



Banana Shire Council



Annual Report 2014/2015



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COUNCIL CONTACTS

Email: enquiries@banana.qld.gov.au

Web Page: www.banana.qld.gov.au

Location	Telephone / Fax	Hours of Operation
Administration Centre 62 Valentine Plains Road Biloela Qld 4715	Telephone: 4992 9500 Fax: 4992 3493	8.00 am – 5.00 pm Monday to Friday
ON CALL - (After Hours Only)		
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
Other Centres		
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 4725	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 2015

Recognising our Achievers

Nominees

CITIZEN OF THE YEAR

Graham Barnes
Dot Nutley
Amber Scott

YOUNG CITIZEN OF THE YEAR

Monique Schwerin

VOLUNTEER

Debbie Palmes
Graham Barnes
Zelma Lewis
Wendy Hoadley
Robert Hoadley
Don and Dianne Morris
Madalyn Cummings
Shane Williams
Tina Hay

CULTURAL

Genevieve Corfield

JUNIOR CULTURAL

Maggie Simms

SENIOR SPORTSPERSON

Don Lethbridge

JUNIOR SPORTSPERSON

Robert Waters
Jarod van Tilburg
Jack Callow
Jessie Venner
Chelsea Rose
Adrienne Greenhalgh

SPORTS COACH, OFFICIAL AND OR ADMINISTRATOR

Sandra West
Paul Fowkes
Lacey Townsend
Kim Siegmeier

COMMUNITY GROUP OR TEAM

Staff of Moura News
Taroom Show Society
Theodore Early Childhood Centre Assoc
Wahroonga Retirement Village Auxiliary

COMMUNITY EVENT OF THE YEAR

Where's Wowan Rally 2014
Taroom Show
'Classics by the Dawson' Car and Bike Show
Biloela Christmas Festival
'PCAQ 2014 State Campdrafting, Formal
Gymkhana, Sporting and Mounted Games
Championships' Taroom
Callide Dawson Flying Group 25th
Anniversary Fly In

AUSTRALIA DAY AWARDS 2015 (Continued)

Winners

CITIZEN OF THE YEAR

Graham Barnes

SENIOR SPORTSPERSON

Don Lethbridge

YOUNG CITIZEN OF THE YEAR

Monique Schwerin

JUNIOR SPORTSPERSON

Jack Callow

VOLUNTEER

Zelma Lewis

SPORTS COACH, OFFICIAL AND OR ADMINISTRATOR

Lacey Townsend

CULTURAL

Genevieve Corfield

COMMUNITY GROUP OR TEAM

Wahroonga Retirement Village Auxiliary

JUNIOR CULTURAL

Maggie Sims

COMMUNITY EVENT OF THE YEAR

Where's Wowan Rally 2014



AUSTRALIA DAY

Profile of the Banana Shire

Banana Shire is situated in Central Queensland, Australia. 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. The Shire has rail and road links to both of these cities and is serviced by the Leichhardt, Dawson and Burnett Highways. Direct flights to the Shire from Brisbane arrive at Thangool Aerodrome, some 11km south of Biloela.

Public road transport is also provided three times a week, with services to Biloela, Theodore and Taroom. These services are all part of the Brisbane to Rockhampton (via Toowoomba) and return service. This service is provided by Bus Queensland. A twice weekly return service is run between Biloela and Maryborough by Callide Coaches.

Steeped in agricultural and mining heritage, this resource-rich area was named in the 19th century after a dun coloured bullock called 'Banana'.



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 28, 577 square kilometres, only 27 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 gas resources. 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, one private primary school, two high schools, three public prep to year ten, one private prep to year ten, one TAFE, most Christian churches and their associated groups, five 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.



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, Myella Farmstay, mines, power stations and other industrial development.

Towards the end of this financial year, the Shire committed to refreshing their Tourism message to leverage the myriad historical, man-made and natural attractions as well as our diverse industry; through all media platforms and look forward to the expected associated Tourism visitation this will deliver.

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.

Coal bed methane is extracted 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
- Expansion of meat related industries
- Upgraded TAFE Centre to a University Campus



Agricultural Production

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



Power Generation

- Callide Power Stations can produce up to 1,600 Megawatts of electricity, enough to power about 2 million homes, and consumes approximately 6 million tonnes of coal per year.
- The station uses about 24,000 megalitres of water each year, which is sourced from Callide Dam and 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. This unit of CS Energy's Callide Power Station has been home to the world-leading carbon capture demonstration project, the Callide Oxyfuel Project. In 2015, the international joint venture involving the Australian and Japanese governments and companies from the two countries, successfully completed the project which has demonstrated how electricity can be produced from coal-fired generation with nearly zero carbon dioxide emissions.
- 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 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 promising 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:

Through a range of funding options, Banana Shire has commenced construction and updates of the Callide Dam recreational area, with the installation of new modern shelters, barbecue and corporate shelter facilities and will also commence the construction of cabins and camping facilities adjacent to the recreational space. This project is expected to reinvigorate the space and once again lure both locals and tourists to enjoy family and recreational time.

The Nathan Dam on the Dawson River has been planned for many years and if this project comes to fruition it will potentially see the Dawson Valley and the Banana Shire become a major development area in Queensland.

