of Council's Administration Complex in March 2013, the Banana Shire Regional Art Gallery was officially opened on 2 August 2013 by the Deputy Premier.

Funding for the Art Gallery was a partnership between Council and Santos with Santos contributing \$500,000 towards the cost.

The Art Gallery has been a great success with a wide range of displays and functions being hosted during its first twelve months, and is now booked out over six months in advance.

This is a great asset for the Banana Shire community.

Council was once again kept busy during the 2013/14 year undertaking flood restoration works from the 2013 flood event and these works will be completed during the 2014/15 year. It has been challenging, undertaking these additional works on top of Council's normal operational works program, but Council has been able to meet these challenges and complete the vast majority of the works within budget and timelines.

In February 2014, Council resolved to restructure its operations and reduce the number of departments from four to three. Over the following several months, changes to the structure and Council's operations were bedded down with Council adopting the revised structure in May 2014.

Following on from last year, the resource boom has continued to slow down with the three gas pipelines through the shire completed, or all but completed by the 30 June 2014. Council had been working with the respective gas companies in finalising the Road Infrastructure Agreements. These have now been finalised and signed by all parties.

Council has commenced work on the restoration of the roads affected by the gas pipeline activities and these works will be completed in a staged process over the next 18 months.

Queensland Treasury Corporation was engaged by Council to undertake a Financial Sustainability Review during the course of the year. This is the first external review that Council has undertaken since the Local Government amalgamations in 2008.

Council received a moderate rating with a neutral outlook. In setting the neutral outlook, Queensland Treasury Corporation advised that there are no known foreseeable events within the next twenty-four months that are expected to have a direct impact on Council's capacity to meet its financial commitments.

This is a pleasing result for Council as we have taken steps since the 2008 amalgamations to ensure that Council is in a solid financial position. Council continues to fully fund its depreciation and has once again finished the financial year with an operational surplus. As at 30 June 2014, Council's loan balance was \$11.7M.

Banana Shire has been very successful in securing funding from the Royalties for the Regions Program over the last several years. Projects funded under this program include –

- a) Cracow-Eidsvold Road – due for completion November 2014.
- b) Theodore Sewerage Plant – due for completion December 2014.
- c) Baralaba Water Treatment Plant – tenders called.
- d) Banana Water Tower – tenders called.
- e) Bears Lagoon Road – design commenced.

This has been a wonderful program that has enabled Council to undertake / fast track much needed projects throughout the shire.

Banana Shire Council like all other Council's in Queensland will certainly face challenges going forward. This has been compounded by the reduction in State and Federal funding to Local Government.

Council is in a strong position to meet these challenges going forward, and the positive and proactive approach of Councillors and staff has been of great assistance in meeting these challenges as they arise.

Once again, I would take this opportunity to thank both Councillors and Staff for their support and commitment over the last twelve 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

4

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

Package Range	Number
\$100,000 to \$199,999	3
\$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's Annual Operational Plan and Budget for 2013/2014 were prepared to be consistent with the revised 2009/2014 5 year Corporate Plan.

Following a review, a new Corporate Plan has been 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*. This new 5 year Corporate Plan to come into effect on 1 July 2014 was adopted on 28 May 2014.

The Operational Plan and Budget for the next financial year were prepared based on this 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 again been severely restrained during the year due to continued restoration works of major flood damage over much of the Shire in previous years. Much of the shire had suffered significant damage with some areas of the shire being inaccessible for considerable times. Council's workforce and contractors have been heavily engaged on this 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 damaged 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, while expansion continues at Baralaba. Coal seam gas exploration continues however the major pipeline construction projects appear to be nearing completion.

- A continued high demand on Council infrastructure has coincided with a reduction in Government Subsidies and increased difficulty in obtaining recourse companies contributions, and
- Council has continued to consider and respond to the large number of proposals and applications that it has had to deal with however the number of new applications appear to be declining with the completion of many resource projects and apparent downturn in some sections; 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 discouraged prospective employees especially early in the financial year however there now appears to be a period of adjustment.



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## CORPORATE PLAN - OUTCOMES

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.

Following a review, a new Corporate Plan to come into effect on 1 July 2014 was adopted on 28 May 2014.

The following outcomes from the review of 24 July 2012, applied for the 2013-2014 financial year.

### 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 2013/2014 year continued with the same Councillors however there was a restructure of Council's corporate structure adopted by Council on 23 April 2014 which resulted in a reduction of the number of departments.

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 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 a 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 2014/2015 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**

The focus for HR in this period has been the commencement of the implementation process for Council's new HR Information Management System and new Payroll System. In partnership with Frontier Software, Council over the next 12 months will implement a new system which by the time it is completed will provide a state of the art, efficient and secure integrated HR and Payroll system. The HR software will not only store up-to-date employee information, it will also give up an up-to-the-minute view of the organisation, utilise modern cost-saving e-Recruitment practices, allow ease of access for managers and employees through the self-service module and disseminate accurate HR metrics and reports in a timely manner.

During this reporting period, a new Local Government Modern Award review process begun in the QLD Industrial Relations Commission (QIRC) following changes to the Industrial Relations Act of QLD. Council's Joint Consultative Committee (JCC) eagerly awaits the final deliberations and outcomes from the QIRC with regards to the New Award modernisation process. The 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. No major issues arose during 2013-14.

## **Learning and Development**

Banana Shire Council was successful in obtaining seven (7) Local Government Traineeships as part of the joint Government and Industry Skilling Response Programme which supports local government authorities across the state in rebuilding and recovering from the flood and storm impacts in the aftermath of Tropical Cyclone Oswald. All seven (7) have commenced their traineeships across a numbers of functional areas in Council, including a two-year traineeship in Cert III – Digital Information Technology currently being undertaken by Patrick Smith.



Trainees and Apprentices

Back Row Left to Right: Juanita Zischke, Emily Reid, Morgan White, Jade West, Zoe Sawyer

Front Row Left to Right: Patrick Smith, Nicolas Zischke, Hamish Reid, Anthony Fritz

(Missing from photo is Aaron Spillman, Lance Brazier, Phil Surman, Melody Thomson, Joanne Healy, Emma Bailey, Phil Spratt, Trent Matthews, Peter Galdal, Cameron Radke and Chad Outen)

**HUMAN RESOURCES, LEARNING & DEVELOPMENT, WORK HEALTH & SAFETY,  
WORKFORCE STATISTICS**

During this period, Lindsay Ann Buckley has successfully completed her school based traineeship in Certificate II in Basic Water Operations with Council. Lindsay was the only school based trainee (SBT) in Australia. Water Operations is a skill shortage area so many of her expenses were covered by federal and state incentives Council congratulates Lindsay on her success and hopes that this inspires other young females to entry into non traditional career areas.

Banana Shire Council had 3 Apprentices successfully receive Origin Community Skills Scholarships - Phil Spratt, Trent Matthews and Peter Galdal. These scholarships help to cover expenses and encourage the employees to stay with Banana Shire Council and finish their trade. These Scholarships are only offered in three shires, Banana Shire, Western Downs and Maranoa Regional Councils.

Disaster Management training continues as a priority to assist Council staff who are on-call and those who also volunteer to man the Emergency Disaster Centre during a disaster event. The training so far has covered Disaster Centre Operations, Guardian Control Centre Software, Managing the Media, QLD Disaster Management Framework Modules and Position Description Training for those with designated positions such as Team Leaders, and well as Website Training. On-going training and refresher courses will help to ensure that the Disaster Management Centre has enough numbers to man a fully functional disaster room around the clock and all Council staff are readily able to assist should a disaster situation occur within the Council area.

### **Fleet Training**

The Council fleet consists of trucks/trailers, graders, a compactor, loaders, skid steer plant, backhoes, tractors/slathers, a mobile library, forklifts, rollers, mowers, yard buggy's, scissor lifts and reclaimers. Inductions on all Council plant equipment that has a service schedule (daily, weekly and monthly) and required by WH&S – Part 5-Plant Code of Practice

When Council acquires new or second hand plant, the supplier of the new or second hand plant is required under Part 5.1 of the WH&S Regulations 2011 to provide information/training on the use of the plant. The Fleet Trainers (x2) attend the information/training sessions when possible to enable the information to be passed on to the relevant operators/work crews.

Fleet training co-ordinates and monitors internal and external training requirements relating to plant operations matters. External training providers are sourced if the training is outside the scope of qualifications of the fleet training staff. Training for specialist or high risk equipment is also outsourced to a "Registered Training Organisation".

### **Plant Inductions**

207 inductions were conducted on Council plant equipment for the period of 01 July 2013 to 30 June 2014. These inductions were as a result of the arrival of new plant equipment, internal transfer of staff, direct request of supervisors or new employees.

### **Plant Training**

In the reporting period, seven (7) employees were operating on a “logbook” for the forklift which is classified as a High-Risk Work Licence (HRW). The theory and assessment was conducted by an RTO. Eight (8) employees had been prioritised for undertaking training on plant equipment namely Loader, Skid Steer, Roller and Grader. Another twelve (12) employees undertook training and competency based assessment during this period in the use of the “Vehicle Loading Crane”. A further eight (8) employees were also identified to undertake competency based training in the use of the vehicle loading crane which is fitted to some of the BSC job trucks.

### **Work Health and Safety**

As in the previous year reporting year, Council's Workers Compensation premium for the next financial year has been reduced and currently stills remains below the QLD state average. The continued effects of the WH&S Team, the Workplace Health and Safety Committee, the WHS Representatives and the employees themselves to ensure that best practice is being implemented at the workplace, are reflected by these figures. Council congratulates all staff on this positive trend and is pleased to demonstrate that Council does offer a workplace that is safe and employees can return home safely to their families.

Council continues to review and update its Workplace Health and Safety policies and procedures in line with legislative requirements and conduct staff awareness of these through Tool Box talks, Take Fives and Council and Site Inductions.

Council's Work Health and Safety Committee continues to meet every two months 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 2013/14 year consisted of 372 employees including full time, part time, fixed term (includes 20 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. Full-time equivalent = 255.

<b>Employment Status</b>	<b>Male</b>	<b>Female</b>	<b>Sub Total</b>
Full Time	178	59	237
Part Time	0	17	17
Fixed Term	15	28	43
Casual	5	41	46
<b>TOTAL</b>	<b>198</b>	<b>145</b>	<b>343</b>

Unfilled Positions			29
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<b>Department</b>	<b>Number of Employees (Inclusive of Vacancies)</b>
Executive Services	23
Corporate & Community Services	109
Development & Environmental Services	83
Infrastructure Services	157
<b>TOTAL</b>	<b>372</b>

## **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 of records.

This year, Council employed an external Archivist to archive all Council's "old" records dating back to the early 1900's. These books, ledgers, documents and minutes have been forwarded to the Queensland State Archives for permanent safe keeping. This process has provided much needed space in the archive shed for active record safe keeping and easier document retrieval. It has also ensured that Council's old records will be kept in perpetuity and are retrievable at any time.

Five Right to Information Applications were received and finalised during the year. Council also received two Third Party Consultations in relation to applications received by external parties. All were processed within the legislative timeframes.

This year, Records Management staff implemented an archiving schedule for each Department. All active documents are 'day boxed', archived and a destruction year set in line with the Queensland State Archives Retention Schedule. This process ensures that by 30<sup>th</sup> June each year, those Council records identified as able to be legally destroyed are prepared and ready for destruction.

The volume of incoming and outgoing correspondence has increased by 9% over the 2013/2014 year.

Recently, consultation commenced with a Records Systems Working Group made up of Council's IT Advisor and experienced users to discuss options and implementation of a new Electronic Record Keeping system to replace the current system in use, DataWorks. This process is still ongoing with an outcome due in the new financial year.



## **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. 1,655 user support requests were completed during the year.

Some projects completed and made operational during the year included:

- Major upgrade of systems management software to streamline rapid deployment of all Council software and future operating systems.
- Implementation of Asset Management software.
- Upgrade of firewall and implementation of corporate wireless network.
- Mobile devices deployed to Councillors and a select group of staff.
- Upgrade of Storage Area Network and further virtualisation and consolidation of servers.

## **COMMUNITY DEVELOPMENT**

### **Staffing**

The Community Development section saw minimal changes in the last financial year. An administration assistant was provided on a shared basis throughout the entire Department which provided excellent support. Supervision was provided to a Business Administration Trainee from mid May onwards.

### **Networking**

The Community Development Advisor:

- Attended regular community meetings throughout the financial year representing Council as required including interagency meetings in Biloela, Moura and Theodore, Australia Day event planning meetings and the Taroom Industry Summit;
- Participated in ongoing conversations on a local and regional level regarding funding and advocacy for youth and multicultural services;
- Represented Banana Shire at the Department of Aboriginal and Torres Strait Islander and Multicultural Affairs, Cultural Diversity Qld engagement forum to discuss the Queensland Cultural Diversity Policy and Action Plan and review the Language Services Policy hosted by Mr Robert Cavallucci MP, Assistant Minister for Multicultural Affairs and Member for Brisbane Central;
- Assisted Anglicare Biloela's Youth Worker in the administration of the Banana Shire Youth Workers Network including organising meetings and distributing information relating to professional development opportunities, funding available and a vast array of information forwarded on from service providers;
- Continued to work with the Department of National Parks, Recreation, Sport & Racing to deliver Sport & Recreation workshops in the Banana Shire;
- Hosted a multicultural mothers group tour of Council's Administration Centre and Art Gallery and spoke about Council service and day to day operations;
- Participated in a range of conversations regarding health services across Banana Shire to keep up to date with the sector and be able to share information to the community in general.



*Councillor Maureen Clancy, Steven Ames &  
Community Development Advisor Melinda Petty*

## **Training**

External training opportunities were well utilised through a variety of professional development workshops and webinars including:

- 'Build Your Own Website' workshop hosted by GAPDL;
- 'Focusing our Efforts in Community Planning' workshop facilitated by Steven Ames and hosted by Central Highlands Regional Council;
- 'Social Media in 15 Minutes a Day' webinar hosted by Tourism & Events Qld;
- 'Managing the Media' workshop hosted by LGAQ;
- 'Local Government Goes Digital' webinar hosted by LGAQ; and
- 'City of Adelaide Case Study: Embedding Online Engagement into Your Organisation' webinar hosted by Engagement HQ.

## **Community Planning**

A review of the Banana Shire Community Plan was completed by an external consultant during the period. Changes have not yet been adopted by Council. Copies of previous plans are available on Council's website at <http://www.banana.qld.gov.au/community-planning>.

## **Community Contributions**

Council contributed a total of \$82,000.26 to the community across the Shire in the 2013-2014 financial year. This was made up as follows:

- Twenty-one applications for In Kind Assistance, of which Council was able to provide assistance for eighteen applications. Funding total for the year was \$8067.92.
- Seven applications for Donations, of which all were awarded funding. Funding total for the year was \$4159.85.
- Fifteen applications for Event Support, of which all were awarded funding. Funding total for the year was \$22,724.49.
- Six further funding arrangements/donations approved by Council Resolution:
  - Special Children's Christmas Party \$229.54
  - Child Safety Handbook \$787.80
  - RACQ Capricorn Helicopter Rescue Service \$5050.00
  - Seniors Week \$982.68
  - Theodore Pool \$19,346.55
  - Anglicare Youth Service \$20,652.33
  - Bravehearts \$183.64



The major review of the Community Funding & Assistance Programmes to bring them in line with the Local Government Act (2009) continued during the period.

Enquiries regarding these programmes were constant throughout the financial year. Knowledge of and access to the forms on Council's website is increasing.

### **Letters of Support**

Twenty-two (22) letters of support or referee requests were written throughout the period for a variety of community groups to strengthen their applications for funding from external sources. Referee requests became more common with the Gambling Community Benefit Fund no longer requiring written letters of support.

### **Web Pages & Online Services**

The Community Events Calendar has been promoted and developed during the period, with community groups beginning to submit events through the online form. The number of events listed increases month to month.

My Community Directory has proved a valuable tool with over 34,800 listing views of Banana Shire Council based services between August 2013 and June 2014. Ongoing support has ensured that the Directory is able to be accessed and utilised as easily as possible.

Promotion and a major roll out of the Directory commenced at the end of the financial year with the assistance of the Business Administration Trainee.

Out of over 4100 organisations with membership to My Community Directory, Banana Shire Council was announced as having the highest number of organisations listed per 1000 people living in the area in May. Currently there are just over 400 organisations listed as servicing the Banana Shire. This means that not only is Banana Shire recognised as a leading region in the breadth of community services available, but that this information is even more visible now that it is being accessed by thousands of people around Queensland in My Community Directory.



*Taroom Seniors Week Luncheon*

## **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 5% increase in calls through the phone system during the year. Customer Service Officers answered approximately 27,937 calls. This equates to approximately 107 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. 7,848 customers were attended to at the Biloela Administration office. This averages approximately 150 customers per week or 30 customers per day. 6,258 receipts were issued from the Biloela Administration office, 1,289 from the Moura Customer Service Centre and 1,101 from the Taroom Customer Service Office.

Call and counter statistics will continue to be monitored to ensure an efficient and effective service is provided to ratepayers.



## **Financial Services**

Operational and capital financial reports were presented to Council on a monthly basis in accordance with the *Local Government Regulation 2012*. Financial Services staff have developed an Asset Management Strategy and updated the Asset Management Policy during the 2013/2014 year. Council is currently implementing an Asset Management Program to assist staff to accurately record and predict data on all of Council's Non-Current Assets to ensure a true reflection of the funding requirements for Council's medium to long term financial sustainability.

Asset revaluations for the Roads and Drainage, Aerodromes, Environmental and Pools, Parks & Open Spaces asset classes were completed during the year and Asset Management Plans for all of Council's asset classes are currently being reviewed.

## **Stores/Procurement**

Since relocating to the new premises in Dunn Street, staff have increased stock level to accommodate field personnel in having readily available stock items to complete everyday tasks and emergency operations. Staff have had positive feedback from Transport Companies and field personnel in accessing the stores for deliveries and pickups since the complex has been upgraded with signage and fencing to better secure stock items.