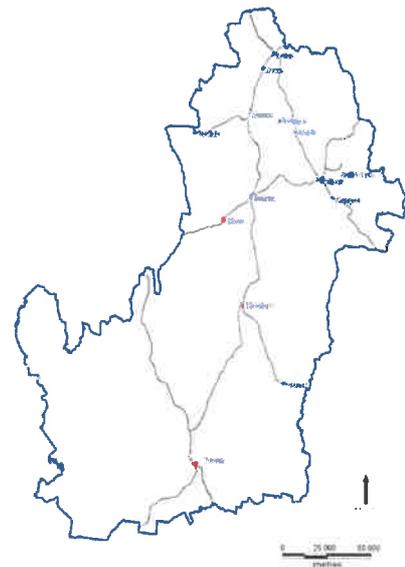
If constructed, the dam would provide water to irrigate approximately 25,000 hectares of land, and for industrial use. This development would result in over 1,000 permanent jobs and an additional \$40 million worth of agricultural production annually.

Further detailed population statistics available at Banana Shire - Comparative profile
(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	3,967 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(km²)
- **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**
- **Ammonium Nitrate 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 P-10 School
St Josephs Primary School
Goovigen State School
Jambin State School
Moura State School
Moura State High 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>Cr Ron Carige (Mayor) Elected to Council at the 28/04/2012 election - Ron resides in the Goovigen area Represents: Whole of Shire Portfolio: Economic Development, Nathan Dam, Assists all Portfolio Councillors Phone (w): 07 4992 9500 Phone (h): 07 4996 5141 Email: mayor@banana.qld.gov.au</p>
	<p>Cr David Snell Elected to Council at the 27/03/2004 election - David resides in the Biloela area Represents: Division 1 Portfolio: Water, Sewerage, Public Pools, Trade Waste, Clearance Dip (Taroom), Fleet, Solid Waste, Biloela Civic Centre, Land Tenure/Leases & Land Development Phone (h): 07 4992 2176 Email: david.snell@banana.qld.gov.au</p>
	<p>Cr Warren Middleton (Deputy Mayor) Elected to Council at the 27/03/2004 election - Warren resides in Biloela Represents: Division 2 Portfolio: Planning, Building Certification, Plumbing Certification, Built Environment, Animal Control, Cemeteries/Funerals, Wash Down Facilities, Saleyards, Compliance/Enforcement, Disaster Management Phone (h): 07 4992 1847 Email: warren.middleton@banana.qld.gov.au</p>
	<p>Cr Pat J Brennan 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: pat.brennan@banana.qld.gov.au</p>
	<p>Cr Nev G Ferrier 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: nev.ferrier@banana.qld.gov.au</p>
	<p>Cr Maureen E Clancy 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, HACCC, Community Development Phone (h): 07 4997 1489 Email: maureen.clancy@banana.qld.gov.au</p>
	<p>Cr Vaughn A Becker Elected to Council at the 15/03/2008 election - Vaughn resides in Taroom Represents Division 6 Portfolio: Executive Services, Community Engagement, Community Consultation, Governance & Risk, Major Projects, Media/PR, Sister Cities, Human Resources, Learning & Development, Work Health & Safety Phone (h): 07 4627 3995 Email: vab50@bigpond.com</p>



Councillor Representation on Committees

Advisory Committees

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

Statutory Committees

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

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

Committee / Association / Group	Councillor/s
<u>Governance</u>	
Central Queensland Regional Planning Committee	Carige
CQROC (Central Queensland Regional Organisation of Councils)	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
<u>Arts & Culture</u>	
Banana Shire Art Gallery Assn Inc	Clancy
Banana Shire Community Arts Assn	Clancy
<u>Health & Community Issues</u>	
Biloela Liquor Accord	Brennan
Bowen Basin Health Group	Clancy Middleton
Callide & Melton Streets Streetscape Project Community Liaison Committee	Middleton Snell
Moura Liquor Accord	Clancy
<u>Sports & Recreation</u>	
Magavalis Sports Club Committee	Snell
Moura Recreation Reserve Electrical Infrastructure Working Group	Clancy
Taroom Showgrounds Improvement Committee	Becker
<u>Tourism & Promotion</u>	
Country Way Promotions Committee	Clancy
GAPDL-Gladstone Area Promotion and Development Limited	Clancy
Leichhardt Hwy Promotions Assn Inc Committee	Clancy
<u>Resource Management</u>	
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)

COUNCILLORS – REPRESENTATION ON COMMITTEES



Committee / Association / Group	Councillor/s
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
Xstrata Wandoan Coal Community Reference Group	Becker
<u>Landcare & Pest Management</u>	
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
<u>River Catchment & Water Resources</u>	
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
<u>Disaster Management</u>	
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 – REPRESENTATION ON COMMITTEES



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 2014 to 30June 2015	
	% of MLA Rate	Remuneration Rate (This rate applied as from 01/07/2014)
Mayor	65	\$95,488
Deputy Mayor	37.5	\$55,089
Councillor	32.5	\$47,744

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 2014/15:

Councillor	Remuneration	Superannuation	Total
RJ Carige	\$95,329.96	\$11,439.49	\$106,769.45
VA Becker	\$46,593.62	\$5,591.29	\$52,184.91
PJ Brennan	\$46,593.62	\$5,591.29	\$52,184.91
ME Clancy	\$46,593.62	\$5,591.29	\$52,184.89
NG Ferrier	\$46,593.62	\$5,591.29	\$52,184.91
W Middleton	\$54,997.83	\$6,599.81	\$61,597.64
D Snell	\$46,593.62	\$5,591.29	\$52,184.91
	\$383,295.89	\$45,995.75	\$429,291.62

COUNCILLORS EXPENSES REIMBURSEMENT

Copy of Councillor Expenses Reimbursement Resolutions

Local Government Regulation 2012 Section 185 (a)

No resolutions were made during the year to adopt or amend the Expenses Reimbursement Policy.