Procurement staff has been updating all procedures to ensure adherence to legislative requirements and ensure that best practices are followed in all procurement activities. Council is committed to continually improve processes which will ensure value for money and that projects will be completed in the most efficient time frame.





## **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 Emergency Services, Queensland Ambulance, health service providers and other technical advisors.

Council's Disaster Management processes were tested this year by the running of a disaster exercise. The exercise was facilitated by Emergency Management Queensland and was designed to test Council's Local Disaster Management Group and Local Disaster Coordination Centre capacity to respond to a disaster event. The exercise was a success and all the recommendations will be implemented. Along with ongoing training, such exercises are vital in ensuring Council's long term ability to effectively respond to disaster events when they happen.





## 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 an "Untitled" work donated by Bill Sanderson, "Ships & Shops, Sealing Wax, Cabbages & Kings" donated by Ellie Neilsen and "Filtered Light" donated by Burney Smith & "Stallion" donated by Judy Kath.

The Banana Shire Art Gallery Association also donated a piece by Theodore artist Roz Glazebrook titled "Sunset – Isla Gorge".

The collection of permanent works in the collection now stands at 227 pieces plus 12 ceramic pieces.



### Art Exhibitions

The gallery has proven to be very popular with the local community as well as local and regional artists. Bookings for exhibition space are now as far ahead as December 2014 with three months of 2015 booked as well.

Due to popular demand, the Brigalow Arts Festival was moved to the Gallery from the Civic Centre. This made the job of hanging the numerous entries much easier and the exhibition was more accessible to the general public



## Promotion

Council again supported Shire shows by attendance 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 twelfth annual Industry Summit took place in Biloela in September, with good attendance from public and industry representatives.

## Banana Shire Stories Trail



The Banana Shire Stories Trail project is now up and running. New town logos have been approved and are now being incorporated into the promotional material. New town signs are being installed featuring the new locally designed logos and a trail icon which identifies those communities as part of the Banana Shire Stories trail.



## Focus

Council's newsletter "Focus" was circulated 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.



## **Library**

The highlight of the year was the installation of a new air conditioning system in Biloela library and its refurbishment. This has created an attractive space for the community to use and has contributed to an increase in numbers attending at the library. Overall, the number of people visiting libraries across the Shire has increased, although the book loan rate has dropped.

### **EVENTS**

#### **August**

The theme for children's book week was "Read across the Universe". Staff installed a solar system and a talking mat provided facts about whatever planet was stepped on.



#### **September**

In September, the Biloela QATB displayed "Treatment Then and Now". This provided some interesting information on the advancement of practices and techniques within the QATB.

School holiday activities continued to be popular and 77 children attended the activities in Biloela and Taroom. The children participated in craft activities and were able to make a pen holder or pom-pom pig to take home.



#### **November**

Biloela library closed from the 25<sup>th</sup> to the 29<sup>th</sup> November to complete installation of part of the air conditioning upgrade. It was a major undertaking to move so many shelves and books, but the end result has been much appreciated by staff and community.



### **December/January**

The Summer Reading Club again proved to be highly popular with a 16% increase in participants this year to 129. The theme was "Investigation" and a detective from the Queensland Police Service attended to discuss crime investigation with participants.



### **March/April**

Completion of the refurbishment of the Biloela library occurred in these months. The staff and customers love the new look library! The new look children's room was officially re-opened with the Mayor testing his story telling abilities with the children.



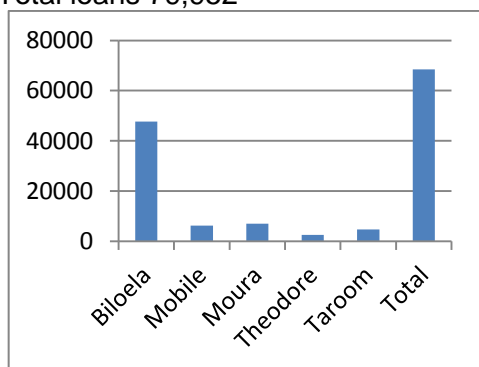
In the Easter school holidays, 52 children participated in workshops held in the Biloela Art Gallery and Taroom Town Hall as part of the QAGOMA "Falling Back to Earth" exhibition by Cai Guo-Qiang, sponsored by Santos. Santos also contributed to the Banana Shire workshops by providing assistance on the day and goody bags for the children.



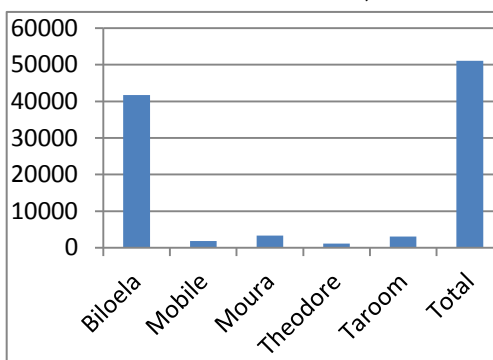


## Library Statistics

Total loans 79,952



Total Door Count 48,999



New Memberships – 745  
Total Membership – 6891  
Inter Library Loans – 223  
The computerschool.net logins – 5229  
Storytelling attendees – 757  
Lapsit attendees – 397

## **Community Resource Centre 2013/2014**

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 2013/2014 has continued to provide these throughout the Banana Shire. This is achieved in the following ways:

### **Resource Library**

The CRC has lent 2,608 items during the 2013/2014 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 Programme*

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 Programme and 2 kindergartens), Moura (2 schools and Early Childhood Development Programme), Theodore, Baralaba, Jambin, Goovigen and Thangool.

Other NSO funded services (Provision of Specialised Equipment and the Holiday Life Skills Programme) have been accessed by schools and families in the aforementioned communities, as well as by eligible students, schools and families in Taroom, Banana, Monto and Rockhampton).

Therapy based groups targeting pre-school children with identified needs were run by CRC therapists during Term 1, 2014, focussing on the development of communication and language skills.

##### *Holiday life Skills Programme*

The CRC has expended this programme to run in September 2013 and January 2014, in Moura, Biloela and Monto. This programme targets social skills, gross and fine motor development and community engagement. For the first time, this programme included a two night camp.



Laptops and iPads donated by Anglo Callide Mine Management are available for loan.

### **Specialised Equipment Programme**

This programme continues to lend a range of equipment to the people of Banana Shire to assist them to access community activities and learning opportunities. The CRC's most exciting acquisition during the year was the Bio Hug Vest (released worldwide in November 2013), which provides sensory stimulation to assist people with sensory processing difficulties. This is currently being trialled in school and home situations.

### **CRC - Callide Dawson Special Needs Support Group Inc**

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 2013/14, as these are no longer able to be funded by the Non School Organisations Programme.

Workshops and seminars are designed to provide families, educators, therapists and carers with information on evidence based best practice, resources and strategies to ensure that people in our community with disabilities have access to quality care and educational opportunities. Workshops during 2013/2014 included African Drumming, Intensive Interaction and Key Word Signing.

### **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.

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 continued to meet weekly at the CRC.

Several support groups have met at the CRC during this period including the Mental Health Support Group, Foster Carers' Support Group, Parkinson's Support Group, Biloela Autism Group of Support, Cancer Council Queensland and Diabetes Support Group.

The CRC played a vital role facilitating services into the Banana Shire. Outreach and local organisations access resources and facilities to enhance and support delivery of services to people in our community. These services include family access visits, Child & Youth Mental Health Services, Centacare, OzCare, 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, Autism Queensland, Drug and Alcohol Foundation Queensland and many other service providers.

The 2013/2014 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 Regional Arts Development Fund is a partnership between Local and State Governments through Arts Queensland. It focuses on the development of quality arts and cultural activities for, and with, regional communities. The programme supports locally determined professional arts, cultural and heritage development opportunities by providing one-off, short term, project based financial assistance to groups and individuals. A total of twenty-four (24) successful applications were approved for the 2013/2014 year totalling \$58,957.70. The diverse groups and art forms represented by the successful applications highlights the rich and varied cultural activities within the Banana Shire. Projects approved included creation of an Anzac Memorial, concept design of a visitor orientation/promotional film, NAIDOC celebrations, photographic workshops and author and illustrator workshops.



## **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 Open Spaces**

Significant projects that have been carried out by the Parks and Gardens team this year have included:

- Lions Park, Biloela - upgrade, \$270 000 (Works component only)
- Callide St, Biloela - centre median upgrade and refurbishment, \$120 000
- Gladstone Rd, Biloela - tree removal and replanting, \$25 000
- Melton Park – upgrade, \$240 000

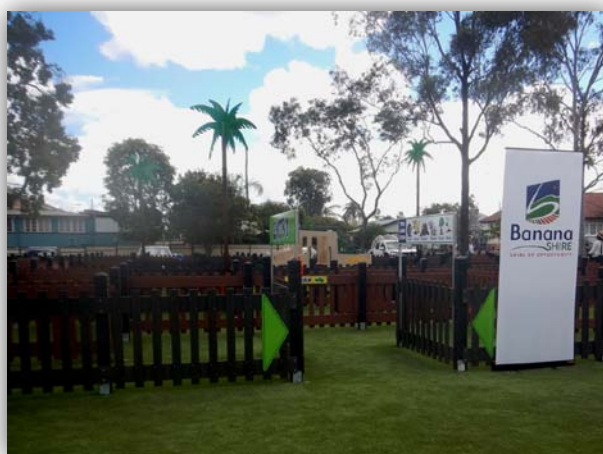
Council also took over the Callide Dam park area from Sunwater in May 2013 and the team has already started to restore some of the facilities to a required standard.



Lions Park, Biloela(1)



Lions Park, Biloela(2)



Melton Park, Biloela

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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. The program 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 no major rain events during the year, there was minimal activity in the mosquito control program.

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 continued assisting 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 2013/14 financial year was as follows:

Food business license	116
Environmental registration	1
Rental accommodation permit	2
Caravan park operator permit	9
Higher risk personal appearance service	1
Footpath permit	63
Commercial activity permit	10

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:

- 2090 dogs registered;
  - 5 Menacing dogs;
  - 1 Dangerous dog;
- and
- 414 animals impounded;
  - 183 animals destroyed;
  - 46 animals rehomed;
  - 185 dogs released.

Regular fortnightly 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 10 visits throughout the year. This program teaches children responsible pet ownership and dog bite prevention.



## **Cemeteries**

Ground radar investigations to locate unmarked graves at Cracow, Theodore Pioneer, Banana, Moura, Wowan, Baralaba, Jambin, Goovigen, Taroom cemeteries were undertaken with several unmarked graves located.

Once survey plans have been completed this will assist in the development of accurate maps of known and unknown graves.

Photos were also collected of any monuments, which will assist in provided data for the development on an online burial register.



### 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 staff conducted 235 washdown inspections.

A coordinated effort towards pest management was also assisted by Council's continued involvement in the Capricorn Pest Management Group and resource sharing days.

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

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

Properties	Type of bait	Amount
64 properties	Dog meat	4650 kg
28 properties	Pig meat	4600 kg
12 properties	Pig grain	1620 kg

There was a decrease in both the amount of pig baits and dog baits distributed from last year due to the dry conditions.

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



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

There was a dramatic increase in applications for stock route agistment and travel permits, with 57 grazing permits and 9 travel permits being issued, due to the dry conditions.

Improvements were made to the water facilities on stock routes with funding from the State Government.

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 Bays**

The washbay was opened at Biloela during the year. This brings all washbays up to a uniform standard.

Work is in place to install standalone card readers at all washbays.



## **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 decreased 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>	<b>2013/14</b>
Material Change of Use	26	14	32	34	23
Reconfiguration of a Lot	12	7	10	15	9
Combined (i.e. both Material Change of Use and Reconfiguration of a Lot)	2	1	0	0	2
<b>Total</b>	<b>40</b>	<b>22</b>	<b>42</b>	<b>49</b>	<b>34</b>

### **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 has decreased:

<b>Financial Year</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
Plumbing Approvals	110	126	136	142	*79

\*As at the 17 June 2014



## **BUILDING**

Council has employed a qualified building certifier.

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

<b>Financial Year</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
Building Approvals	201	269	216	171
Council certified Approvals		37	34	45
Privately certified Approvals		232	182	126

## **SWIMMING POOL CERTIFICATION**

<b>Financial Year</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
Certificates Issued	0	0	0	4



## **BUILT ENVIRONMENT**

Projects completed in 2013/2014:-

- Lions Park Biloela Stage 1
- Lions Park Biloela Stage 2 (QGC)
- 4 Martin Street, Taroom – Floor coverings
- Theodore Skate Park
- Theodore Skate Park Shade Sail
- Baralaba RSL Hall - ceiling and lighting
- Kiangra Hall – air conditioning, replacement ceiling, lighting
- Kiangra Hall - toilet upgrade
- Biloela Library – air conditioner upgrade
- Moura Library refurbishment
- Asbestos removal
- Theodore Town Clock
- Biloela Civic Centre Courtyard
- Biloela Transit Accommodation concrete driveway
- Biloela Pool shade sail and seating
- Moura Pool kiosk shade upgrade
- Moura Pool BBQ area shade upgrade
- CRC playground upgrade
- Theodore Aerodrome - enclosing of building
- Biloela Library - history area upgrade
- Biloela Library painting
- Biloela Library - slat wall
- Magavallis upgrade - Netball concrete edging and crack sealing
- Biloela Cemetery toilet block
- Dunn Street shade sail
- Transfer Station shade sail
- WTP office/lunchroom
- Thangool Park upgrades
- Pest treatment program
- Air conditioners maintenance program
- 10 Year Plan
- 195 Tognolini Baldwin Road Shed
- Wowan Bore slab
- Dunn Street fences
- Biloela Pound upgrade(donga and lighting)
- Land Protection gates, Taroom
- Land Protection and Pound dog kennel
- Biloela Civic Centre LED courtyard lighting
- Key Register
- Stores Lighting
- Dunn Street laser light replacement and the installation of fall protection

- CRC shade sail replacement
- Theodore Depot House ramp replacement and fixing of gutters
- Start of key and lock replacement throughout the Shire
- Dunn Street installation LED flood lights
- Moura Rotary Park shelter and seating

Projects currently being undertaken are as follows:-

**Biloela Aquatic Centre**

- Biloela Pool power upgrade
- Biloela Pool amenities upgrade
- Biloela Pool change to liquid chlorine
- Biloela Pool epoxy sealing of the filter chambers
- Biloela Pool media replacement
- Biloela Pool valve replacement

• **Moura Aquatic Centre**

- Moura Pool change to liquid chlorine
- Moura Pool epoxy sealing of the filter chambers
- Moura Pool media replacement

• **Taroom Aquatic Centre**

- Taroom Pool Amenities upgrade
- Taroom Pool replacement fencing
- Taroom Pool investigations

**Other Projects**

- Moura Pool playground
- Pound fence
- STP shed
- Dunn Street installation LED flood lights
- Bores 7-10 fences
- Biloela and Moura fluoride buildings
- Biloela administration building- Solar PV Generation System
- Asset Management
- Condition Assessment
- Moura Recreation Grounds change rooms

## 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. A town representative from Cracow has joined the Committee and meetings have continued to be hosted throughout different towns within the Shire.

The Committee has been engaged in developing a tourism strategy for the Shire with the input of the Advisory Committee. This document is in line with regional and state tourism plans and will form the basis for the direction for tourism for the Shire. This local strategy will be updated annually.

Development of town brochures has continued, but the lack of suitable images has continued to be an impediment. There has been continued distribution of these and other brochures. Current stocks are still held for the existing 'Simple Pleasures' brochure. A review of the brochure was held off while sufficient stocks of the brochure were on hand. This review should occur in the 2014/2015 financial year and will reflect a more modern image.

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 promoted the Highway with their own stand at the Sydney travel show. Representation at other major travel shows was carried out by the respective Council's regional tourism organisations. The Australia's Country Way Committee collaborated with the Department of Transport and Main Roads and the RACQ to complete new highway signage for this route. As a further part of this project, Australia's Country Way Committee is collaborating with RACQ to develop drive trail brochures along the route. This drive trails will be available for use on RACQ's virtual visitor information centre, Australia's Country Way website and the participating Councils' websites.

The Leichhardt Highway Committee has engaged a consultant to review the brochure and website, investigate linkages and develop an advertising schedule. This work is to be completed early in the new financial year with suggested projects to be carried out during the year. Discussions have occurred between the Department of Transport and Main Roads and RACQ in relation to new highway signage. The Leichhardt Highway Committee has agreed for a name change of the route to Leichhardt Way, to bring it into line with DTMR's highway strategy. New signage will be rolled out later in the year.

GAPDL again attended the travel and holiday shows in Australia and New Zealand distributing regional guides and talking about attractions and activities in the Banana Shire. Banana Shire Council staff were also in attendance at the GAPDL stand at the Sydney show. These shows continue to present an excellent marketing opportunity with direct contact with the consumer.



## **Economic Development**

### **Broad Direction**

- Support the State Government four pillars economic development strategy;
- Communication and engagement with the development and community organisations, industry and government;
- Promote a positive framework to support development and facilitate an enabling environment for business and industry growth;
- Preparation of strategies to enable long term aspirations and economic goals for the Banana Shire local government area.

### **Economic Development Management**

The Economic Development function is a key area of focus for Banana Council and this reflected by the Mayor having Portfolio responsibility for this function.

The Economic Development operational function within Council is now managed by the Development and Environmental Services area, with the role now more closely aligned with the Development and Planning functions.

Councils Manager of Planning and Strategy, Hamish McIntosh, has commenced the role. He has commenced to develop an action plan and develop network contacts to move the role forward.

The Mayor has been very active during the year meeting with many people and groups to develop positive partnerships to assist with the ongoing opportunities for the benefit of the area.

### **Combined Development Associations**

Council has continued to advance and promote partnerships with key economic development stakeholders throughout the 2013/14 financial year, through continued participation in the Combined Development Associations. This group is chaired by the Mayor the various local chambers of commerce. The meetings have been well attended and supported by an interesting variety of guest speakers.

### **Industry Summit**

The Banana Shire Industry Summit was held on the 17th of September 2013. This event was a great success with the focus being on the State Governments 4 Pillars – Agriculture, Mining & Resources, Tourism and Construction.

The Industry Summit included presentations by representatives from the state government, Queensland Resources Council, University of Queensland and the Queensland Transport and Logistics Council. Key

note speakers from 'Blue Ocean' and the CSIRO also contributed to informative and interesting summit proceedings.



### **Recent Developments**

APLNG depot Biloela  
Cockatoo Coal train load out  
IGA Biloela  
Motel Moura  
Tavern Moura

### **New Planning Scheme**

On 18 August 2010 the Banana Shire Council resolved to prepare a new planning scheme under the *Sustainable Planning Act 2009*. A draft Strategic Framework for the new planning scheme was adopted on 22 May 2013 and placed on public notification between 22 May 2013 and 12 July 2013.

The new planning scheme will improve process and provide a more measured approach towards development throughout the Shire and combine the two presently operative Schemes. It will establish the overall strategic direction (economic, social and environmental) for the local government area for the next 15 to 25 years.

A full draft of the planning scheme will be completed in 2014 with adoption of the draft scheme proposed for 2015. Public consultation on the draft scheme will occur prior to adoption.

### **Future Intentions and Projects**

- Develop economic development strategy
- Continue engagement with key local, regional, state and Federal stakeholders
- Advance new planning scheme to enable development with the shire

## 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.



Pump replacement – Biloela Town Pump Station

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*.

Council was successful in having a number of water supply and sewerage related projects accepted for funding under the Royalties for the Regions Program. Successful Projects were the Theodore Sewage Treatment Plant (Round 2), and the Baralaba Water Treatment Plant, and Banana Reservoir Projects (Round 3).

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 Biloela (\$545K), Taroom (\$120K), Theodore (\$85K) and Wowan (\$55K).

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

- Installation of Fluoride dosing facilities at Biloela and Moura, enabling dosing of fluoride to the Biloela, Thangool, Moura and Banana communities.
- Installation of Tertiary Filtration System at the Biloela STP and various electrical replacement works.
- Replacement of chlorine gas dosing facility at Biloela Town Pump Station.
- Installation of new chlorine gas dosing facility at Wowan.
- Installation of lunch room and office at Biloela WTP.
- Replacement of aged low lift pumps and high lift pumps at Biloela Town Pump Station with more efficient pump units.
- Ongoing bore refurbishment works at Biloela.
- Replacement of backwash pumps, Moura WTP.
- Acquisition of approximately 0.4ha of land at Banana to permit construction of future water reservoir and booster pumping station.
- Programmed water meter replacement (all schemes).
- Completion of preliminary design and specification of Moura WTP Upgrade (Stage 1), Theodore WTP automation, Biloela WTP chemical dosing and automation.
- Sewer manhole refurbishment (various schemes)
- Replacement of damaged sewer connections (various schemes)
- Moura STP lagoon by-pass pumps and return pipeline to STP inlet.
- Taroom STP Installation of laboratory building.
- Tender awarded for construction of new STP and associated works at Theodore. Construction commenced with scheduled completion early 2015. This project is jointly funded by the Queensland State Government (\$2.0M) under the Royalties for Regions Program and Banana Shire Council.



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



Construction of Theodore STP

## **INFRASTRUCTURE SERVICES**

Infrastructure Services has two primary functions:

1. Technical Services (Infrastructure Planning and Technology)
2. Works (Project Delivery and Infrastructure Maintenance)

## **TECHNICAL SERVICES**

The role of Technical Services is to provide Council with a strategic framework for roads, drainage, parks, aerodromes and other public infrastructure.

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

### **Survey & Design**

Survey and design is an important pre-construction activity. As the name implies, Surveying includes project sites, setting out projects and as-constructed data capture which are just a few of the surveyors roles. Once a project survey is complete the designers go to work to prepare a design to best meet the expectations of Council and the Community as well as the multitude of design standards which may apply.

### **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.

### **Strategic Infrastructure Planning**

Strategic planning of infrastructure is essential when delivering the long term visions of the community based on the Community Plans. Issue identified in the Community Plans such as Stormwater Management, Road Safety Management, Recreational Facilities, Pathways and Bikeways, Heavy Vehicle Management, Local Area Traffic Management and Street Lighting strategies are investigated and assess in terms of cost effectiveness, operation, safety, and economic benefit, and other risk management factors.



## **Quality System & GIS**

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.

GIS (Geographic Information Systems) is a mapping based information database. The benefit of this is that almost any information about a parcel of land, a feature such as a street light or a road can have information attached to it on a map. This information can include data such as the owner, a roads last reseal date or a photo of a particular street light. A vast amount of can be stored and this in turn allows Council to better plan for development, maintain its assets, provide the community with mapping for tourism, or a street directory, to name a few.

Overall these activities have grown significantly through community demand for resources, long term planning and information. It is essential to keep up with the latest technology to be able to deliver better services to the community.



## **WORKS**

2013/14 has been another extremely busy year for the Works Team with Main Roads and local roads flood damage from Cyclone Oswald, Council capital, Gas Industry and Royalty for the Regions projects all contributing substantially to the busy year.

### **Flood Damage**

Transport and Main Roads flood damage work on the Leichhardt Highway was completed in December 2013. The total cost of this work was in the region of \$13M.

The Queensland Reconstruction Authority approved approximately \$36M of local roads flood damage projects to restore essential public assets from the Cyclone Oswald event in early 2013. Council spent around \$14M this year with all work required to be completed by June 2015.

Major projects included the restoration of 3km of Jambin-Dakenba Rd for \$895 000 including Council's contribution of the betterment portion and the restoration of Linkes Rd crossing of Callide Ck worth about \$372 000 including betterment. Linkes Rd work will carry over into 2014/15.



Before



Alberta Rd Flood Damage

After



## **Capital Work**

Council approved a capital works program in the roads and drainage area worth in the vicinity of \$8M for the 2013/14 financial year.

Highlights include:

- Ford St, Taroom - kerb and channel and drainage work will carry over into 2014/15, value \$900 000
- Callide St/Barrett St, Biloela – major drainage upgrade and work will continue into 2014/15, \$725 000
- Coolum Rd – bitumen seal 2500m, \$400 000
- Defence Rd – replace timber bridge with pipe culvert, \$300 000
- Theodore-Moura Rd– rehabilitate and widen 2500m, \$550 000
- North St, Banana – bitumen seal approximately 500m, \$200 000



Callide St, Biloela



North St, Banana

### **Private Works - Gas Industry**

During this year the Works Department carried out a variety of private work for the gas companies. For example, for APLNG grids were repaired, bitumen roads patched, gravel roads graded and resheeted.

As well, road works to restore local roads to an agreed standard and condition after the gas pipeline construction is complete has been determined. This work has commenced and will continue for the next 12 months. The total value of this work is in the region of \$8M.

### **Royalty for the Regions**

Council submitted an application for Royalty for the Regions funding for the bitumen sealing of the last 11km of unsealed Eidsvold-Theodore Rd, a state controlled road. The state government approved \$12M for the project and work commenced in October 2013. The project is expected to be complete by August 2014.



Eidsvold-Theodore Rd (1)


















Eidsvold-Theodore Rd (2)

## **WASTE MANAGEMENT**

Banana Shire Council operates eight (8) transfer stations and three (3) landfills:

<b>TRANSFER STATIONS</b>	<b>LANDFILLS</b>
<ul style="list-style-type: none"> <li>• Banana</li> <li>• Baralaba</li> <li>• Biloela</li> <li>• Jambin</li> <li>• Moura</li> <li>• Thangool</li> <li>• Theodore</li> <li>• Wowan</li> </ul>	<ul style="list-style-type: none"> <li>• Biloela (Trap Gully)</li> <li>• Cracow</li> <li>• Taroom</li> </ul>

In 2013/14, Council completed upgrades to several transfer stations and landfills within the Shire:

<b>Baralaba Transfer Station</b> <ul style="list-style-type: none"> <li>• Fencing</li> </ul>			
<b>Biloela Transfer Station</b> <ul style="list-style-type: none"> <li>• Pit</li> <li>• Road</li> <li>• Shade Sail</li> <li>• Signage</li> </ul>			
<b>Jambin Transfer Station</b> <ul style="list-style-type: none"> <li>• Fencing</li> <li>• Signage</li> <li>• Concrete</li> <li>• Hard Stand and Roads</li> </ul>			
<b>Thangool Transfer Station</b> <ul style="list-style-type: none"> <li>• Concreting</li> <li>• Fencing</li> <li>• Signage</li> <li>• Earthworks</li> </ul>			
<b>Trap Gully Landfill, Biloela</b> <ul style="list-style-type: none"> <li>• Signage</li> <li>• Earthworks</li> <li>• Preparations for leachate trench.</li> </ul>			



## **Aerodromes**

Banana Shire maintains five (5) aerodromes located at Thangool, Taroom, Moura, Theodore and Baralaba. Passenger services are conducted from the Thangool Aerodrome. Both Taroom and Thangool Aerodrome have been utilised by fly-in fly-out charter aircraft servicing the resource industries. The remaining 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.

The development of the aerodromes has progressed with conceptual layouts for the provision of land for leasing being prepared for the Taroom and Thangool Aerodromes. Recent interest in land for aviation related industry and general aviation has driven this development investigation. Work will commence over the next twelve months on a full development proposal for both aerodromes.

Planning for the extension, overlaying the existing runway to an asphalt standard and improvements to runway lighting is complete for The Thangool Aerodrome. Council is actively seeking funding from State and Federal Governments to subsidise this work.

The light aircraft runway just to the north of Taroom was rehabilitated and regraded, cones and gables have been upgraded and repairs to the windsock to improve the overall operation of this airfield.



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## **AERODROMES**





## **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 at its Dunn Street, Biloela location.

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

45 (a) List of Business Activities	45 (b) Significant Business Activity (Sect 43)	45 (c) ** Competitive Neutrality Principle Applied (Sect 43)	45 (d) New Business Activity (Sect 46)	Code of Competitive Conduct Applied (Sect 47)
Airports	No	No	No	No
Building Certification	No	No	Yes	No
Cemeteries, Funerals & Undertaking	No	No	No	No
Land Development	No	No	No	No
Plant	No	No	No	No
Roads *	No	Yes	No	Yes
Roads-Other	No	No	No	Yes
Sewerage	Yes	Yes	No	Yes
Stock Dip	No	No	No	No
Washdown Facilities	No	No	No	No
Waste Management	No	Yes	No	Yes
Water	Yes	Yes	No	Yes

\* Constructing or maintaining State roads or other roads that are put out to competitive tender

\*\* 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	\$102,997.90	Plus water consumption and general rates on applicable parcels
Council Pensioner Rebate	2010-1180-0000 2010-1181-0000 2010-1182-0000	\$160,338.55	
Rates Based Financial Assistance	2010-1194-0000	\$43625.72	
<b>Total Council Concessions</b>		<b>\$306,962.17</b>	
State Government Pension Rebate	2010-1170-0000	\$110,784.17	

## **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 2013-2014, reviewed and updated. Council's Internal Audit Committee met four times during the financial year to consider the status of each item on this Audit Action Plan and to report to Council. Council continued to utilise the services of the Performance Solutions section of the Local Government Association Queensland for advice and internal audits to comply with legislation.

A revised charter has been developed was adopted by Council on 28 August 2013.

Council proposes to continue to utilise the services of the Performance Solutions for advice, internal audits, assessment of the major risks to Council and updating the Internal Audit Plan including an Action Plan for 2014-2015 to be developed in cooperation with Council Staff and Council's Audit Committee however this procedure may need to be reviewed to meet the expectations by the Queensland Audit Office.

## **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 QCA 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 substantially completed a new Code of Conduct to meet the principles of the *Public Sector Act 1994* for employees and other persons who have a contract or other agreement with Council. Consultation on this Code of Conduct is continuing with employees and their industrial organisations.

As allowed under the Act, Council has completed and adopted a separate Code of Conduct for Councillors which incorporated the different provisions and the standard of conduct required from Councillors.

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 or workshops. The Code of Conduct will be part of the induction process for all new employees.

Councillors have received 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 Codes 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 Financial Statements**

### **GENERAL PURPOSE FINANCIAL STATEMENT**

*Local Government Regulation 2012 Section 183 (a)*

See Attached Document (Page 92 to End)

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

*Local Government Regulation 2012 Section 183 (b)*

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

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

*Local Government Regulation 2012 Section 183 (c)*

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

### **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 2014.

#### 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 2014 can be found in the 2013/14 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 2013/14**

Council's result for the 2013/14 year was a \$5,072,881 surplus. This includes capital income and expenses.

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

\$	<b>Actual 2014</b>	<b>Budget 2014</b>	<b>Actual 2013</b>
Expenditure (excl. capital expenses)	(82,970,256)	(81,417,135)	(82,105,785)
Revenues (excl. capital income)	82,063,721	85,945,728	92,566,640
<b>Operating Surplus/(Deficit) for the period</b>	<b>(906,535)</b>	<b>4,528,593</b>	<b>10,460,855</b>

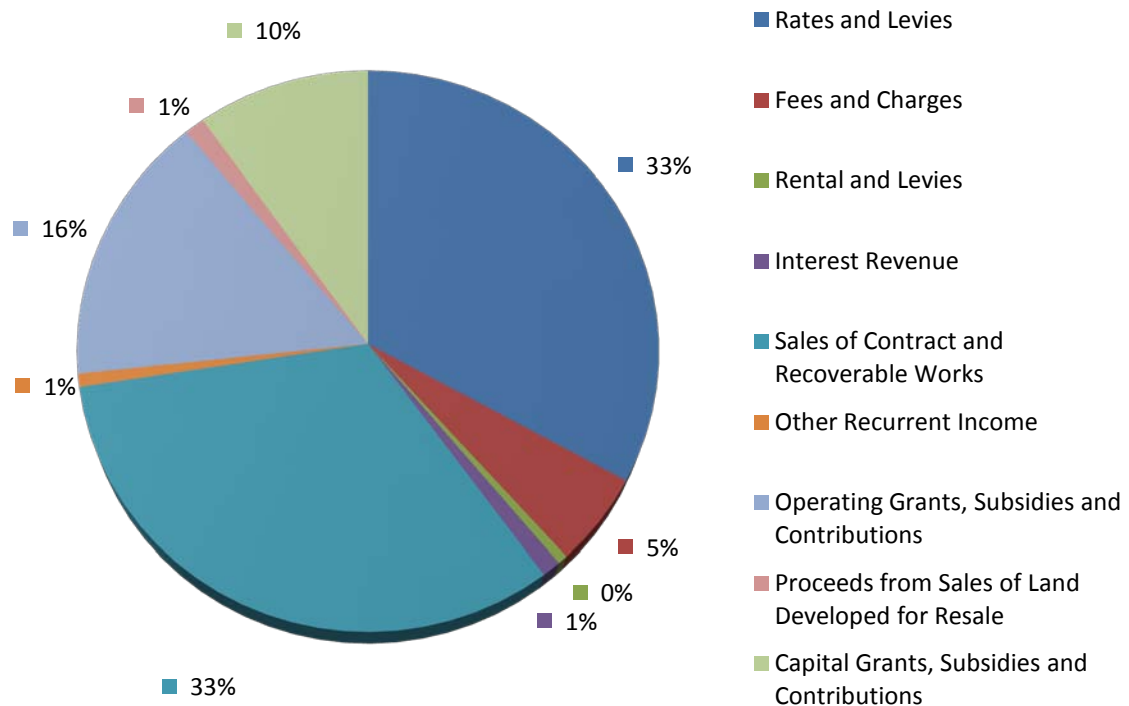
The operational deficit for the year represents a shortfall in annual income to cover its annual expenses. The two main reasons for the difference between the actual result and the budgeted result were due to an increase in depreciation of non-current assets during the year as a result of significant revaluations (increase in budgeted expenditure), and a decrease in operational grants, subsidies and contributions (reduction in budgeted revenue).



### Council's Revenue Sources for the 2013/14 year

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

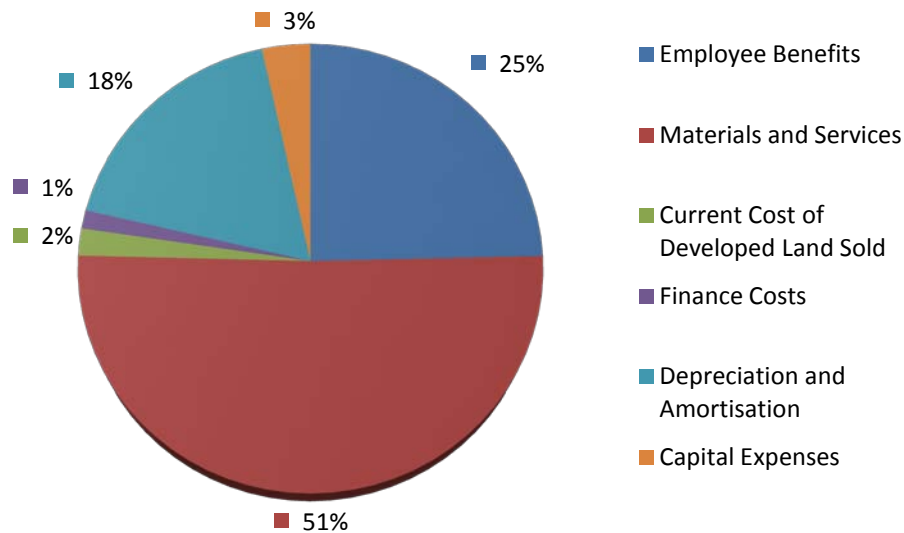
## Revenue



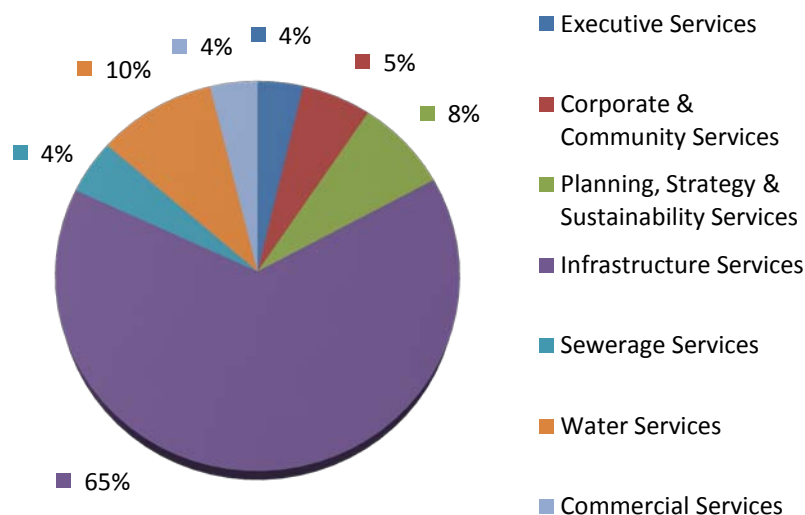
### Council's Expenditure for the 2013/14 year

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

#### Expenses by Nature



#### Expenses by Function



## **2.2 Councils Statement of Financial Position (Balance Sheet) for 2013/14**

### **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 assets less liabilities. As the roads, bridge and drainage network was revalued during the 2013/14 financial year, the value of Council's non-current assets increased. Consequently, Council's Net Community Equity also increased.