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 (reimbursed to Councillor)	Facilities Provided (additional to Expenses Incurred)
RJ Carige	\$377.00	Office at Administration Centre Vehicle for Council use only Mobile Phone including usage charges Tablet Computer including usage charges
VA Becker	\$2,086.70 Includes reimbursement for fuel used in council vehicle to carry out Council business.	Vehicle for Council use only Tablet Computer including usage charges
PJ Brennan	\$2,506.70 Includes reimbursement for use of private vehicle to carry out Council business.	Mobile Phone including usage charges to end May 2015 Tablet Computer including usage charges
ME Clancy	\$6,871.84 Includes reimbursement for use of private vehicle to carry out Council business.	Tablet Computer including usage charges
NG Ferrier	\$8,447.30 Includes reimbursement for use of private vehicle to carry out Council business.	Tablet Computer including usage charges
W Middleton	\$745.00	Tablet Computer including usage charges
D Snell	\$600.00	Tablet Computer including usage charges
	\$21,634.54	

COUNCILLORS MEETING ATTENDANCE

Local Government Regulation 2012 Section 186 (d)

The following Local Government meetings were attended by Councillors.

Councillor	Ordinary Meetings	Special Meetings	Disaster Committee Meetings (Cyclone Marcia)	Committee Meetings- Other	Council Workshops
RJ Carige	12	n/a	24	3	11
VA Becker	12	n/a	6	2	11
PJ Brennan	12	n/a			11
ME Clancy	12	n/a	6	11	12
NG Ferrier	12	n/a	3		12
W Middleton	12	n/a	30	1	12
D Snell	12	n/a	15		12

OVERSEAS TRAVEL - COUNCILLORS

Local Government Regulation 2012 Section 188

Overseas travel made by a councillor in an official capacity during the financial year.

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

CONDUCT AND PERFORMANCE OF COUNCILLORS

Local Government Act 2009 Division 6

Local Government Regulation 2012 Section 186

Disciplinary Action for Misconduct

Local Government Regulation 2012 Section 186 (d) (i)

Section 180 of the *Local Government Act 2009*.

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

Local Government Regulation 2012 Section 186

Section 181 of the *Local Government Act 2009*.

<i>Local Government Regulation 2012 Section 186</i>		
(d) (ii)	Number of orders made under section 181 of the Act	2
(e) (i)	The name of each councillor for whom an order or recommendation was made under section 180 of the Act or an order was made under section 181 of the Act;	Cr Ron Carige
(e) (ii)	A description of the misconduct or inappropriate conduct engaged in by each of the councillors;	Alleged inappropriate conduct by Mayor referred to departments chief executive
(e) (iii)	A summary of the order or recommendation made for each councillor;	1 Ordered that Cr Carige be reprimanded 2(a) Ordered that Cr Carige be reprimanded 2(b) Ordered that any repeat of the inappropriate conduct be referred to a regional conduct review panel

Complaints about the Conduct or Performance of Councillors

Local Government Regulation 2012 Section 186 (f)

Complaints under Section 176 of the Local Government Act 2009

<i>Local Government Regulation 2012 Section 186 (f)</i>	Number of:	
(i)	Complaints about the conduct or performance of councillors for which no further action was taken under section 176C(2) of the Act;	1
(ii)	Complaints referred to the department's chief executive under section 176C(3)(a)(i) of the Act; (inappropriate conduct)	2
(iii)	Complaints referred to the mayor under section 176C(3)(a)(ii) or (b)(i) of the Act;	Nil
(iv)	Complaints referred to the department's chief executive under section 176C(4)(a) of the Act; (misconduct)	1
(v)	Complaints assessed by the chief executive officer as being about corrupt conduct under the Crime and Corruption Act	Nil
(vi)	Complaints heard by a regional conduct review panel;	Nil
(vii)	Complaints heard by the tribunal;	Nil
(viii)	Complaints to which section 176C(6) of the Act applied. (Preliminary assessment is that complaint is about another matter, the complaint assessor must deal with the complaint in an appropriate way)	Nil

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.

OBJECTIVES

In regards to complaints, Council has the following Objectives:

- To manage and resolve complaints about administrative actions of Council in a process that covers all administrative action complaints made to Council;
- To quickly and efficiently respond to complaints in a fair and objective way;
- To include the criteria considered when assessing whether to investigate a complaint;
- To inform an affected person of Council's decision about the complaint and the reasons for the decision, unless the complaint was made anonymously; and
- To enhance the community's confidence in the complaints process and of the reputation of the Council as being accountable and transparent.

PRINCIPLES

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 whilst observing the principles of natural justice.

Accessibility

The Complaints Management Policy and Procedures are 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 Administrative Action 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

Council believes in 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 Administrative Action Complaints Management process.

Natural Justice

The Administrative Action 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.

COMMITMENT

Council commits to:

- A complaints process that is easy to understand and is readily accessible to all;
- 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;
- An increase in awareness of the complaints process for Council's staff and the community;
- The fair, efficient and consistent treatment of complaints about decisions and other administrative actions of Council;
- Providing complainants with information on the complaints process and, if necessary, assistance to make their complaint;
- Enhancement of the community's confidence in the complaints process and of the reputation of Council as being accountable and transparent;
- Identifying and allocating the management resources needed for an effective administrative action complaints process;
- The training of officers to deal with complaints and to record and analyse complaints data by building the capacity of staff to effectively manage complaints in an environment of continuous improvement;

- Training Council officers on Good Decision Making in Government;
- Council Officers receiving complaints in a professional manner;
- Detection and rectification, where appropriate, of administrative errors;
- Identification of areas for improvement in Council's administrative practices;
- 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 procedure;
- Monitoring complaints with a view to continuous improvement of Council's business processes; and
- Providing information to affected people as to their statutory rights of review if they are not satisfied with the outcome of the Administrative Action Complaints Management Process.