### **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**

<b>Ratio</b>	<b>Target</b>	<b>Actual 2012</b>	<b>Actual 2013</b>	<b>Actual 2014</b>	<b>Budget 2015</b>
Operating Surplus Ratio	0 - 10%	2.41%	11.30%	-1.10%	2.90%
Net Financial Liabilities Ratio	< 60%	--5.00%	-12.82%	-1.73%	11.10%
Asset Sustainability Ratio	> 90%	185.35%	83.52%	129.14%	383.90%

<b>Ratio</b>	<b>Target</b>	<b>Long Term Financial Plan Projections</b>							
		<b>Yr 1 2016</b>	<b>Yr 2 2017</b>	<b>Yr 3 2018</b>	<b>Yr 4 2019</b>	<b>Yr 5 2020</b>	<b>Yr 6 2021</b>	<b>Yr 7 2022</b>	<b>Yr 8 2023</b>
Operating Surplus Ratio	0 - 10%	0.80%	1.50%	1.80%	1.90%	2.20%	2.40%	2.70%	2.90%
Net Financial Liabilities Ratio	< 60%	19.10%	16.70%	11.70%	8.50%	1.50%	-2.80%	-8.80%	-10.90%
Asset Sustainability Ratio	> 90%	113.80%	110.80%	113.40%	115.90%	111.40%	122.80%	114.70%	121.20%

## VALUATION OF NON-CURRENT PHYSICAL ASSETS

*Local Government Regulation 2012 Section 185 (b)*

List of Council 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 made during the year.

Council Meeting Date	Resolution Number	Resolution
25 June 2014	OM002787	That Council: 1. Adopt the attached Asset Management Policy and amended Non-Current Asset Threshold Policy.

The policies mentioned above are obtainable from Council's website: <http://www.banana.qld.gov.au>



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

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

#### **FOR THE YEAR TO 30 JUNE 2014**

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

	A	B	C	D	A + B + C - D
FUNCTION DESCRIPTION	BOOK DEBT BALANCE 30/06/13	QTC INTEREST ACCRUED	QTC LOAN CHARGES	QTC REDEMPTION	BOOK DEBT BALANCE 30/06/14
<b>GENERAL FUNCTIONS</b>					
Dawson Highway Major Roundabout	1,728,545	94,875	12,617	650,883	1,185,154
Theodore Land Development	865,909	33,119	940	107,690	792,278
Administration Centre	5,488,886	321,658	6,651	520,627	5,296,568
Workshop/Store Facility	1,790,368	85,715	2,026	256,002	1,622,107
<b>WATER FUNCTIONS</b>					
Cracow Water Supply	165,792	10,317	206	16,335	159,980
<b>SEWERAGE FUNCTIONS</b>					
Moura STP	1,782,704	110,939	2,215	175,641	1,720,217
Theodore STP	914,814	53,610	1,108	86,771	882,761
<b>TOTAL</b>	<b>\$12,737,018</b>	<b>\$710,233</b>	<b>\$25,763</b>	<b>\$1,813,949</b>	<b>\$11,659,065</b>

<b>Loan Description</b>	<b><u>Debt Pool</u></b>	<b><u>Approximate Remaining Term</u></b>
Moura Sewerage Plant	15 years	16 years
Cracow Water Supply	15 years	16 years
Dawson Hwy Major Roundabout	3 years	3 years
Theodore Land Development	9 years	9 years
Administration Centre	15 years	16 years
Theodore Sewerage Plant	15 years	16 years
Workshop/Store Facility	9 years	8 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 total repayment amounts for the 2013/2014 financial year are indicated in the above table.



# BANANA SHIRE COUNCIL



## 2013/2014 FINANCIAL REPORT



## BANANA SHIRE COUNCIL

### Financial Statements

For the year ended 30 June 2014

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## BANANA SHIRE COUNCIL

### Financial Statements

For the year ended 30 June 2014

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#### **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 2014

		2014	2013
	Note	\$	\$
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent revenue</b>			
Rates and levies	3 (a)	30,051,794	28,324,220
Fees and charges	3 (b)	4,854,270	2,947,821
Rental and levies	3 (c)	492,842	257,809
Interest received	3 (d)	939,073	802,864
Sales of contract and recoverable works	3 (e)	29,697,787	31,365,974
Other recurrent income	3 (f)	689,135	248,516
Grants, subsidies and contributions	4 (a)	14,287,151	27,669,051
Proceeds from sales of land developed for resale	5	1,051,669	950,385
Total operating revenue		<u>82,063,721</u>	<u>92,566,640</u>
<b>Capital revenue</b>			
Grants, subsidies and contributions	4 (b)	8,964,724	4,417,505
		<u>8,964,724</u>	<u>4,417,505</u>
Total revenue		<u>91,028,445</u>	<u>96,984,145</u>
Total income	2	<u>91,028,445</u>	<u>96,984,145</u>
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	7	(21,171,894)	(20,423,091)
Materials and services	8	(43,630,980)	(45,961,307)
Current cost of developed land sold	5	(1,680,459)	(542,018)
Finance costs	9	(1,136,380)	(1,133,987)
Depreciation and amortisation	10	(15,350,543)	(14,045,382)
Total operating expenses		<u>(82,970,256)</u>	<u>(82,105,785)</u>
<b>Capital expenses</b>			
Other capital expenses	11	(2,985,308)	(3,574,068)
Total expenses		<u>(85,955,564)</u>	<u>(85,679,854)</u>
<b>Net result</b>		<u>5,072,881</u>	<u>11,304,292</u>
<b>Other comprehensive income</b>			
Increase in asset revaluation surplus		76,405,668	34,959,209
<b>Total other comprehensive income</b>		<u>76,405,668</u>	<u>34,959,209</u>
<b>Total comprehensive income for the period</b>		<u>81,478,549</u>	<u>46,263,501</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 2014

	Note	2014 \$	2013 \$
<b>Current Assets</b>			
Cash assets and cash equivalents	13	21,111,736	16,958,971
Cash investments	17	1,000,000	1,000,000
Trade and other receivables	14	11,562,392	21,772,410
Inventories	15	2,595,591	2,950,623
		<u>36,269,719</u>	<u>42,682,004</u>
Non-current assets classified as held for sale	18	701,000	701,000
		<u>36,970,719</u>	<u>43,383,004</u>
<b>Non-current Assets</b>			
Property, plant and equipment	19	701,444,886	609,649,931
Intangible assets	21	301,381	10,967
		<u>701,746,267</u>	<u>609,660,898</u>
<b>TOTAL ASSETS</b>		<u>738,716,986</u>	<u>653,043,902</u>
<b>Current Liabilities</b>			
Trade and other payables	22	6,614,345	8,899,413
Provisions	23	421,088	452,623
Borrowings	24	954,219	900,968
Other	25	78,515	3,061,998
		<u>8,068,167</u>	<u>13,315,002</u>
<b>Non-current Liabilities</b>			
Trade and other payables	22	606,922	673,899
Provisions	23	16,171,232	5,693,480
Borrowings	24	10,704,844	11,836,048
		<u>27,482,998</u>	<u>18,203,427</u>
<b>TOTAL LIABILITIES</b>		<u>35,551,165</u>	<u>31,518,429</u>
<b>NET COMMUNITY ASSETS</b>		<u><u>703,165,821</u></u>	<u><u>621,525,473</u></u>
<b>Community Equity</b>			
Investment in capital assets	26	190,496,820	183,192,530
Asset revaluation surplus	27	493,542,013	417,136,345
Retained surplus (deficiency)	28	8,775,111	5,825,090
Reserves	29	10,351,877	15,371,508
<b>TOTAL COMMUNITY EQUITY</b>		<u><u>703,165,821</u></u>	<u><u>621,525,473</u></u>

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 2014

Note	Total		Retained surplus		Reserves		Asset revaluation surplus		Council Capital	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at beginning of period	621,525,473	575,261,972	5,825,090	2,176,661	15,371,508	13,722,211	417,136,345	382,177,136	183,192,530	177,185,964
Corrections to opening balances	161,799	-	-	-	-	-	-	-	161,799	-
Restated opening balances	621,687,272	575,261,972	5,825,090	2,176,661	15,371,508	13,722,211	417,136,345	382,177,136	183,354,329	177,185,964
Net result	5,072,881	11,304,292	5,072,881	11,304,292	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	(9,435,022)	-	-	-
Change to ARS due to increase in Provision:	-	-	-	-	-	-	-	-	-	-
Revaluations:	-	-	-	-	-	-	-	-	-	-
Property, plant & equipment	76,015,778	27,854,318	-	-	-	-	85,450,800	27,854,318	-	-
Impairments:	-	-	-	-	-	-	-	-	-	-
Property, plant & equipment	389,890	7,104,891	-	-	-	-	389,890	7,104,891	-	-
<b>Total comprehensive income for period</b>	<b>81,478,549</b>	<b>46,263,501</b>	<b>5,072,881</b>	<b>11,304,292</b>	<b>-</b>	<b>-</b>	<b>76,405,668</b>	<b>34,959,209</b>	<b>-</b>	<b>-</b>
Transfers (to) from retained earnings to capital	-	-	2,712,582	461,237	-	-	-	-	(2,712,582)	(461,237)
Transfers (to) from retained earnings and recurrent reserves	-	-	4,129,282	263,010	(4,129,282)	(263,010)	-	-	-	-
Transfers (to) from capital reserves and capital	-	-	(8,964,724)	(8,380,110)	(890,350)	1,912,307	-	-	9,855,074	6,467,803
<b>Net transfers in the period</b>	<b>-</b>	<b>-</b>	<b>(2,122,860)</b>	<b>(7,655,863)</b>	<b>(5,019,632)</b>	<b>1,649,297</b>	<b>-</b>	<b>-</b>	<b>7,142,492</b>	<b>6,006,566</b>
Balance at end of period	703,165,821	621,525,473	8,775,111	5,825,090	10,351,876	15,371,508	493,542,013	417,136,345	190,496,821	183,192,530

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



# BANANA SHIRE COUNCIL

## Statement of Cash Flows

For the year ended 30 June 2014

	Note	2014 \$	2013 \$
<b>Cash flows from operating activities :</b>			
<b>Receipts</b>			
General rates and utility charges		30,343,725	28,437,928
Rental and levies, fees and charges		5,347,112	3,205,630
Other income		37,327,813	17,066,278
GST received		5,962,154	6,896,473
Receipts from customers		78,980,804	55,606,309
Operating grants, subsidies and contributions		14,287,151	27,669,051
Interest received		935,181	831,410
Proceeds from sales of land developed for resale		1,051,669	950,385
<b>Payments</b>			
Payments materials and services		(46,641,814)	(42,216,159)
Payment to employees		(20,899,994)	(20,055,386)
Costs incurred on inventory land held for sale		(1,310,480)	(21,745)
GST paid		(6,604,161)	(6,385,379)
Payments to suppliers and employees		(75,456,449)	(68,678,669)
Interest expense		(756,709)	(788,638)
<b>Net cash inflow (outflow) from operating activities</b>	35	<u>19,041,647</u>	<u>15,589,848</u>
<b>Cash flows from investing activities:</b>			
State Government subsidies & grants		6,604,465	2,934,277
Capital contributions		2,360,259	1,483,228
Payments for property, plant and equipment		(23,677,974)	(22,510,055)
Payments for intangible assets		(301,381)	-
Net transfer (to) from cash investments		-	29,581
Proceeds from sale of property plant and equipment	6	<u>1,203,703</u>	<u>726,334</u>
<b>Net cash inflow (outflow) from investing activities</b>		<u>(13,810,928)</u>	<u>(17,336,635)</u>
<b>Cash flows from financing activities:</b>			
Repayment of borrowings	24	<u>(1,077,954)</u>	<u>(849,105)</u>
<b>Net cash inflow (outflow) from financing activities</b>		<u>(1,077,954)</u>	<u>(849,105)</u>
<b>Net increase (decrease) in cash and cash equivalents held</b>		<u>4,152,765</u>	<u>(2,595,892)</u>
Cash and cash equivalents at beginning of the financial year		<u>16,958,971</u>	<u>19,554,863</u>
<b>Cash and cash equivalents at end of the financial year</b>	13	<u><u>21,111,736</u></u>	<u><u>16,958,971</u></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 2014

---

## 1 Significant accounting policies

### 1.1 Basis of preparation

These general purpose financial statements are for the period 1 July 2013 to 30 June 2014 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 Auditors 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. However the Application of AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 for the first time this year has resulted in greater disclosures.

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 2017
AASB 10 Consolidated Financial Statements	1 January 2014
AASB 11 Joint Arrangements	1 January 2014
AASB 12 Disclosure of interests in other entities	1 January 2014
AASB 127 Separate Financial Statements (replaces the existing standard together with AASB 10)	1 January 2014
AASB 128 Investments in Associates and Joint Ventures (replaces the existing standard)	1 January 2014
AASB 1055 Budgetary Reporting	1 July 2014
2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (December 2009)	1 January 2015
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	1 January 2015
AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards	1 January 2014

## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

### 1. 6 Adoption of new and revised Accounting Standards - continued

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	1 January 2014
AASB 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements	1 July 2014
AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities [AASB 1, AASB 3, AASB 7, AASB 10, AASB 12, AASB 107, AASB 112, AASB 124, AASB 127, AASB 132, AASB 134 & AASB 139]	1 January 2014
AASB 2013-6 Amendments to AASB 136 arising from Reduced Disclosure Requirements	1 January 2014
AASB 2013-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, AASB 12 & AASB 1049]	1 January 2014
AASB2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Operative dates: Part A Conceptual Framework – 20 Dec 2013; Part B Materiality – 1 Jan 2014; Part C Financial Instruments – 1 Jan 2015]	Refer Title column
Interpretation 21 Levies	1 January 2014

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.

As a result, Council will be required to measure its financial assets at fair value.

#### Consolidation Standards

The following accounting standards apply to Banana Shire Council as from reporting periods beginning on or after 1 January 2014:

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interests in Other Entities
- AASB 127 Separate Financial Statements
- AASB 128 Investments in Associates and Joint Ventures
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards
- AASB 2013-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities - Control and Structured Entities

These standards aim to improve the accounting requirements for consolidated financial statements, joint arrangements and off balance sheet vehicles.

AASB10 redefines and clarifies the concept of control of another entity, and is the basis for determining which entities should be consolidated into another entity's financial statements.

The Banana Shire Council has reviewed its situation and, under the revised definition of control, there are no entities with which council has a relationship which would be considered to be controlled by council. Therefore, while Council will review its position annually, the changes to AASB has not impacted on the preparation of the 2013-14 Financial Statements.

AASB 11 deals with the concept of joint control and sets out new principles for determining the type of joint arrangement that exists, which in turn dictates the accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.

## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

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### 1. 6 Adoption of new and revised Accounting Standards - continued

The Banana Shire Council is not currently involved in any joint arrangements and into the future, no changes are anticipated.

AASB 12 contains the disclosure requirements for interests in other entities including unconsolidated structured entities. As Council does not hold an interest in any other entities, the changes to AASB 12 require no additional disclosures.

### 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 20 Fair value measurements
- Impairment of property, plant and equipment - note 1.17 and note 19
- Provisions - note 23
- Contingencies - note 32

### 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 spent all recurrent grants received in the 2013-14 financial year and therefore Council has not 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.

#### (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



## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

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### 1. 8 Revenue - continued

#### (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 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)

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

All other disclosures relating to the measurement and financial risk management of financial instruments are included in note 37.

### 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.

## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

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### 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.

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.

At 30 June 2014 Council had one term deposit 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.

## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

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### 1. 15 Property, plant and equipment - continued

(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 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 is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

(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, major plant 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 periodically engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets. 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.

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 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 asset 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. Further details in relation to valuers, the methods of valuation and the key assumptions are disclosed in Note 20.

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.

(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.

## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

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### 1. 15 Property, plant and equipment - continued

#### (e) Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on Council's infrastructure (Roads, Water, Sewerage and Environmental) and plant and equipment assets (including office furniture) 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 these Council assets. All Council Buildings are depreciated, based on the condition of each asset by using a consumption based methodology. Depreciation is calculated at the same rate each year but if the condition of these assets improves or deteriorates then the depreciation will adjust accordingly. Therefore, as the condition is adjusted the allocated valuation pattern changes which revises the remaining useful life and written down value of these 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.

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.

#### (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. Intangible assets of a similar type (software) with a cumulative value exceeding \$10,000 are also recognised in the financial statements. Items with a lesser value are

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 21.



## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

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### 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.

#### 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 22 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.

## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

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### 1. 20 Liabilities - employee benefits - continued

#### (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 33.

#### (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 23 as a provision.

### 1. 21 Borrowings and borrowing costs

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.

### 1. 22 Restoration provision

A provision is made for the cost of restoration in respect of refuse landfill sites 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 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). All refuse sites are on Council controlled land.

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:

#### (a) 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.

## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

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### 1. 22 Restoration provision - continued

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 the various site will progressively close between 2029 and 2059. Restoration will occur progressively over subsequent years.

### 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 Council's capital (physical operating capability) 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 26. The balance of the asset revaluation surplus also forms part of the physical operating capability that must be maintained.

### 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

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.

#### 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 or debt reduction 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.

Further details can be found in note 29 (a) (i)

## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

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

#### 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 29 (a) .

#### 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.

The closing balance is also identified as restricted cash held at balance date in note 13.

#### Capital Aquisitions reserve

This reserve hold funds to contribute to the future replacement of Council's infrastructure assets.

#### Plant reserve

This reserve holds funds to contribute to the future replacement of Council's plant and equipment.

#### 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.

#### Aerodrome reserve

This reserve holds funds to contribute to the future replacement of Council's aerodrome infrastructure.

### 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.

#### Special Projects reserve

This reserve hold funds to contribute to special operating activities nominated by Council.

#### 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 4 activities that are business activities. Details of these activities can be found in note 38.

### 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.

## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

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**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 34.

**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.

**1. 32 Carbon Pricing**

The Clean Energy Legislation (Carbon Tax Repeal) Act 2014 abolished the carbon pricing mechanism established by the Clean Energy Act 2011 from July 2014.



## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

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### 2 Analysis of results by function

#### (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 2014

### 2 Analysis of results by function (continued)

(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				
	2014 \$	2014 \$	2014 \$	2014 \$	2014 \$	2014 \$
Executive Services	23,598	58,387	81,985	3,190,117	(3,108,132)	12,679
Corporate & Community Services	3,358,987	19,416,279	22,775,266	4,880,893	17,894,373	43,493,411
Planning, Strategy & Sustainability Service	392,773	1,931,091	2,323,864	6,643,686	(4,319,822)	88,533,787
Infrastructure Services	15,541,845	33,075,693	48,617,538	55,696,937	(7,079,399)	505,590,991
Sewerage Services	200,000	3,843,816	4,043,816	3,875,957	167,859	29,754,680
Water Services	726,260	8,555,924	9,282,184	8,348,175	934,009	69,451,714
Commercial Services	64,836	3,838,956	3,903,792	3,319,799	583,993	1,879,724
<b>Total</b>	<b>20,308,299</b>	<b>70,720,146</b>	<b>91,028,445</b>	<b>85,955,564</b>	<b>5,072,881</b>	<b>738,716,986</b>

For the year ended 30 June 2013

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	3,087,307	(2,911,034)	12,679
Corporate & Community Services	6,354,899	18,402,488	24,757,387	12,490,442	12,266,945	49,335,633
Planning, Strategy & Sustainability Service	69,984	2,324,985	2,394,969	6,043,318	(3,648,349)	71,278,105
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)	28,682,802
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	2,917,467	1,555,408	4,206,302
<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>

# BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

	2014	2013
Note	\$	\$
<b>3 Revenue analysis</b>		
<b>(a) Rates and levies</b>		
General rates	20,413,320	19,557,418
Water	6,434,350	5,539,439
Sewerage	3,395,460	3,213,475
Waste management	692,391	667,541
Garbage charges	2,201,340	2,119,228
Rates and utility charge revenue	33,136,861	31,097,101
Less: Discounts	(2,818,404)	(2,538,391)
Less: Pensioner remissions	(266,663)	(234,490)
Net rates and utility charges	30,051,794	28,324,220
<b>(b) Statutory fees and charges</b>		
Town planning fees	756,769	263,643
Building fees & charges	235,776	446,933
Dog registrations	29,608	(31,419)
Licences and permits	59,896	56,003
Fines and infringements	2,621	3,480
Saleyard fees	82,761	90,151
Disposal fees	844,865	479,723
Other statutory fees	222,226	205,845
User fees and charges	2,619,748	1,433,462
	4,854,270	2,947,821
<b>(c) Rental and levies</b>		
Other property rental income	492,842	257,809
	492,842	257,809
<b>(d) Interest received</b>		
Investments	789,322	594,610
Over due rates and utility charges	149,751	208,254
	939,073	802,864
<b>(e) Sales of contract and recoverable works</b>		
Revenue	29,697,787	31,365,974
	29,697,787	31,365,974
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	689,135	248,516
	689,135	248,516
<b>4 Grants, subsidies and contributions</b>		
<b>(a) Recurrent - grants, subsidies and contributions are analysed as follows:</b>		
General purpose grants	3,936,348	7,601,446
State Government subsidies & grants	9,767,486	19,561,289
Other Non-Government Subsidies	20,500	-
Contributions	562,817	506,316
Total recurrent revenue	14,287,151	27,669,051

# BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

		2014	2013
	Note	\$	\$
<b>4 Grants, subsidies and contributions - continued</b>			
<b>(b) Capital - grants, subsidies, and contributions are analysed as follows:</b>			
Monetary revenue constrained for capital purposes:			
State Government subsidies & grants		6,604,465	2,934,277
Contributions		2,360,259	1,483,228
Total capital revenue		<u>8,964,724</u>	<u>4,417,505</u>
<b>(c) 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:			
Subsidies		<u>804,326</u>	<u>151,500</u>
		804,326	151,500
Non-reciprocal grants and contributions which were recognised as revenues during a previous reporting period and were expended during the current reporting period.			
Contributions for infrastructure		<u>2,092,199</u>	<u>381,447</u>
		2,092,199	381,447
<b>5 Gain (loss) on the disposal of inventory land developed for resale</b>			
Proceeds from sales of land developed for resale		1,051,669	950,385
Current cost of developed land sold	16	<u>(1,680,459)</u>	<u>(542,018)</u>
		(628,790)	408,367
<b>6 Gain (loss) on the disposal of capital assets</b>			
Proceeds from the sale of plant and equipment		1,203,703	726,334
Less: Book value of plant and equipment sold		<u>(1,777,873)</u>	<u>(818,976)</u>
		(574,170)	(92,642)
Total gain (loss) on the disposal of capital assets	11	<u>(574,170)</u>	<u>(92,642)</u>
<b>7 Employee benefits</b>			
Operational staff wages and salaries		13,652,618	13,399,325
Councillors' remuneration		408,447	391,619
Annual, sick and long service leave entitlements		3,827,284	3,593,213
Superannuation	33	<u>2,137,852</u>	<u>2,003,154</u>
		20,026,201	19,387,311
Other employee related expenses		<u>1,145,693</u>	<u>1,035,780</u>
		<u>21,171,894</u>	<u>20,423,091</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 2014:		2014	2013
Elected members		7	7
Administration staff		103	95
Depot and outdoors staff		163	168
Total full time equivalent employees		<u>273</u>	<u>270</u>

# BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

		2014	2013
	Note	\$	\$
<b>8 Materials and services</b>			
Audit of annual financial statements by the Auditor-General of Queensland		68,013	118,139
Internal Audit		10,650	-
Council Road Maintenance		4,162,132	4,208,715
Private Works		2,944,598	4,251,290
Donations and Contributions Paid		138,642	99,685
Legal fees		286,155	206,624
Insurance		187,587	178,893
Administration supplies and consumables		156,553	133,484
Telephone and Communications		282,115	271,757
Electricity		1,414,545	1,151,668
Contractors (non Works)		1,217,671	1,226,915
Professional Fees		976,064	537,538
Counter Disaster Operations		7,754	133,282
Flood Restorations		9,643,505	13,168,669
Plant Operation and Maintenance		3,397,081	3,414,279
Other material and services		18,737,915	16,860,369
		<u>43,630,980</u>	<u>45,961,307</u>
<b>9 Finance costs</b>			
Finance costs charged by the Queensland Treasury Corporation		756,709	788,638
Bank charges		51,293	48,553
Impairment of receivables and bad debts written off		170,744	92,120
Refuse sites - change in PV over time		157,634	204,676
		<u>1,136,380</u>	<u>1,133,987</u>
<b>10 Depreciation and amortisation</b>			
<b>(a) Depreciation of non-current assets</b>			
Site improvements		209,027	993,191
Buildings		1,200,017	1,142,347
Plant and equipment		1,755,137	1,726,952
Road, bridge and drainage network		7,392,009	6,172,197
Water		2,642,658	2,188,024
Sewerage		1,535,197	1,524,110
Environmental Infrastructure Assets		405,778	103,292
Other Assets NC		199,753	184,302
		<u>15,339,576</u>	<u>14,034,415</u>
<b>(b) Amortisation of other intangible assets</b>			
Computer software		10,967	10,967
		<u>10,967</u>	<u>10,967</u>
Total depreciation and amortisation		<u>15,350,543</u>	<u>14,045,382</u>
<b>11 Capital expenses</b>			
Loss on the sale of capital assets	6	574,170	92,642
Loss on write-off of capital assets	12	768,058	3,481,426
Increase in rehabilitation provision for future costs, due to a change in discount rate		158,622	-
Increase in rehabilitation provision above Land			
Revaluation Surplus		1,484,458	-
Total capital expenses		<u>2,985,308</u>	<u>3,574,068</u>



# BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

	2014	2013
Note	\$	\$
<b>12 Loss on write-off of capital assets are as follows:</b>		
Land	-	447,000
Buildings	-	194,664
Plant and equipment	47,299	-
Road, bridge and drainage network	74,056	2,839,762
Water	558,840	-
Sewerage	87,863	-
11	<u>768,058</u>	<u>3,481,426</u>
<b>13 Cash assets and cash equivalents</b>		
Cash at bank and on hand	1,244,808	4,547,006
Deposits at call	19,866,928	12,411,965
Total cash and cash equivalents per cash flow statement	<u>21,111,736</u>	<u>16,958,971</u>
Cash investments held	17 <u>1,000,000</u>	<u>1,000,000</u>
Total cash assets	<u>22,111,736</u>	<u>17,958,971</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:		
Externally imposed expenditure restrictions at the reporting date relate to the following assets:		
Unspent loan monies	29 (ii) -	1,000,000
Unspent government grants and subsidies	77,000	5,922,442
Unspent developer contributions	3,250,750	1,690,150
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	<u>7,024,127</u>	<u>6,758,916</u>
Total unspent restricted cash held in reserves	29 <u>10,351,877</u>	<u>15,371,508</u>
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) .		
<b>14 Trade and other receivables</b>		
<b>Current</b>		
Rateable revenue and utility charges	1,122,567	1,585,242
Accrued interest	56,952	53,060
GST recoverable	255,235	-
Other debtors	9,979,660	19,921,817
Less: Impairment provision	<u>(35,436)</u>	<u>(53,220)</u>
	<u>11,378,978</u>	<u>21,506,899</u>
Prepayments	<u>183,414</u>	<u>265,511</u>
	<u>11,562,392</u>	<u>21,772,410</u>
Movement in accumulated impairment losses (trade and other receivables) is as follows:		
Opening balance	53,220	25,400
Impairment adjustment in period	<u>(17,784)</u>	<u>27,820</u>
Closing balance	<u>35,436</u>	<u>53,220</u>
<b>15 Inventories</b>		
<b>Current</b>		
Inventories for internal use:		
Quarry and road materials	126,450	97,720
Stores and materials	<u>749,850</u>	<u>763,633</u>
	<u>876,300</u>	<u>861,353</u>
Valued at cost, adjusted when applicable for any loss of service potential.		
Land purchased for development and sale	16 <u>1,719,291</u>	<u>2,089,270</u>
	<u>2,595,591</u>	<u>2,950,623</u>

# BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

	2014	2013
Note	\$	\$
<b>16 Land purchased for development and sale</b>		
Balance at the beginning of financial year	2,089,270	2,609,543
Development costs	1,310,480	21,745
Less: Cost of developed land sold	(1,680,459)	(542,018)
Balance at end of the financial year	<u>1,719,291</u>	<u>2,089,270</u>

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

## 17 Cash investments

Fixed term held with QTC realisable between 3 and 12 months - unrestricted

1,000,000	1,000,000
<u>1,000,000</u>	<u>1,000,000</u>

## 18 Non-current assets classified as held for sale

Opening balance at valuation  
Internal transfer from land and improvements  
Internal transfer from buildings at fair value

701,000	-
-	120,000
-	581,000
<u>701,000</u>	<u>701,000</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 costs to sell.

**BANANA SHIRE COUNCIL**

Notes to the Financial Statements  
For the year ended 30 June 2014

**19 Property, plant and equipment**

Basis of measurement	Asset Values	Note	Land	Site improvements	Buildings	Plant and equipment	Road, bridge and drainage network	Water	Sewerage	Environmental Infrastructure Assets	Other Assets NC	Works in progress	Total
			Valuation 2014	Valuation 2014	Valuation 2014	Cost 2014	Valuation 2014	Valuation 2014	Valuation 2014	Valuation 2014	Valuation 2014	Cost 2014	2014
Opening gross value as at 1 July 2013	\$ 11,487,158	36		\$ 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
Minor correction to opening balance	-			(1,671,563)		-	7	-	9,894	-	-	4,929	(1,656,734)
Additions at cost	-			803,219		2,846,479	5,162,966	1,874,457	638,221	1,061,600	195,333	10,913,855	23,677,974
Internal transfers from work in progress	-	6		160,788		-	1,500,220	308,330	678,149	151,630	350,590	(3,149,708)	-
Disposals	-			-		(3,313,908)	-	-	-	-	-	-	(3,313,908)
Write-offs	-	11		-		(53,431)	(98,695)	(1,044,071)	(140,944)	-	-	-	(1,337,141)
Revaluation adjustment to other comprehensive income. (refer the ARS*)	-	27		13,377,991		-	53,485,518	3,447,027	2,025,944	354,440	3,677,134	-	76,368,054
Internal transfers between asset classes	-			85,887		-	-	-	-	-	(85,887)	-	-
Closing gross value as at 30 June 2014	\$ 11,669,002			\$ 94,570,838		\$ 25,938,615	\$ 557,837,394	\$ 118,347,913	\$ 69,557,417	\$ 6,467,350	\$ 11,403,974	\$ 14,359,439	\$ 912,538,750
<b>Accumulated depreciation and impairment</b>													
Opening balance as at 1 July 2013	-	36		10,942,628		9,823,854	94,781,602	50,164,923	38,530,442	1,016,427	2,897,507	-	209,150,574
Minor correction to opening balance	-			(1,853,164)		-	(830)	27,115	3,984	1	4,361	-	(1,818,533)
Depreciation provided in period	-	10		1,200,017		1,755,137	7,392,009	2,642,658	1,535,197	405,778	199,753	-	15,339,576
Depreciation on disposals	-	6		-		(1,536,035)	-	-	-	-	-	-	(1,536,035)
Depreciation on write-offs	-	11		-		(6,132)	(24,639)	(485,231)	(53,081)	-	-	-	(569,083)
Revaluation adjustment to other comprehensive income. (refer the ARS*)	-	27		466,186		-	(11,028,575)	1,570,484	1,200,496	(71,882)	(1,219,454)	-	(9,082,745)
Impairment adjustment to other comprehensive income. (ARS*)	-	27		-		-	(389,890)	-	-	-	-	-	(389,890)
Accumulated depreciation as at 30 June 2014	-			10,755,667		10,036,824	90,729,677	53,919,949	41,217,038	1,350,324	1,882,167	-	211,093,864
Total written down value as at 30 June 2014	\$ 11,669,002			\$ 83,815,171		\$ 15,901,791	\$ 467,107,717	\$ 64,427,964	\$ 28,340,379	\$ 5,117,026	\$ 9,521,807	\$ 14,359,439	\$ 701,444,886
Residual value	-			40,262,248		6,911,004	220,650,504	-	-	141,597	6,818,375	-	274,783,728
Range of estimated useful life in years	Not depreciated			0 - 60		3 - 20	10 - 100	20 - 80	12 - 100	40 - 50	7 - 100	-	-
Addition of renewal assets	-			476,468		2,846,479	5,039,037	925,259	512,080	293,716	195,333	9,521,868	19,810,240
Addition of other assets	181,844			326,750		-	123,929	949,199	126,141	767,884	-	1,396,916	3,872,663
Total additions in period	181,844			803,219		2,846,479	5,162,966	1,874,457	638,221	1,061,600	195,333	10,918,784	23,682,903

\* ARS denotes - Asset Revaluation Surplus

**BANANA SHIRE COUNCIL**

Notes to the Financial Statements  
For the year ended 30 June 2014

**19 Property, plant and equipment - prior year**

Note	Land	Site improvements		Buildings		Plant and equipment		Road, bridge and drainage network		Water		Sewerage		Environmental Infrastructure Assets		Other Assets NC		Works in progress		Total
		Valuation 2013 \$	Valuation 2013 \$	Valuation 2013 \$	Valuation 2013 \$	Cost 2013 \$	Valuation 2013 \$	Valuation 2013 \$	Valuation 2013 \$	Valuation 2013 \$	Valuation 2013 \$	Valuation 2013 \$	Valuation 2013 \$	Valuation 2013 \$	Valuation 2013 \$	Cost 2013 \$	Cost 2013 \$			
		Opening gross value as at 1 July 2012																		
		7,602,387	2,386,807	63,557,240	26,253,653	477,335,904	105,766,286	2,519,274	7,121,809	11,042,204	2,321,587	22,510,055								
		151,157	-	6,532,643	1,900,603	5,980,847	2,867,980		144,995											
				6,069,995	-	703,433	-													
6																				
11																				
		(447,000)	-	(251,139)	-	(3,947,462)	-													
		Revaluation adjust to other comprehensive income. (refer the ARS*)																		
27		4,300,614	-	6,486,777	-	17,714,657	5,127,904													
		(120,000)	-	(581,000)	-	-	-													
		Closing gross value as at 30 June 2013	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								
<b>Accumulated depreciation and impairment</b>																				
		Opening balance as at 1 July 2012																		
10		-	-	8,237,054	8,972,707	93,449,048	47,888,022	33,249,633	913,135	2,713,205	-	-	-	-	-	-	-	-	-	-
		Depreciation provided in period	993,191	1,142,347	1,726,952	6,172,197	2,188,024	1,524,110	103,292	184,302	-	-	-	-	-	-	-	-	-	-
6		-	-	-	(875,805)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11		-	-	(56,475)	-	(1,107,701)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Revaluation adjust to other comprehensive income. (refer the ARS*)																		
27		-	-	1,619,702	-	3,372,949	88,877	3,756,699	-	-	-	-	-	-	-	-	-	-	-	-
		Impairment adjustment to other comprehensive income. (refer the ARS*)																		
27		-	-	-	-	(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	-	-	-	-	-	-	-	-	-	-
		Total written down value as at 30 June 2013	1,393,616	70,871,888	16,635,621	403,005,777	63,597,247	27,815,711	3,883,253	4,369,297	6,590,363	609,649,931								
<b>Range of estimated useful life in years</b>																				
		Not depreciated	0 - 60	30 - 100	3 - 20	10 - 100	20 - 80	12 - 100	40 - 50	7 - 100										

**Accumulated depreciation and impairment**

Opening balance as at 1 July 2012  
Depreciation provided in period  
Depreciation on disposals  
Depreciation on write-offs  
Revaluation adjust to other comprehensive income  
(refer the ARS\*)  
Impairment adjustment to other comprehensive income. (refer the ARS\*)

Accumulated depreciation as at 30 June 2013

Total written down value as at 30 June 2013

Range of estimated useful life in years

\* ARS denotes - Asset Revaluation Surplus

## BANANA SHIRE COUNCIL

### Notes to the Financial Statements

For the year ended 30 June 2014

#### 20 Fair Value Measurements

##### (a) Recognised fair value measurements

Council measures and recognises the following assets at fair value on a recurring basis:

Property, plant and equipment

- Land
- Site improvements
- Buildings
- Road, bridge and drainage network
- Water
- Sewerage
- Environmental infrastructure assets
- Other assets NC

Council does not measure any liabilities at fair value on a recurring basis.