Administrative Action Complaints Implementation and Assessment

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

Council adopted its Complaint Management Policy by Council resolution 29 March 2006 (Minute Ref 31041). It was reviewed and amended on 24 February 2010 (Minute Ref OM000852) and again reviewed on 29 October 2013 (Minute Ref OM002550).

This policy can be viewed at Council's Administration Centre, 62 Valentine Plains Road, Biloela or on Council's web site.

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
8	8	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	106,804.75	
3190-2120-0002	Community Development – In Kind Assistance	21,092.29	
2010-1194-0000	Rates Based Financial Assistance- Sports & Community Groups	45,809.55	
2010-1195-00000	Rates Based Financial Assistance- Retirement Homes	106,089.56	Plus General Rates on applicable premises and water consumption.
3450-2380-0000	Regional Arts Development Fund – Grants to Locals	32,624.00	
	TOTAL	\$312,420.15	

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 expended during this year.



Annual Report 2014-15 Mayor's Message



Looking back over the financial year 2014/15, it certainly has been a year of contrasts.

The State Government had a complete change at the election in January. From a local government point of view this has created issues around funding. We knew what funds were available with the previous government and it has taken the first six months to change over to the new government's way of applying for what funds are available.

The Agricultural sector in the eastern half of the shire went from drought to Cyclone Marcia. The whole shire was struggling under the influence of drought. Water was becoming very scarce combined with the lack of feed.

Enter Cyclone Marcia on 20 February 2015 and everything changed in the eastern half of the shire. There were tremendous crop losses and hundreds of head of cattle washed away. Thankfully most of the cattle were recovered, however the overall cost to the agriculture sector was estimated to be \$88 million, causing a high impact on this important sector of the Banana Shire. Cyclone Marcia also caused flooding in and around Biloela that we have never seen before. I personally have never heard of so many houses deemed uninhabitable. It was a credit to all the communities pulling together to help everyone over this difficult time.

The resource sector including the gas pipelines have gone from boom times to doing everything in their power to be able to meet costs.

We as Council and as a community have become all too reliant on the resource sector providing jobs and supporting our communities with facilities that Council could never provide.

Today, with the downturn in coal and oil prices, the reality is we cannot rely on the tremendous support the resource sector provided in the past.

One of the great aspects of the Banana Shire is our diversity, and while we rely on the resource sector to provide jobs and employment, other sectors like agriculture, tourism, small business, manufacturing and meat processing, will keep the Banana Shire economy going.

As I said earlier, it has been a year of contrasts, however I am confident by pulling together as a community, we will conquer any obstacle put in our way.

Cr Ron Carige
MAYOR



Annual Report 2014/2015 Chief Executive Officer's Report

Cyclone Marcia passed through the north-eastern area of Banana Shire Council on 20 February 2015. The impact and subsequent flooding are well documented and there was in due course inquiry established by the state government.

The subsequent report titled "2015 Callide Creek Flood Review" was released in late June 2015 and had some thirteen recommendations, nine of which directly affected Banana Shire Council.

Council in turn has been working with a number of other agencies in addressing these recommendations and preparing its response to the Inspector General Emergency Management by September 2015.

The estimated damage to Council infrastructure as a result of Cyclone Marcia is around the \$14M mark. Council has set about repairing and reinstating this infrastructure as a matter of high priority.

Throughout the 2014/15 financial year Council finalised the flood restoration works following the 2013 flood event.

Over the past several years Council had been successful in securing funding under the Royalties to the Regions program, and a number of these projects were completed during the year with others well advanced.

- a) Cracow-Eidsvold Road – completed
- b) Theodore Sewerage Plant – completed
- c) Baralaba Water Treatment Plant – under construction
- d) Banana Water Tower – construction nearing completion
- e) Bears Lagoon Road – completed.

Further the Theodore SES building contractor is well advanced and along with the abovementioned projects this building will be officially opened in the second half of 2015.

Council continues to move forward and meet the challenges associated with the rapidly changing environment that it operates under. The challenges for Local Government are ongoing as we continue to face reduced funding from external sources.

I would also 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

Overseas travel made by a local government employee in an official capacity during the financial year.

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

ASSESSMENT OF IMPLEMENTATION OF 5 YEAR CORPORATE PLAN and OPERATIONAL PLAN

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

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 5 new year Corporate Plan for Banana Shire Council for 2014/2019 (1 July 2014 to 30 June 2019) was adopted on 28 May 2014 and came into effect on 1 July 2014.

Council's Annual Operational Plan and Budget for 2014/2015 were prepared to be consistent with the 2014/2019 5 year Corporate Plan.

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

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

Again completion of capital and maintenance works especially in the roads area have 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.

This was compounded by damage from Cyclone Marcia in the north of the shire in February 2015 and continued drought over most of the shire.

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. In February 2015, in the north of the shire, Cyclone Marcia caused considerable destruction including flooding particularly in the Biloela, Jambin Goovigen areas whilst drought conditions have prevailed over much of the balance of the shire.

The social and financial impacts of the flooding were widespread. The resultant damaged coupled with the initial 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 is suffering a downturn in some areas, while expansion continues at Baralaba. Coal seam gas exploration continues however the major pipeline construction projects are complete.

The sudden change from a period of intense activity to a relatively quiet period in the resources industries with a resultant large reduction in the itinerant workforce has impacted on sections of the shire.

- Government Subsidies and Grants cannot be relied on for Council infrastructure and it is increasingly difficult to obtain recourse companies contributions, and
- Council has continued to consider and respond to the proposals and applications that it has had to deal with however the number of new applications has declined significantly with the completion of many resource projects and apparent downturn in some sections; and
- The attraction and retention of staff continues to be a major challenge for Council; and
- In previous years, the high cost of accommodation and living in competition with resource and itinerant construction workers was a discouraging factor for prospective employees. However, even with the downturn in the resource industries it is still difficult to attract staff to rural and regional areas.