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes.

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in note 24 is provided by the Queensland Treasury Corporation and represents the contractual undiscounted cash flows at balance date (level 2).

The carrying amounts of trade receivables and trade payables are assumed to approximate their fair value due to their short-term nature (Level 2).

In accordance with AASB 13 fair value measurements are categorised on the following basis:

- Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Fair value based on inputs that are directly or indirectly observable for the asset or liability (level 2)
- Fair value based on unobservable inputs for the asset and liability (level 3)

Council also has assets measured at fair value on a non-recurring basis as a result of being reclassified as assets held for sale. These comprise land previously used as an administration centre as disclosed in note 15. A description of the valuation techniques and the inputs used to determine the fair value of this land is included below under the heading "Land (level 2)".

The following table categorises fair value measurements as either level 2 or level 3 in accordance with AASB 13. Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as level 1.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value of an asset are observable, the asset is included in level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Council infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

The table presents the Council's assets measured and recognised at fair value at 30 June 2014. Comparative information has not been provided as allowed by the transitional provisions of AASB 13 Fair Value Measurement.



## BANANA SHIRE COUNCIL

### Notes to the Financial Statements For the year ended 30 June 2014

#### 20 Fair Value Measurements - continued

##### Recurring fair value measurement

Category	Note	Level 2	Level 3	Total
Land	19	-	\$11,669,002	\$11,669,002
Site Improvements	19	-	\$9,389,352	\$9,389,352
Buildings	19	-	\$83,815,172	\$83,815,172
Road, bridge and drainage network	19	-	\$467,107,718	\$467,107,718
Water	19	-	\$64,427,964	\$64,427,964
Sewerage	19	-	\$28,340,380	\$28,340,380
Environmental infrastructure assets	19	-	\$5,117,026	\$5,117,026
Other Assets NC	19	-	\$9,521,806	\$9,521,806
<b>Total</b>		-	\$679,388,420	\$679,388,420

##### Non-recurring fair value measurement

Category	Note	Level 2	Level 3	Total
Non-current assets classified as held for sale	19	\$701,000	-	\$701,000
<b>Total</b>		\$701,000	-	\$701,000

There are no transfers between levels 1 and 2 during the year or between levels 2 and 3.

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

#### (b) Valuation techniques used to derive fair values for level 2 and level 3 valuations

Council adopted AASB 13 Fair Value Measurement for the first time this financial year and has reviewed each valuation to ensure compliance with the requirements of the new standard. There have been no changes in valuation techniques as a result of this review.

##### Land & Site Improvements (Level 2 and 3)

Land fair values were determined in a desktop valuation conducted by an independent Valuer, APV Valuers and Asset Management effective 30 June 2014. Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes, which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

Land classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less cost to sell at the time of reclassification. The fair value of the land was determined using the sales comparison approach described in the preceding paragraph.

Where there were no observable market evidence for a land asset due to its configuration, council zoning restrictions, contamination or similar factors that result in there being no direct comparable market evidence level 3 valuation inputs were used. For these assets, significant assumptions needed to be made to determine the fair value.

The desktop revaluation of Council's land assets required the Valuer to rely on a number of assumptions. As each parcel was not being individually valued and analysed the subjectivity and reliance on assumptions increased. Using and analysing available sales evidence across the various land market sectors within the council region, market movement within each sector was determined.

## BANANA SHIRE COUNCIL

### Notes to the Financial Statements For the year ended 30 June 2014

#### 20 Fair Value Measurements - continued

##### (b) Valuation techniques used to derive fair values for level 2 and level 3 valuations - continued

###### Buildings (Level 3)

The fair value of buildings was determined using the cost approach by independent Valuer, APV Valuers & Asset Management effective 30 June 2014. The approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metre could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such, these assets were classified as having been valued using level 3 valuation inputs.

<u>Significant unobservable input</u>	<u>Sensitivity to Unobservable</u>	<u>Relationship of unobservable inputs to fair value</u>
Relationship between asset consumption rating scale and the level of consumed service potential	(2.5%) – 2.50%	The lower the sensitivity the lower the fair value.

###### Infrastructure assets (Level 3)

All Council infrastructure assets were fair valued using written down current replacement cost (CRC). This valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. Where existing assets were over designed, had excess capacity, or were redundant an adjustment was made so that the resulting valuation reflected the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output within the council's planning horizon.

The unit rates (labour and materials) and quantities applied to determine the CRC of an asset or asset component were based on a "Greenfield" assumption meaning that the CRC was determined as the full cost of replacement with a new asset including components that may not need to be replaced such as earthworks. There are some assets where a service % is applied to the CRC to represent the adjustments to the values to represent the proportion of asset that is providing the desired service level; of particular note, is the unsealed road asset category.

The CRC was determined using methods relevant to the asset class as described under individual asset categories below.

Annual reviews of these values are completed to determine material differences. Currently the Australian Bureau Statistic indexes (Ref. ABS Catalogues, 6427.0 Producer Price Indexes, Australia Table 17) are used to do these reviews.

###### Roads Infrastructure

The fair value of all Road Infrastructure assets was valued by independent Valuer, Shepherd Services effective 30 June 2014.

###### Roads (Sealed)

Sealed road assets are broken into separate asset groups, as shown below:

1. Sealed Surface: Two coat spray seal or Asphalt.
2. Sealed Pavement
3. Sealed Formation

**20 Fair Value Measurements - continued**

**(b) Valuation techniques used to derive fair values for level 2 and level 3 valuations - continued**

**(i) Sealed Surface and Pavement**

A sealed road is broken into these separate asset groups, because each group has different life expectancies.

Allowances have been made for the use of difference pavement materials used for Urban and Rural roads. Urban materials are sourced from the commercial quarries and Rural materials are sourced from Council own gravel pits in the shire.

Allowances have been made for working in urban more confined areas compared to rural open areas.

**(ii) Sealed Formation**

Because the formation asset is considered to be an asset that will not need to be replaced, as its service potential is not consumed, the "depreciated replacement cost" will equal the current replacement cost and there will be no depreciation.

The reason the sealed formation is not consumed is because it is protected by two other layers above it. These layers over their life will be renewed at some time, yet the formation would not, as it provides little or no strength to overall seal. Even on a seal expansion, the formation is not normally touched. For example, say the road is widened then the formation is actually widened (new capital works) as well.

Terrain was considered when completing the calculation of the current replacement cost for this asset category. Terrain classifications of Flat, Rolling and Mountainous have been used.

Allowances have been made for working in urban more confined areas compared to rural more open areas.

The valuation used the following formulas to calculate all financial figures.

**Depreciable Amount Calculation**

$$\text{Depreciable Amount} = \text{Current Replacement Costs} - \text{Residual Amount}$$

**Asset Current Replacement Cost**

$$\text{Assets Current Replacement Cost (CRC)} = \text{Dimension 1} \times \text{Unit Cost}$$

Dimension 1 is set for each different asset type. For example it could be volume, area, length or number of.

Unit costs were developed from reviewing past construction work costs and for those assets that no recent work cost were available, rates were determined from first principles or obtained from surrounding regional councils. Allowances have been made for the difference in construction standards. Direct and Indirect Costs have been used in the development of the unit rates.

**(iii) Residual Values**

Sealed Surface – Two Coat Spray Seal has a 57% residual for rural and 57% for urban. This is because we only replace this with a single coat seal at time of renewal. Other surface types have no residual values.

Sealed Pavement – The renewal process is to complete a stabilized pavement renewal rather than a full pavement replacement. Therefore the residual value will be the % difference in cost of pavement replacement to stabilisation replacement. The results are rural pavements residual is 8% and urban pavements are 36% as the stabilized pavement is dearer than replacement methods for this council.

**(iv) Annual Depreciation Expense**

AASB116 States that depreciation is the "systematic allocation of the depreciable amount of an asset over its useful life"

$$\text{Annual Depreciation} = \text{Depreciable Amount} / \text{Useful life}$$

## BANANA SHIRE COUNCIL

### Notes to the Financial Statements

For the year ended 30 June 2014

#### 20 Fair Value Measurements - continued

##### (b) Valuation techniques used to derive fair values for level 2 and level 3 valuations - continued

At the time of revaluation when the remaining life has been adjusted then:

$$\text{Annual Depreciation} = \text{Depreciable Replacement Cost} - \text{Residual} / \text{Remaining life}$$

Depreciable Replacement Cost

Formerly the Written down value: the following calculations outline each of the identified processes.

$$\text{Depreciable Replacement Cost} = \text{Remaining Life} \times \text{Annual Depreciation} + \text{Residual Amount}$$

##### Roads (Unsealed)

Unsealed Roads are broken into separate asset types, as shown below:

1. Unsealed Pavement
2. Unsealed Earthworks (Formation)

Unsealed road assets are considered to be made up of earthworks and gravel pavement constructed from either natural or imported materials. The earthworks are considered to be an asset that will not need to be replaced, as its service potential is not consumed.

##### Unsealed Pavement

###### (i) Current Replacement Value

Step 1. Road Classification of Network.

The Banana Shire Council has adopted a road classification system that separates each road in the road network into different road classes, as determined by an assessment of the traffic volume and road function. The different road classes reflect the different renewal needs.

##### Road Classification Description

Service Access Roads – unsealed roads that provide the main access for people in the shire

Class	Description	Average VPD
Class 1	Rural Major Collector Road-Major 1	500
Class 2	Rural Major Collector Road-Major 2	350
Class 3	Rural Major Collector Road-Major 3	185
Class 4	Rural Minor Collector Road-Minor 1	125
Class 5	Rural Minor Collector Road-Minor 2	85
Class 6	Rural Minor Collector Road-Minor 3	65
Class 7	Rural Access Road-Access 1	45
Class 8	Rural Access Road-Access 2	20
Class 9	Rural Access Road-Access 3	5

(VPD – vehicle movements per day)

Step 2. Define Levels of Service for the Different Road Classes.

Desired minimum levels of service for unsealed roads can be determined as the percentage of imported materials required to ensure that each road class has adequate amounts of gravel to provide a good running surface in most weather conditions within Councils Budget limitations.

Class 1, 20 % of the road will require imported gravel material.  
Class 2, 20 % of the road will require imported gravel material.  
Class 3, 20% of the road will require imported gravel material.  
Class 4, 20% of the road will require imported gravel material.  
Class 5, 20% of the road will require imported gravel material.  
Class 6, 20% of the road will require imported gravel material.  
Class 7, 15% of the road will require imported gravel material.  
Class 8, 15% of the road will require imported gravel material.  
Class 9, 15% of the road will require imported gravel material.

## BANANA SHIRE COUNCIL

### Notes to the Financial Statements

For the year ended 30 June 2014

#### 20 Fair Value Measurements - continued

##### (b) Valuation techniques used to derive fair values for level 2 and level 3 valuations - continued

###### Step 3. Replacement Unit Rates

Determine the replacement \$/m<sup>3</sup> for Gravel pavements.

###### Step 4. Calculate the Current Replacement Cost.

Current Replacement Cost (CRC) = Segment Volume (m<sup>3</sup>) x Service Level% x Unit Rate

###### Step 5. Useful Life of Unsealed Gravel Pavements

The life of gravel pavements are determined by the amount of gravel loss per year. This is dependent on both the traffic volumes and the depth of gravel compaction. The Banana Shire Council re-sheets gravel pavements at 100 mm compacted levels.

##### (ii) Depreciated replacement cost

###### Step 1. Methodology for assessing remaining life.

To be able to measure the level of service (or in other words the amount of asset remaining) for an unsealed road, an assessment of how much gravel in kilometres is remaining on an unsealed gravel road is completed.

The assessment of remaining "Service Potential" for unsealed roads is based on an assessment of the remaining gravel pavement length over the full length of the road or segment.

The following formulae can be used to calculate the remaining percentage of gravel on an unsealed gravel road.

$$\% \text{ of Gravel Remaining} = (\text{Length of Road or Segment} - \text{Length of Sub-grade breakout}) / \text{Length of Road or segment}$$

Sub-grade breakout is determined by using the following descriptors:

Type 1 – Sections that are very boggy and have no gravel

Type 2 – Sections that are slightly boggy and have little gravel

Also, for each road class a "desired level of service" has been based on what is acceptable for these types of roads.

The following table shows the different service level for each road class.

		Road Class	1	2	3	4	5	6	7	8	9
		% of Gravel Remaining	20%	30%	20%	20%	20%	15%	15%	15%	15%
% of Gravel Remaining	Average %	Condition Index	% of remaining life								
> 80	90	1	100	100	100	100	100	100	100	100	100
60-80	70	2	100	100	100	100	100	100	100	100	100
40-60	50	3	100	100	100	100	100	100	100	100	100
20-40	30	4	100	100	100	100	100	100	100	100	100
< 20	10	5	50	50	50	50	50	67	67	67	67

##### (iii) Unsealed Formation

To determine the Current Replacement Cost for earthworks the following formula is used:

Calc 3.2.2.1 - Current Replacement Cost (Formation) = Area m<sup>2</sup> x \$/m<sup>2</sup>



## BANANA SHIRE COUNCIL

### Notes to the Financial Statements For the year ended 30 June 2014

#### 20 Fair Value Measurements - continued

##### (b) Valuation techniques used to derive fair values for level 2 and level 3 valuations - continued

Also terrain type was considered as well. Because the formation assets are considered to be an asset that will not need to be replaced, as its service potential is not consumed, the "Depreciated Replacement Cost" will equal the Current Replacement Cost and therefore no depreciation will be applied to this asset type.

The reason the formation is not consumed is because regular grading of the road under maintenance ensures that formation is kept in shape. Also the addition of imported material also ensures that the formation is protected from deterioration.

#### Bridges and Drainage Structures

The following table shows that current replacement rates for the asset sub-categories listed were determined by using the modern equivalent of the listed assets/construction material:

Asset Sub-category	Modern Equivalent of
Gully Pit	CM Type gully pit
Culverts	Concrete
Bridges	Concrete Bridge Type

The valuation used the following formulae to calculate the CRC and Depreciable Amount for these and all other asset sub-categories.

#### Depreciable Amount Calculation

$$\text{Depreciable Amount} = \text{Current Replacement Costs} - \text{Residual Amount}$$

#### Asset Current Replacement Cost

$$\text{Assets Current Replacement Cost (CRC)} = \text{Dimension 1} \times \text{Unit Cost}$$

Dimension 1 is set for each different asset type. For example it could be volume, area, length or quantity.

Unit Costs were developed from reviewing past construction work costs and for those assets that no recent work cost were available, rates were determined from first principles or obtained from surrounding regional councils. Allowances have been made for the difference in construction standards. Direct and Indirect Costs have been used in the development of the unit rates.

#### Annual Depreciation Expense

AASB116 states that depreciation is the "systematic allocation of the depreciable amount of an asset over its useful life."

$$\text{Annual Depreciation} = \text{Depreciable Amount} / \text{Useful life}$$

At the time of revaluation when the remaining life has been adjusted then:

$$\text{Annual Depreciation} = \text{Depreciable Replacement Cost} - \text{Residual} / \text{Remaining life}$$

Depreciable Replacement Cost (formerly written down Value)

The following calculations outline each of the identified processes.

$$\text{Depreciable Replacement Cost} = \text{Remaining Life} \times \text{Annual Depreciation} + \text{Residual Amount}$$

**20 Fair Value Measurements - continued**

**(b) Valuation techniques used to derive fair values for level 2 and level 3 valuations - continued**

**Water and Sewerage Infrastructure**

**(a) Passive Assets**

A fair value assessment of Council's passive water and sewerage assets was completed last year by consultants/valuers Cardno effective 30 June 2013.

An indexation of 3% has been applied from 2013 to 2014. This indexation was established by the Manager Water Services having due regard to recent passive asset projects undertaken in the Shire (primarily water main replacement works), and relevant other construction information as available. There was an average 3.0% increase in contract rates for water main construction in Banana Shire between the 2012/13 year and 2013/14.

**(b) Active Assets**

Active assets were fair valued in 2012, and an indexation of 2% was applied from 2012 to 2013 in consultation with Council's valuers.

An indexation of 3% has been applied to Active Water & Sewerage Assets for 2013 to 2014. This indexation was established having due regard to the limited recent active asset projects undertaken in the Shire, relevant construction information available and the following relevant construction indices:-

- (i) 2.9% increase in Asset revaluation index: Machinery and Equipment, Queensland, Mar qtr 2013 to Mar qtr 2014 as sourced from the ABS at 22/08/14;
- (ii) 1.6% increase in Asset revaluation index: Engineering construction, Queensland, Mar qtr 2013 to Mar qtr 2014 as sourced from the ABS;
- (iii) 3.2% increase in Consumer Price Index (a): All groups, Brisbane, June qtr 2013 to June qtr 2014;

Having regard to the above I am satisfied that the 3% indexation applied to active water and wastewater asset valuation for 2013 is a reasonable assumption for Banana Shire Council's Active Assets.

**(c) Active & Passive Assets – Consideration of Useful Lives**

There was no change to useful lives of assets adopted previously.

**Environmental Infrastructure Assets**

The fair value of all Environmental Assets was valued using the cost approach by independent Valuer, Aurecon effective 30 June 2014.

**(a) Replacement costs and unit rates**

Replacement costs and unit rates have been calculated using the prevailing market costs for supply and installation of similar assets or their modern equivalent.

Rates have generally been obtained from scheduled rates (based on a recent analysis of labour and supply costs for maintenance and replacement of similar infrastructure assets), contract schedules for works recently carried out throughout South East Queensland, or rates obtained from local suppliers.

Where rates were not readily available, the rates in Rawlinson's 2014 Edition of the "Australian Construction Handbook" was used.

**(b) Unit rate calculation**

Replacement costs and unit rates have been calculated using the prevailing market costs for supply and installation of similar assets or their modern equivalent.

**20 Fair Value Measurements - continued**

**(b) Valuation techniques used to derive fair values for level 2 and level 3 valuations - continued**

The rates have been derived from the following sources of information:

- Actual Council rates and labour costs where available
- Contract Schedules
- Rates obtained from local suppliers
- Industry published rates

The unit rate for special asset types have been calculated from first principles. This methodology consists of breaking down each asset into its cost categories such as demolition, reinstatement, excavation, asset construction, delivery and installations. In each category the major construction tasks were identified with their relevant quantities and detailed unit rates. These tasks include activities such as excavation, supply and install pre-cast elements, form and concrete works for cast 'in-situ' elements. Estimated quantities have been calculated based on the dimensions provided in the asset information or measured on site.

**(c) Assessment of useful life**

The useful life of an asset is defined as the physical life of the asset up to the period when the asset is unable to function within performance standards and/or the cost to retain the asset exceeds the cost to renew or replace the asset.

The useful lives used for the revaluation of Banana Shire Council's assets are generally consistent with industry adopted methods. For some assets, the useful life has been increased to reflect the actual age, condition and expected remaining life of the asset.

The useful and remaining life for fixed assets, other than that for the landfill and transfer station, stated in this report are assumed values for the purpose of valuation of the assets and are indicative of the average life that could potentially be achieved assuming an appropriate level of routine maintenance and servicing is carried out. It does not guarantee that an individual asset will survive to or expire on the specified date as the actual replacement date can be influenced by many factors beyond Council's control.

**(d) Residual Value**

Residual values have been introduced for road pavements. It is assumed that 40% of the existing road pavement would be reused as part of the replacement or reconstruction of the asset. This is typical industry approach to road rehabilitation and reconstruction. Previously the road pavements did not have a residual value, but had a longer asset life to reflect that proportionately, the whole asset was not replaced, and that the asset would go through a cycle of rehabilitation periodically until its eventual end of life. No other assets were assessed as having a residual value. Although some mechanical plant may have some sale value at end of life, after deducting the salvage sales costs the residual value would likely be immaterial.

**Other NC Assets**

The fair value of the Other NC Assets was determined by independent Valuer, Shepherd Services effective 30 June 2014.

**Aerodromes**

For this category of asset one or more of the significant inputs are not based on observable market data, and therefore is considered to be a level 3 category. This is the case, as these assets are of a specialist nature for which there is no active market for similar or identical assets.

The sensitivity of level 3 inputs to change is unlikely due, to the fact that these assets are public assets and their observable inputs will not change. Normal annual cost increases to unobservable inputs like plant, labour and material costs would change the fair value of assets, these changes are factored into the valuation inputs used at 30 June 2014, and resulted into a \$5,377,086 valuation adjustment.

The significant valuation adjustment is because rates for surface, pavement and formation assets are in most cases a lot higher than what was previously used. The rates used are consistent with those used in the 2014 valuation of Council's road infrastructure and have been verified as accurate by Council.

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

For the year ended 30 June 2014

**20 Fair Value Measurements - continued****(b) Valuation techniques used to derive fair values for level 2 and level 3 valuations - continued**

The valuation methodology was the same used in determining the fair value of road infrastructure assets.

The following table shows how each Aerodrome asset was componentised to ensure that depreciation was allocated against assets with differing useful lives.

<b>Aerodrome</b>	<b>Sub-Category</b>
Baralaba	Electrical Fence Formation Other Sealed Pavement Structure Sealed Surface
Moura	Electrical Fence Sealed Formation Sealed Pavement Sealed Surface
Taroom	Electrical Sealed Formation Other Sealed Pavement Sealed Surface Unsealed Pavement
Thangool	Electrical Fence Footpath Sealed Formation Kerb Other Sealed Pavement Structure Sealed Surface
Theodore	Electrical Fence Sealed Formation Sealed Pavement Sealed Surface

**(c) Changes in Fair value measurement using significant unobservable inputs (level 3)**

There have been no transfers between levels 1, 2, or 3 measurements during the year. As such there are no changes in fair value that can be attributed to the use of significant unobservable inputs.

# BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

	2014	2013
Note	\$	\$
<b>21 Intangible assets</b>		
Net carrying value at period end:		
(a) Computer software	157,328	10,967
(b) Water rights	144,053	-
	<u>301,381</u>	<u>10,967</u>
<b>(a) Computer software</b>		
Opening gross carrying value	195,300	195,300
Acquired at cost	157,328	-
	<u>352,628</u>	<u>195,300</u>
<b>Accumulated amortisation</b>		
Opening balance	184,333	173,366
Amortisation in the period	10,967	10,967
	<u>195,300</u>	<u>184,333</u>
Net carrying value at end of the financial year	<u>157,328</u>	<u>10,967</u>
Net carrying value at end of the financial year		
Software has a finite life estimated at ten years.		
<b>(b) Water rights</b>		
Acquired at cost	144,053	-
Net carrying value at end of the financial year	<u>144,053</u>	<u>-</u>
Straight line amortisation has been used with no residual value.		
This intangible asset has a finite life of 5 years.		
<b>22 Trade and other payables</b>		
<b>Current</b>		
Accruals	4,186,839	5,896,644
Creditors	1,015,920	1,377,949
Employee related accruals	975	-
GST payable	-	386,772
Annual leave	1,247,610	1,072,432
Other entitlements	163,001	165,616
	<u>6,614,345</u>	<u>8,899,413</u>
<b>Non Current</b>		
Annual leave	606,922	673,899
	<u>606,922</u>	<u>673,899</u>
<b>23 Provisions</b>		
<b>Current</b>		
Long service leave	421,088	452,623
	<u>421,088</u>	<u>452,623</u>
<b>Non-Current</b>		
Long service leave	2,761,737	2,564,863
Property restoration:		
Refuse sites	13,409,495	3,128,617
	<u>16,171,232</u>	<u>5,693,480</u>
<b>Details of movements in provisions:</b>		
<b>Long service leave</b>		
Balance at the beginning of financial year	3,017,486	2,811,972
Amount provided for in the period	634,756	536,428
Amount paid in the period	(469,417)	(330,914)
Balance at end of the financial year	<u>3,182,825</u>	<u>3,017,486</u>



# BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

	2014	2013
Note	\$	\$
<b>23 Provisions - continued</b>		
<b>Refuse sites</b>		
Balance at the beginning of financial year	3,128,617	2,923,941
Increase in provision - due to change in time	157,634	204,676
Increase in provision - change in discount rate	158,621	-
Amount expended in year	(954,857)	-
Increase (decrease) in estimate of future cost	10,919,480	-
Balance at end of the financial year	<u>13,409,495</u>	<u>3,128,617</u>
Non-current portion	<u>13,409,495</u>	<u>3,128,617</u>
	<u>13,409,495</u>	<u>3,128,617</u>

The estimated value of restoring Council's contaminated sites was re-estimated by Aurecon, using current best practise guidelines. This assessment resulted in an increase of \$10,919,480 to the previous provision. The total represents the present value of the estimated future cost of restoring the sites at the end of its useful life.

## 24 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.

### Details of borrowings at balance date are:

#### Current

Queensland Treasury Corporation	<u>954,219</u>	<u>900,968</u>
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#### Non Current

Queensland Treasury Corporation	<u>10,704,844</u>	<u>11,836,048</u>
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### Details of movements in borrowings:

#### Queensland Treasury Corporation

Balance at the beginning of financial year	12,737,016	13,586,121
Principal repayments	<u>(1,077,953)</u>	<u>(849,105)</u>
Balance at end of the financial year	<u>11,659,063</u>	<u>12,737,016</u>
Classified as :		
Current	954,219	900,968
Non-current	<u>10,704,844</u>	<u>11,836,048</u>
	<u>11,659,063</u>	<u>12,737,016</u>

The QTC loan market value at the reporting date was \$13,127,089.52. This represents the value of the debt if Council repaid at that date. As it is Councils intention to hold the debt for its term, no provision is required to be made to 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.

## 25 Other liabilities

### Current

Unearned revenue

	<u>78,515</u>	<u>3,061,998</u>
	<u>78,515</u>	<u>3,061,998</u>

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# BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

		2014	2013
	Note	\$	\$
<b>26 Council capital</b>			
<b>(i) Calculation of capital value and retained surplus:</b>			
Cash and cash equivalents		22,111,736	17,958,971
Less restricted cash:			
Reserves (excluding the asset revaluation)		(5,782,993)	(14,371,508)
Capital sustainability reserve		(4,568,884)	-
Unspent loan capital fund reserve		-	(1,000,000)
Revenue received in advance		(78,515)	(3,061,998)
Cash funds allocated for future rehabilitation costs		(609,927)	(1,198,123)
Working capital cash (including employee entitlements)		(2,296,307)	7,497,749
Retained surplus (deficit) available for distribution	28	8,775,111	5,825,091
Total council capital value	26 (ii)	190,496,821	183,192,529
Total capital and retained surplus at end of period		199,271,931	189,017,620
<b>(ii)(a) Movement in council capital account</b>			
Balance at beginning of the financial year		183,192,530	177,185,964
Error correction to capital assets	36	161,799	-
<b>Adjustments from (to) retained surplus:</b>			
Transfer of capital expenses in the period		(2,985,308)	(3,574,068)
Transfer of revenue expended on capital assets		272,726	3,112,831
Total transfers (to) from retained surplus		(2,712,582)	(461,237)
<b>Transfer (to) from restricted reserves:</b>			
Net transfer (to) from Future capital sustainability reserve	29 (a)(i)	(4,568,884)	2,153,600
Net transfer (to) from Unspent loan cash reserve	29 (a)(ii)	1,000,000	1,251,331
Grants, subsidies and contributions reserve	29 (a)(iii)	13,249,566	2,894,277
<b>Transfer (to) from general reserves:</b>			
Capital Aquisitions Reserve		14,249	-
Plant Reserve		32,805	-
Waste Disposal Reserve		127,338	168,595
Total transfers (to) from reserves		9,855,073	6,467,803
Total council capital at end of the financial year		190,496,821	183,192,529
The amount by which the Council has increased (decreased) its capital capacity to deliver future services to the community before inflation adjustments		7,304,290	6,006,566
<b>27 (i) Asset revaluation surplus</b>			
Movements in the asset revaluation surplus were as follows:			
Balance at the beginning of financial year		417,136,345	382,177,136
<b>(a) Adjustments to property, plant and equipment through revaluations:</b>	19		
Land		(9,435,022)	4,300,615
Buildings		12,911,805	4,867,075
Road, bridge and drainage network		64,514,093	14,341,708
Water		1,876,543	5,039,026
Sewerage		825,448	(694,106)
Environmental Infrastructure Assets		426,322	-
Other Assets NC		4,896,588	-
		76,015,777	27,854,318
<b>(b) Adjustments to property, plant and equipment through impairments:</b>			
Road, bridge and drainage network		389,890	7,104,891
		389,890	7,104,891
Balance at end of the financial year		493,542,013	417,136,345

# BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

	2014	2013
Note	\$	\$
<b>27 Asset revaluation surplus - continued</b>		
<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
Buildings	43,556,805	30,645,000
Plant and equipment	569,574	569,574
Road, bridge and drainage network	375,986,223	311,082,240
Water	48,010,814	46,134,271
Sewerage	17,812,072	16,986,624
Environmental Infrastructure Assets	426,323	-
Other Assets NC	7,180,202	2,283,614
	<u>493,542,013</u>	<u>417,136,345</u>
<b>28 Retained surplus</b>		
<b>Movement in retained surplus</b>		
Balance at the beginning of financial year	5,825,090	2,176,661
Net result	5,072,881	11,304,292
	<u>10,897,971</u>	<u>13,480,953</u>
Transfers (to) from capital account:		
Transfer of capital expenses	11 2,985,308	3,574,068
General revenue used for capital funding purposes	(272,726)	(3,112,831)
Net capital account transfers	<u>2,712,582</u>	<u>461,237</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	(8,964,724)	(8,521,121)
Capital Aquisitions reserve	-	141,011
	<u>(8,964,724)</u>	<u>(8,380,110)</u>
Transfers (to) recurrent reserves for future project funding, or from reserves funds that have been expended:		
Operating Grants in advance reserve	4,096,202	42,578
Special projects reserve	18,579	74,881
CDEI Grant reserve	14,501	145,551
	<u>4,129,282</u>	<u>263,010</u>
Balance at end of the financial year	<u>8,775,111</u>	<u>5,825,090</u>
<b>29 Reserves</b>		
<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
Funded depreciation on capital assets in period	15,141,516	13,052,191
Less: Funds utilised in the period	(10,572,632)	(15,205,791)
Balance at end of the financial year	<u>4,568,884</u>	<u>-</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	1,000,000	2,251,331
Loan cash expended in period.	(1,000,000)	(1,251,331)
Balance at end of the financial year	<u>-</u>	<u>1,000,000</u>

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# BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

	2014	2013
Note	\$	\$
<b>29 Reserves</b>		
<b>(a) Restricted capital reserves - continued</b>		
<b>(iii) Constrained grants and subsidy contributions reserve</b>		
Balance at the beginning of financial year	7,612,592	1,985,748
Transfer from retained earnings non reciprocal grants, subsidies and contributions received and allocated to specific capital projects	8,964,724	10,339,947
Transfers to the capital account funds expended in the period	(13,249,566)	(2,894,277)
Transfer to retained earnings funds expended	-	(1,818,826)
Balance at end of the financial year	3,327,750	7,612,592
Total restricted capital reserves	7,896,634	8,612,592
<b>(b) Other reserves</b>		
<b>(1) Summary of capital reserves held for funding future projects:</b>		
(ii) Capital Aquisitions reserve	2,216,470	2,230,719
(iii) Plant reserve	21,928	54,732
(iv) Waste Disposal reserve	-	127,338
(v) Aerodrome reserve	130,407	130,407
	2,368,805	2,543,196
<b>(2) Summary of recurrent reserves held for funding future projects:</b>		
(i) Operating Grants in Advance reserve	-	4,096,202
(ii) Special Projects reserve	86,438	105,017
(iii) CDEI Grant reserve	-	14,501
	86,438	4,215,720
Total other reserves	2,455,243	6,758,916
Total reserves	10,351,877	15,371,508

Movements in capital reserves are analysed as follows:

<b>(ii) Capital Aquisitions reserve</b>		
Balance at the beginning of financial year	2,230,719	2,371,730
Transfer to the capital account funds expended in the period	(14,249)	-
Transfer to retained earnings funds expended	-	(141,011)
Balance at end of the financial year	2,216,470	2,230,719
<b>(iii) Plant reserve</b>		
Balance at the beginning of financial year	54,732	54,732
Transfer to the capital account funds expended in the period	(32,804)	-
Balance at end of the financial year	21,928	54,732
<b>(iv) Waste Disposal reserve</b>		
Balance at the beginning of financial year	127,338	295,933
Transfer to the capital account funds expended in the period	(127,338)	(168,595)
Balance at end of the financial year	-	127,338
<b>(v) 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

Movements in recurrent reserves are analysed as follows:

<b>(i) Operating Grants in Advance reserve</b>		
Balance at the beginning of financial year	4,096,202	4,138,780
Transfer from retained earnings for future expenditure	-	4,096,202
Transfer to retained earnings funds expended	(4,096,202)	(4,138,780)
Balance at end of the financial year	-	4,096,202

# BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

	2014	2013
Note	\$	\$
<b>29 Reserves</b>		
Movements in recurrent reserves are analysed as follows: - continued		
(ii) <b>Special Projects reserve</b>		
Balance at the beginning of financial year	105,017	179,898
Transfer from retained earnings for future expenditure	6,720	48,559
Transfer to retained earnings funds expended	(25,299)	(123,440)
Balance at end of the financial year	86,438	105,017
(iii) <b>CDEI Grant reserve</b>		
Balance at the beginning of financial year	14,501	160,052
Transfer to retained earnings funds expended	(14,501)	(145,551)
Balance at end of the financial year	-	14,501
<b>30 Commitments for expenditure</b>		
<b>Contractual Commitments</b>		
Contractual commitments at balance date but not recognised in the financial statements are as follows:		
Biloela Civic Centre - 2 Year Management Agreement - per year	68,000	-
Biloela Pool - 5 Year Agreement - per year	30,700	-
Moura Pool - 3 Year Agreement - per year	36,000	-
Taroom Pool - 3 Year Agreement - per year	30,000	-
Magavalis Sports Complex - Open ended Agreement - per year	13,700	-
	178,400	-
Contracts were all established during the 2013/14 financial year		
<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	75,567	50,108
Infrastructure Services (Roads, Bridges, Drainage, Streetscaping ...)	210,274	254,927
Water & Sewerage Infrastructure	2,277,637	785,736
Buildings, Parks, Pools and Other	210,702	367,797
	2,774,180	1,458,568
These expenditures are payable :		
Within one year	754,909	1,452,835
Later than 1 year but not later than 5 years	2,019,271	5,733
Later than 5 years	-	-
	2,774,180	1,458,568
<b>31 Events after balance date</b>		
There were no material financial adjusting events after balance date.		
<b>32 Contingent liabilities</b>		
Details and estimates of maximum amounts of contingent liabilities are as follows:		
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:	389,709	451,796



## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

	2014	2013
Note	\$	\$

### 32 Contingent liabilities - continued

#### 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 2013 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

### 33 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.

The scheme has three elements referred to as:

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 AASB119. The Council is not able to account for the Regional DBF as a defined benefit plan in accordance with AASB119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs. The funding policy adopted in respect of the Regional DBF is directed at ensuring that the benefits accruing to members and beneficiaries are fully funded as they fall due.