CORPORATE PLAN – Key Strategies

Following a review, a new Corporate Plan for 2014-2019 to come into effect on 1 July 2014 was adopted on 28 May 2014.

The following Key Strategies from this Corporate Plan, applied for the whole 2014-2015 financial year.

Key Strategies

1. Governance

1.1. Strategic Direction

To ensure 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.

- a. Manage Council in a cost effective and efficient manner.
- b. Undertake continuous financial assessment.
- c. Manage debt levels and rate increases.
- d. Review and monitor the costs of service delivery.
- e. Undertake engagement and communication with stakeholders and the community.
- f. Demonstrate Council's passion for the community and the services it provides through continued or enhanced service delivery.
- g. Undertake continuous improvement of Council's processes and services.
- h. Use technological solutions to provide modern and cost effective service delivery.
- i. Respect and develop staff through training and definition of roles and responsibilities and through the provision of safe, healthy and injury free workplaces and facilities.
- j. Maintain appropriate staffing levels, plant and equipment, and administrative or operative facilities to preserve and improve on the current level of services, functions and activities in line with community needs and good governance practices.
- k. Manage the whole of the local government area through effective and efficient planning and development management.
- l. Operate with probity and integrity while achieving legislative compliance.

1.2. Performance Indicators:

- a. Meeting the governance requirements of legislation.
- b. Obtaining unqualified financial audits.
- c. Financial management that meets the Government's expectations in relation to the sustainability ratios.

- d. Expenditures are managed within the adopted budget.
- e. Service delivery that reflects Council's standards.
- f. Employee accident/injury levels and staff turnover at an acceptable level.

2. Social Wellbeing

2.1. Strategic Direction

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".

- a. Develop partnerships and relationships with the community, business and government.
- b. Build relationships with traditional owners and facilitate the resolution of ILUA matters.
- c. Encourage healthy and happy communities through provision, encouragement or support of a range of wellbeing services and facilities including community resources, arts and culture, recreation and sport, commemorations, communication facilities, festivities and events.
- d. Encourage healthy and balanced communities through effective and efficient planning and development management.
- e. Consider strategies for determining appropriate levels of service and methods of delivering services in the smaller communities and rural areas.
- f. Undertake a lobbying and advocacy role in relation to wellbeing services that are traditionally provided by the State and Commonwealth Government including but not limited to health and education.
- g. Lobby the State and Commonwealth Governments to deliver reliable internet and phone connectivity to support community wellbeing.
- h. Encourage community resilience through information sharing and promotion.
- i. Subject to sustainability and financial resources, maintain and where appropriate improve the current level of services, activities and functions to meet community needs.

2.2. Performance Indicators:

- a. Service delivery that reflects Council's standards.
- b. Council has responded to stakeholders within the specified timelines.

3. Environment

3.1 Strategic Direction

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.

- a. Undertake environmental assessments of services to ensure that they meet the legislated performance requirements and can continue to deliver adequate services to the community.
- b. Use technological solutions to moderate impacts on the environment.
- c. Consider environmental sustainability when designing, developing, operating and maintaining Council assets and services.
- d. Monitor environmental impacts of Council operations.

3.2. Performance Indicators

- a. Meeting solid waste and recycled waste environment standards.
- b. Meeting the environmental standards for Council construction sites.

4. Economic

4.1. Strategic Direction

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

- a. Encourage local employment by promoting the benefits and opportunities of the Shire.
- b. Negotiate positive outcomes for development opportunities.
- c. Actively communicate with potential developers to encourage positive development outcomes.
- d. Monitor, understand and plan for pressure on Council's infrastructure created by existing and new development.
- e. Capitalise on the natural and other resources to attract industry and visitors to the Shire.
- f. Encourage local development that provides enhanced services to the community.
- g. Consider the long term affordability of services when undertaking economic modelling and planning.
- h. Lobby the State and Commonwealth Governments to deliver reliable internet and phone connectivity to promote fair and equal opportunities for local businesses.
- i. Provide and maintain effective transport infrastructure subject to sustainability and financial resources.

4.2. Performance Indicators:

- a. Development applications processed within set service standards.
- b. Marketing activities completed within budget and marketing plan.

5. Infrastructure

5.1. Strategic Direction

Plan and deliver effective and efficient infrastructure services.

- a. Manage and develop infrastructure at levels of service which meet community expectations and ensure long term sustainability subject to financial resources.
- b. Focus on essential service delivery especially transport including road, street and bridges network and aerodromes, water and sewerage treatment and supply systems and waste including garbage and water.
- c. Lobby the State and Commonwealth Governments regarding funding for programs relating to local safety issues.
- d. Seek funding to assist delivery of essential infrastructure where the cost places an unrealistic burden on Council and the community.
- e. Monitor the condition of assets, costs of service and service delivery on a regular and continuing basis.
- f. Provide information to the business and community in relation to service levels and service performance.
- g. Undertake risk management of essential service delivery.
- h. Provide and maintain effective transport infrastructure.
- i. Subject to sustainability and financial resources, maintain and where appropriate improve the current level of services, activities and functions to meet community needs.

5.2. Performance Indicators:

- a. Meeting required water and wastewater quality standards.
- b. Responding in accordance with Council's customer charter and service standards.
- c. Achieving the CASA requirements at Council's airports.
- d. Managing Council's road assets within the levels of service and road hierarchy set out in the asset management plans.
- e. Buildings are maintained at a determined service level.



CORPORATE PLAN – Key Actions

Key Actions

1. Continue to deliver a budget surplus while maintaining realistic service levels.
2. Continuously review the long term financial forecast, asset management plans and service standards.
3. Monitor costs and undertake process improvement.
4. Communicate with the community.
5. Promote the Shire to encourage tourism and investment.
6. Secure sustainable long term water supply for urban communities and rural businesses.
7. Lobby for improved main roads outcomes including heavy vehicle bypasses for Biloela and Taroom, improved intersections and passing bays on main roads.
8. Continue to investigate the use of new technologies to increase efficiencies.
9. Lobby for improved communication connectiveness for phones and internet.
10. Lobby for improved medical, education and transport services.
11. Encourage the finalisation of local ILUAs.
12. Monitor the use of air services within the Shire.
13. Maintain all weather and safe roads as defined in Council's service standards.



1. GOVERNANCE

1.1. Strategic Direction

To ensure 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 2014/2015 year continued with the same Councillors and the same corporate structure.

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

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

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

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

In other key governance areas, Council continues to operate under the local laws and subordinate local laws adopted on 26 October 2011, which are compliant with the *Local Government Act 2009* and are based on the models provided by the Department of Local Government and Planning.

The Audit Committee has met as required by legislation to assist in monitoring Council's compliance with legislation and the guiding 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 2015/2016 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 Queensland Parliament has adopted major changes to the *Industrial Relations Act*. This has delayed negotiations for a new Enterprise Agreement. Discussions cannot commence until the Industrial Relations Commission revise the relevant Awards. These changes are anticipated to occur in late September 2015. The old Enterprise Agreement remains in effect until replaced. Council is looking forward to beginning discussions as soon as the new Awards are made.

A new Drug and Alcohol Policy was adopted by Council in November 2014 and a new Code of Conduct for Council employees was adopted in March 2015. All staff are scheduled to attend training in the Policy and Code.

In addition to the normal business of Council, Council staff provided operational support for the Local Disaster Management Group during and after Cyclone Marcia.

Workforce Statistics

Council's workforce for the 2014/15 year consisted of 356 employees including full time, part time, fixed term and casual employees. The following tables provide further information on the composition of Council's workforce and the number of employees in each Department.

Full-time equivalent = 261.

Employment Status	Male	Female	Total
Full Time	178	66	244
Part Time	0	20	20
Fixed Term	10	8	18
Casual	5	42	47
TOTAL	193	136	329

Unfilled Positions	27
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Department	Number of Employees (Inclusive of Vacancies)
Executive Services	17
Corporate & Community Services	110
Development & Environmental Services	76
Infrastructure Services	153
TOTAL	356

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)

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 slashers, 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 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 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 efforts 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 this demonstrates that Council offers a workplace that is safe.

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.

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.

2014/2015 saw the final stages of consultation, project planning and lastly the implementation of Council's new EDRMS MagiQ. MagiQ brings with it a multitude of new functionality. This includes superior searching capabilities for retrieval of documents, extensive reporting modules, workflows which allow for better accountability, upgraded security features, same-day support service, simplified methods of capturing and entering document information and increased accessibility for Council staff. MagiQ training was provided for all Council staff, including comprehensive training for the Records Management team.

During the year nine Right to Information Applications were received, five were finalised, one was withdrawn, one lapsed, Council refused to deal with one and one was incomplete as at 30 June 2015. One decision was referred to the Office of the Information Commissioner for external review. This was dealt with and an outcome achieved. Council also received one Third Party Consultation in relation to applications received by an external party. All were processed within the legislative timeframes. Council also received one subpoena to provide information.

Annual destruction was carried out in July 2014 in accordance with guidelines set by Queensland State Archives, which states that records must be destroyed by either being pulped, shredded or incinerated. Council utilises the services of JJ Richards to finalise the destruction process.

The volume of incoming and outgoing correspondence has remained consistent between 2013/2014 and 2014/2015.



RECORDS MANAGEMENT

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. 1,345 user support requests were completed during the year.

Some projects completed and made operational during the year included:

- Implementation of new ECM Records management system
- Library software migrated to the Cloud resulting in lower overall maintenance costs and a reduction in response times for client issues and support.
- Upgraded network and communications equipment within Biloela Library, improving Library operations as well as Councils overall network, and disaster recovery preparedness.
- 500% growth in deployments of mobile devices to improve staff mobility and streamline workflows.
- Further virtualisation and consolidation of server hardware enabling additional services while keeping hardware and software costs to a minimum.
- Further upgrades to systems management software to assist in the rapid deployment of all Council software including Office 2010 and Windows 7 rollout.
- Upgrade of corporate firewall and implementation of VLAN segmentation of network for further security and performance upgrades.

COMMUNITY DEVELOPMENT

Staffing

The Community Development section saw minimal changes in the last financial year. Administration assistance shared throughout the entire department continued to provide much needed support. Supervision of a Business Administration Trainee continued for a couple of months at the beginning of the financial year.

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 planning meetings; Biloela Indigenous Advisory Group meetings and the Biloela Christmas Festival planning meetings;
- Participated in the Journey to Recognition 'Recognise Community Morning Tea and Sista's Journey Art Exhibition Opening' and the Central Region Sport & Recreation Forum;
- Continued to work with the Department of National Parks, Sport & Racing to deliver Sport & Recreation workshops in the Banana Shire;
- Attended the Local Government Managers Association Community Services Village Forum and Women in Local Government dinner in Brisbane in early March 2015.