To ensure the ongoing solvency of the Regional DBF, the scheme's trustee can vary the rate of contributions from relevant local government employers subject to advice from the scheme's actuary. As at the reporting date, no changes had been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions.

Any amount by which the 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.

As at the reporting date, 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."

# BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

		2014	2013
	Note	\$	\$
<b>33 Superannuation - continued</b>			
<p>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.</p> <p>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.</p> <p>changes in contribution rates would apply equally to all 72 councils. Banana Shire Council made less than 4% of the total contributions to the plan in the 2013-14 financial year.</p> <p>The next actuarial investigation will be conducted as at 1 July 2015.</p> <p>The amount of superannuation contributions paid by Banana Shire Council to the scheme in this period for the benefit of employees was:</p>			
		<u>2,137,852</u>	<u>2,003,154</u>
<b>34 Trust funds</b>			
Trust funds held for outside parties:			
Security deposits		658,997	432,223
Unclaimed monies		<u>63,827</u>	<u>63,827</u>
		<u>722,824</u>	<u>496,050</u>
<p>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.</p>			
<b>35 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities</b>			
Net result		<u>5,072,881</u>	<u>11,304,292</u>
Non-cash operating items:			
Impairment of receivables and bad debts written off	9	170,744	92,120
Depreciation and amortisation	10	15,350,543	14,045,382
Current cost of developed land sold	16	1,680,459	542,018
Change in restoration provisions expensed to finance costs	9	<u>157,634</u>	<u>204,676</u>
		<u>17,359,380</u>	<u>14,884,196</u>
Investing and development activities:			
Capital grants, subsidies and contributions	4	(8,964,724)	(4,417,505)
Capital expenses	11	<u>2,985,309</u>	<u>3,574,068</u>
		<u>(5,979,415)</u>	<u>(843,437)</u>
Changes in operating assets and liabilities :			
(Increase) decrease in receivables		9,570,405	(16,903,890)
(Increase) decrease in inventories		(1,325,428)	131,102
Increase (decrease) in payables		(1,883,176)	3,803,045
Increase (decrease) in provisions		(789,518)	205,514
Increase (decrease) in other liabilities		<u>(2,983,483)</u>	<u>3,009,026</u>
		<u>2,588,800</u>	<u>(9,755,203)</u>
Net cash inflow from operating activities		<u>19,041,646</u>	<u>15,589,848</u>

## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

		2014	2013
	Note	\$	\$
<b>36 Minor correction for assets not previously recognised</b>			
During the financial year Council became aware of some assets in property plant and equipment that were not previously recognised as well as some assets previously recognised that should not have been recognised.			
The asset classes affected are disclosed in notes indicated			
Summary details of assets not previously recognised are as follows:			
Gross value of property, plant and equipment	19	(1,656,734)	-
Less: Accumulated depreciation	19	1,850,011	-
Gain from assets not previously recognised		<u>193,277</u>	<u>-</u>
Summary details of assets previously recognised incorrectly are as follows:			
Less: Accumulated depreciation	19	<u>31,478</u>	<u>-</u>
Loss on assets previously recognised incorrectly	11	<u>31,478</u>	<u>-</u>
Net result of recognised/derecognised assets		<u>161,799</u>	<u>-</u>

## BANANA SHIRE COUNCIL

### Notes to the Financial Statements

For the year ended 30 June 2014

#### 37 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	2014 \$	2013 \$
<b>Financial Assets</b>			
Cash and cash equivalents - Bank	13	1,244,808	4,547,006
Cash investments held with - QTC	13	15,866,928	8,360,630
Cash investments held with other			
approved deposit taking institution	13	5,000,000	5,051,335
Receivables - rates	14	1,122,567	1,585,242
Receivables - other	14	10,256,411	19,921,657
<b>Other credit exposure</b>			
Guarantee	32	389,709	451,796
<b>Total</b>		<b>33,880,423</b>	<b>39,917,666</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 "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

#### Other financial assets

Other investments are held with financial institutions, which are rated AAA to AA- based on rating [insert name of ratings agency] agency ratings, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote.

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## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

### 37 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 the Council's operations, there is a geographical concentration of risk in the Council's area. Because the area is largely (e.g. agricultural/mining), there is also a concentration in the (e.g. agricultural/mining) sector.

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

	Not past due \$	Past due			Less Impaired \$	Total \$
		31 to 60 days \$	61 to 90 days \$	Over 90 days \$		
Receivables:						
2014	8,975,948	804,399	409,838	1,224,229	(35,436)	11,378,978
2013	18,694,585	186,566	5,078	2,673,890	(53,220)	21,506,899

#### 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 24.

The council does not have any overdraft facilities at the reporting date.

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 \$
2014					
Trade and other payables	5,203,735	-	-	5,203,735	5,203,735
Loans QTC	1,625,999	5,500,206	9,814,733	16,940,938	11,659,063
	6,829,734	5,500,206	9,814,733	22,144,673	16,862,797
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

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.

#### 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.



## BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2014

### 37 Financial instruments - continued

#### Interest rate risk

Banana Shire Council is exposed to interest rate risk through investments 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 calculation assumes that the change in interest rates would be held constant over the period.

2014	Net carrying amount	Change in profit & (loss) from		Change in equity from	
		1% increase	1% decrease	1% increase	1% decrease
Financial assets and liabilities that are held at variable interest rates total:	\$	\$	\$	\$	\$
QTC cash funds	15,866,928	158,669	(158,669)	158,669	(158,669)
Other investments	4,000,000	40,000	(40,000)	40,000	(40,000)
Loans - QTC at fixed and generic *	(11,659,063)				
Net total	8,207,866	198,669	(198,669)	198,669	(198,669)
2013					
QTC cash funds	8,360,630	83,606	(83,606)	83,606	(83,606)
Other investments	4,051,335	40,513	(40,513)	40,513	(40,513)
Loans - QTC at variable **	-	-	-	-	-
Net total	(325,051)	124,120	(124,120)	124,120	(124,120)

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.

#### 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 24.

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 2014

#### 38 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	9,979,654
Revenues from services provided to external customers	43,247,172
Community service obligations	5,190,000
<b>Total revenues</b>	<b>58,416,826</b>
Expenditures	54,240,344
<b>Surplus</b>	<b>4,176,482</b>

## BANANA SHIRE COUNCIL

### Notes to the Financial Statements

For the year ended 30 June 2014

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#### 38 National Competition Policy - Statement of activities to which the code of competitive conduct applies - continued

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* \$4,890,000

- 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* \$300,000

- Provide adequate landfill and refuse disposal in the Shire.

**TOTAL \$5,190,000**

## BANANA SHIRE COUNCIL

### FINANCIAL STATEMENTS

For the year ended 30 June 2014

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### MANAGEMENT CERTIFICATE

For the year ended 30 June 2014

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 51, 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.

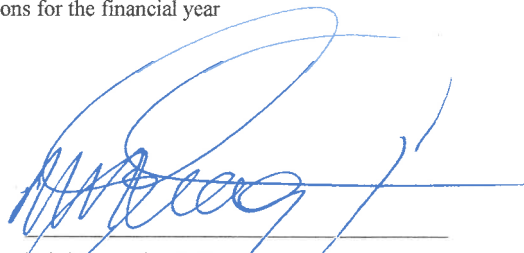


Mayor

Name: .....

Ron Carige

Date: 29/10/14



Chief Executive Officer

Name: .....

Amy Goddard

Date: 29/10/14

## 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 2014, 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 the 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 2013 to 30 June 2014 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.



D A STOLZ FCPA  
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 2014

#### 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 2014 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%
-1.10%	129.14%	-1.73%

#### Note 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 2014.

#### Certificate of Accuracy

For the year ended 30 June 2014

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 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.

Mayor

Name: Ron Carige

Date: 29 / 10 / 14

Chief Executive Officer

Name: Ray GORACHY

Date: 29 / 10 / 14

## 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 2014, 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 2014 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.



D A STOLZ FCPA  
As delegate of the Auditor-General of Queensland



Queensland Audit Office  
Brisbane

## BANANA SHIRE COUNCIL

### Long-Term Financial Sustainability Statement Prepared as at 30 June 2014

#### 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 2014 against key financial ratios:

#### Target

Actuals at 30 June 2014

Projected for the ye 30 June 2015

30 June 2016

30 June 2017

30 June 2018

30 June 2019

30 June 2020

30 June 2021

30 June 2022

30 June 2023

Operating surplus ratio	Asset sustainability ratio	Net financial liabilities ratio
between 0% and 10%	greater than 90%	not greater than 60%
-1.10%	129.14%	-1.73%
2.90%	383.90%	11.10%
0.80%	113.80%	19.10%
1.50%	110.80%	16.70%
1.80%	113.40%	11.70%
1.90%	115.90%	8.50%
2.20%	111.40%	1.50%
2.40%	122.80%	-2.80%
2.70%	114.70%	-8.80%
2.90%	121.20%	-10.90%

#### 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 ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

The table below summarises how we performed against set targets for the seven key financial performance indicators established in our financial strategy. In summary, we achieved or bettered six of the financial targets, performing strongly in our ability to generate cash from day-to-day operations, meeting all financial commitments in the financial year, and keeping debt to conservative and manageable levels. This was achieved while maintaining community services and making ongoing investment in community infrastructure. Our operating result in this period was adversely affected by the impacts of water reform and this issue is outlined in more detail in the coming pages.

#### Certificate of Accuracy

For the long-term financial sustainability statement prepared as at 30 June 2014

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: 29/10/14

Chief Executive Officer

Name: Mary Gormaghty

Date: 29/10/14

**BANANA SHIRE COUNCIL**

For the year ended 30 June 2014

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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

## Statement of Operating Performance

For the year ended 30 June 2014

		2014	2013
	Note	\$	\$
<b>Operating Income</b>			
Rates and utility charge revenue	3 (a)	33,136,861	31,097,101
Less: Discounts		(2,818,404)	(2,538,391)
Less: Pensioner remissions		(266,663)	(234,490)
Net rates and utility charges		30,051,794	28,324,220
	-	-	-
Fees and charges	3 (b)	4,854,270	2,947,821
Rental and levies	3 (c)	492,842	257,809
Interest received	3 (d)	939,073	802,864
Sales of contract and recoverable works	3 (e)	29,697,787	31,365,974
Other recurrent income	3 (f)	689,135	248,516
Grants, subsidies and contributions	4 (a)	14,287,151	27,669,051
Proceeds from sales of land developed for resale	-	1,051,669	950,385
Total operating revenue		82,063,721	92,566,640
<b>Operating Expenses</b>			
Employee benefits	7	(21,171,894)	(20,423,091)
Materials and services	8	(43,630,980)	(45,961,307)
Current cost of developed land sold	5	(1,680,459)	(542,018)
Finance costs	9	(1,136,380)	(1,133,987)
Depreciation and amortisation	10	(15,350,543)	(14,045,382)
Total operating expenses	-	(82,970,256)	(82,105,785)
<b>Operating surplus (deficit) for the period</b>		<b>(906,535)</b>	<b>10,460,855</b>
<b>Capital revenue</b>			
Grants, subsidies and contributions	4 (b)	8,964,724	4,417,505
<b>Capital income</b>			
Total capital revenue and income		8,964,724	4,417,505
<b>Capital expenses</b>			
Loss on the sale of capital assets	6	(574,170)	(92,642)
Loss on write-off of capital assets	12	(768,058)	(3,481,426)
Increase in rehabilitation provision for future costs, due to a change in discount rate	- 1.22(a)	(158,622)	-
Increase in rehabilitation provision above Land			
Revaluation Surplus	-	(1,484,458)	-
Total capital expenses	-	(2,985,309)	(3,574,068)
<b>Net result</b>		<b>5,072,881</b>	<b>11,304,292</b>

**BANANA SHIRE COUNCIL**

**Statement of Appropriations**

For the year ended 30 June 2014

		2014	2013
	Note	\$	\$
Retained surplus (deficiency) from prior years		5,825,090	2,176,661
Net result for the period		5,072,880	11,304,292
		<u>10,897,970</u>	<u>13,480,953</u>
<b>Transfers (to) from capital account:</b>			
Transfer of capital expenses	11	2,985,309	3,574,068
General revenue used for capital funding purposes	CFS*	(272,726)	(3,112,831)
Net capital account transfers		<u>2,712,583</u>	<u>461,237</u>
Transfers (to) from restricted reserves			
Constrained grants and subsidy contributions reserve	29	(8,964,724)	(8,521,121)
<b>Retained surplus (deficiency) available for transfer to reserves</b>		<u>4,645,829</u>	<u>5,421,069</u>
Transfers (to) from reserves for future capital funding:			
Capital acquisitions reserve	29 (ii)	-	141,011
Transfers (to) from reserves for future recurrent funding purposes:			
Operating Grants in advance reserve	29 (2)(i)	4,096,202	42,578
Special projects reserve	29 (2)(ii)	18,579	74,881
CDEI Grant reserve	29(2)(iii)	14,501	145,551
		-	-
		-	-
<b>Retained surplus (deficit) at end of period</b>		<u><u>8,775,111</u></u>	<u><u>5,825,090</u></u>

**BANANA SHIRE COUNCIL**

**Statement of Capital Funding**

For the year ended 30 June 2014

	Note	2014 \$	2013 \$
<b>Sources of capital funding</b>			
General revenue used for capital purposes		272,727	3,112,832
Loan monies expended		1,000,000	1,251,331
Funded depreciation and amortisation		10,572,632	15,205,791
Proceeds from the sale of capital assets	6	1,203,703	726,334
Constrained grants, subsidies and contributions		13,249,566	2,894,277
Capital Aquisitions reserve		14,249	-
Plant reserve		32,804	-
Waste Disposal reserve		127,338	168,595
		<u>26,473,019</u>	<u>23,359,160</u>
<b>Application of capital funding</b>			
Non current capital assets :			
Land		181,844	
Site improvements		-	151,157
Buildings		964,007	12,602,638
Plant and equipment		2,846,479	1,900,603
Road, bridge and drainage network		6,663,186	6,684,280
Water		2,182,788	2,867,980
Sewerage		1,316,370	229,836
Environmental Infrastructure Assets		1,213,230	2,380,406
Other Assets NC		545,923	144,995
Movement in capital work in progress		9,179,857	(4,451,841)
Intangible assets		301,381	-
		<u>25,395,065</u>	<u>22,510,055</u>
Principal loan redemptions :			
Queensland Treasury Corporation		<u>1,077,953</u>	<u>849,105</u>
		<u>1,077,953</u>	<u>849,105</u>
		<u>26,473,019</u>	<u>23,359,160</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 2014

	2014	2013
<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		
A continual decline in capital value will lead ultimately to a decline in services		
Opening capital value	688,607,716	601,328,874
Operating surplus/(deficit) in period	-906,535	10,460,855
Transfers from operating reserves to retained earnings in period	4,129,282	263,010
Retained surplus/(deficit) brought forward from prior year	5,825,090	2,176,661
Closing balance of the opening capital value	697,655,553	614,229,400
Change in the opening capital value	9,047,837	12,900,526
	%	%
<b>Asset sustainability ratio</b>		
Expenditure on replacement assets divided by depreciation expense	129.14%	0.00%
Target range >90%		
<b>Operating surplus ratio</b>		
Net operating surplus/(deficit) divided by total operating revenue	-1.10%	11.30%
Guidance range is between 0% and 10%		
<b>Net financial liability</b>		
Total liabilities less current assets divided by total operating revenue	-1.73%	-12.82%
Guidance range is not greater than 60%		
A negative percentage indicates that the current asset exceed the total liabilities		
<b>Asset consumption ratio</b>		
Book value of infrastructure assets divided by there gross value		
Target range is between 40% and 80%	75.11%	72.98%
<b>Interest cover ratio</b>		
Net interest expense divided by total operating revenue	-0.22%	-0.02%
Target range is between 0% and 5%		
A negative percentage indicates that interest income exceeds the interest expense.		
<b>Working capital ratio:</b>		
Unrestricted current assets available to meet current liabilities	4.1 : 1	2.6 : 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.	13.14%	8.04%
<b>Debt servicing ratio:</b>		
The percentage that the Council's total recurrent revenue that is used to service loan interest and principal repayments	2.24%	1.77%
<b>General rate revenue ratio:</b>		
The Council's dependence on general rate revenue as a percentage of total recurrent revenue	24.87%	21.13%

## BANANA SHIRE COUNCIL

### Notes to the Financial Statements

For the year ended 30 June 2014

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#### Revenue ratio:

The Council's dependence on net rates and utility charges as a percentage of total recurrent revenue	36.62%	30.60%
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#### Debt exposure ratio:

The percentage of Council's capital debt to total community equity	1.66%	2.05%
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#### Capital expenditure ratio

The ratio of capital expenditure to depreciation	165.43%	160.27%
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#### Rate arrears ratio

The percentage of rates and charges receivable to net rate and charges revenue	3.74%	5.60%
The effectiveness of Council's collection of rates and charges		