Recognise Community Morning Tea attendees with Sista's Journey Art Exhibition members

Workshops

Council funded Grant Writing Workshops delivered by Burnett Inland Economic Development Association (BIEDO) in Taroom, Theodore, Moura and Biloela in late June and early July 2015. The workshops were generally well attended.

Training

Staff participated in the following professional development workshops and webinars including:

- 'Building Better Clubs' webinar series hosted by Sports Community;
- 'Facility Management' workshop hosted by Department of National Parks, Sport & Racing and facilitated by Michael Connelly of CPR Group;
- 'Using Social Media' workshop hosted by Department of National Parks, Sport & Racing and facilitated by Steve Connelly of CPR Group;
- 'Facebook for Business' Social Media Workshop hosted by Burnett Inland Economic Development Association (BIEDO).

A large amount of mandatory Disaster Management training was also undertaken during the financial year.

Disaster Recovery

Staff were again heavily involved in Recovery Operations following Tropical Cyclone Marcia in February 2015. As a member of the Human Social Recovery Sub Group the Community Development Advisor attended regular meetings and assisted in a variety of ongoing recovery operations. These included hosting an information stand at the Callide Valley Show supported by a variety of other agencies involved in disaster recovery.

Additional financial support for Banana Shire was announced in late May 2015 under Category C of the Commonwealth-State Natural Disaster Relief and Recovery Arrangements (NDRRA). Community Development funding is designed to assist severely affected communities with their medium to long-term recovery by providing funding aimed at restoring social networks and building community resilience. Funding for Counselling Support for the region was also included. As at 30th June 2015 no further announcements had been made.

Banana Shire Council was also granted drought funding from the State Government under the Drought Relief Assistance Scheme. This funding is for the delivery of community events, training and resources for local leaders and direct support for producers and families under stress. Events are to be delivered across the twelve communities of the Banana Shire.



*Disaster Recovery
Stand at the CV Show*

Community Planning

A review of the Banana Shire Place Based Plans commenced during the financial year. Updates have been delayed due to Staff involvement in disaster recovery.

Community Contributions

The new Community Grants Program Policy was adopted by Council in August 2014. The new program was publicised widely and interest in the program has increased. This is evident in the jump of enquiries received, downloads of the documents on the Community Grants page on Council's website and the number of applications received.

Council contributed in excess of \$125,000.00 to the community across the Shire in the 2014-2015 financial year. Applications received under the Community Grants Program over four rounds included:

- Thirty-three applications for Grants;
- Twenty-nine applications for In Kind Assistance (including those applied for under the new program);
- Nine applications for Event Support (prior to the program changing in August. Event Support was then categorised as a Grant); and
- Eleven further funding arrangements/donations outside of the Community Grants Program.

Community Project Support

The Letters of Support Policy was reviewed in the financial year. The amended policy was adopted by Council in August 2014 and renamed the Community Project Support Policy to recognise the requests for referees on funding applications also. A corresponding Procedures document was also endorsed.

Forty-four 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. This is double that for the previous financial year. Referee requests continue to be more common over written letters.

Web Pages & Online Services

The Community Events Calendar has been promoted and developed during the period. Groups are submitting events more commonly. Staff are adding on average five new calendar entries per week and are encouraging groups where possible to add events themselves.

My Community Directory has continued to be a valuable tool with over 2000 listing views of Banana Shire Council based services during the financial year. Ongoing support has ensured that the Directory is able to be accessed and utilised as easily as possible. Currently there are just over 300 organisations listed as being based in the Banana Shire providing over 433 different services. A total of fifteen emails were distributed during the financial year to all organisations listed within the Directory using the broadcast function.

Customer Service

There has been a 7% decrease in calls through the phone system during the year. There have been ongoing communication issues to the Moura office due to the poor phone line services to this building. Customer Service Officers answered approximately 26,114 calls, which equates to approximately 105 calls per work day and approximately 5,223 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.

Resident visitation to the Banana Shire Administration Building continues to rise; with 10,072 face to face customers attending our facility to undertake their business; which equates to a 22% increase against the 2013/14 financial year, or 40 customers per day. Our teams issued 5,567 receipts from the Biloela Administration office, 1,096 from the Moura Customer Service Centre and 932 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.



CUSTOMER SERVICE



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 reviewed Council's Asset Management Strategy to ensure that all Asset Management Plans align with Council's direction for asset management. The continual development of long term Asset Management Plans remains a high priority within the financial services section of Council.

Council's 2014/2015 Financial Statements have been audited without qualification and all other statutory reports were completed in accordance with all relevant legislation.

Stores/Procurement

The Procurement team have actively assisted all departments in meeting the demands of their day to day jobs. Stock levels have increased to ensure availability of items for emergency and everyday tasks. Pallet racks have been installed to allow extra storage inside for large items and more shelving has been installed for accessibility of smaller items. New chemical sheds have been purchased and erected to ensure hazardous items are secure and stored in compliance with safety legislation.

The Procurement team ensure that all staff that have financial responsibilities are following best practices as well as meeting Council's Procurement Policy and adherence to legislative requirements in all procurement activities.



Disaster Management

Council is required under legislation to form a Local Disaster Management Group (LDMG).

The Banana Shire Local Disaster Management Group is a group comprising local and state agencies including emergency service organisations, that are responsible for the planning stages of disaster management, as well as making important decisions during a disaster event, to assist the community.

Functions of a Local Disaster Management Group are identified within the *Disaster Management Act 2003* and include the requirement to develop effective Local Disaster Management Plans encompassing the four aspects of Prevention/Mitigation, Preparation, Response and Recovery.

Disaster management planning for Banana Shire is not solely the responsibility of Council, it is a joint responsibility held by all member agencies of the Banana Shire Local Disaster Management Group, and each member agency has a vital role to play in the provision of an appropriate operational response to any event impacting upon the community.



During significant disaster and emergency events, and depending on circumstances, the Banana Shire Local Disaster Coordination Centre (LDCC) may be activated. Complex emergency events are likely to require enhanced management processes that are only available from an interactive multi agency coordination centre. The purpose of a LDCC is to ensure that these enhanced management processes can be applied.

Council also has Local Emergency Coordination Committees (LECC), made up of core groups of people within the local community who possess the local knowledge and expertise to inform the LDMG on local matters and to provide a conduit for the dissemination of authorised information to the community.

The following LECCs have been established and meet on a regular basis:

- Baralaba/Rannes;
- Jambin/Goovigen;
- Moura/Banana;
- Taroom;
- Theodore/Cracow; and
- Wowan/Dululu.

2. SOCIAL WELLBEING

2.1 Strategic Direction

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 resulting in exhibition space being booked out well in advance.

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
Email enquiries@banana.qld.gov.au

Library

The highlight of the year was the celebration of the 30th Birthday of the Biloela Library Building, as well as the installation of new carpet tiles and the refurbishment of the Local History Area. Overall, the number of people visiting libraries across the Shire has increased. Despite this, the number of items loaned has decreased slightly compared to 2013/2014.

EVENTS

July

The Local History area received a fantastic refurbishment in July. The refurbishment included a mural of images of the local area from over the years. The mural was a wonderful addition to this area.



September

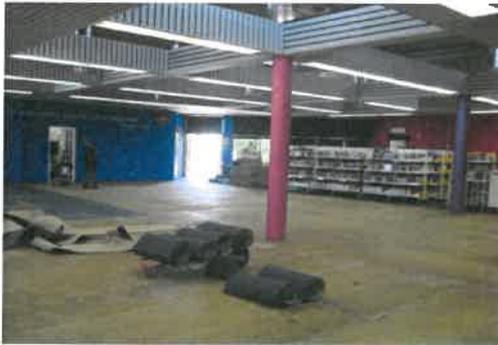
In September, 25 children attended a party to help celebrate the 50th anniversary of Charlie and the Chocolate Factory by Roald Dahl. There were plenty of lollies and chocolatey food for everyone to eat, with the children enjoying decorating their own cupcakes.

The School holiday activities continued to be popular with 49 children attending activities in Biloela & Moura. The children made dream catchers, wacky sacks and did canvas painting.



November

Biloela Library closed from the 10th to the 15th November to allow for the installation of new carpet tiles. It was a major undertaking to move so many shelves and books; however the end result was well worth it. The new carpet tiles greatly contribute to the overall attractiveness of the library space.



December

A celebration was held for the Biloea Library Building's 30th Birthday on the 10th of December. The State Librarian, Janette Wright came to help celebrate the wonderful milestone.



December/January

The number of children registering for the Summer Reading Club continued to increase with 143 participants registering. The theme for the Summer Reading Club was 'Adventure'.

April

To commemorate the 100 year anniversary of the Gallipoli landing, poppies that were hand made by members of the public as part of the 5000 Poppies Project were displayed in the Biloea Library.

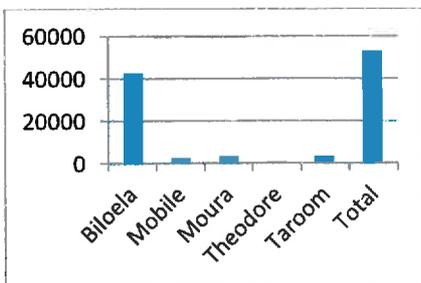


In the Easter school holidays, 143 children participated in Pattern Bandits' workshops at the Biloea Art Gallery, Taroom Town Hall, Moura Library and the Theodore Youth Centre as part of the QAGOMA exhibition of Jemima Wyman's works.

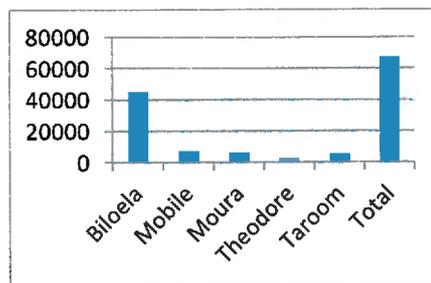


Statistics

Door Count



Total Loans



Total Memberships – 7,132
 Biloela Storytelling – 953
 Biloela Lapsit – 340
 Moura Storytelling – 294
 Taroom Storytelling – 237

School Holiday Activities (All Libraries) – 283
 Beebots (All libraries) – 57
 Minecraft (All libraries) - 80
 Moura Craft Station – 123
 Biloela School Holiday Craft Station – 582



Community Resource Centre 2014/2015

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 2014/2015 has continued to provide these throughout the Banana Shire. This is achieved in the following ways:

Resource Library

The CRC has lent 2,899 items during the 2014/2015 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 and therapy resources and specialised equipment. This community wide support is invaluable and attests to the value placed on the CRC by the residents of Banana Shire.

CRC Programs

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 programs and activities.

CRC - Non School Organisations Programs

Therapy Support Program

Individual and group therapy services provided through the Non School Organisations (NSO) Program by a Speech Language Pathologist, an Occupational Therapist, a Physiotherapist, Behaviour Therapist Educators and therapy assistants enhance the educational outcomes for eligible students. Therapists provided services to schools in Biloela (4 schools, Early Childhood Development Program and 2 kindergartens), Moura (2 schools and Early Childhood Development Program), Theodore, Banana, Baralaba, Jambin, Goovigen, Prospect Creek and Thangool. Other NSO funded services (Provision of Specialised Equipment and the Holiday Life Skills Program) have been accessed by eligible schools and families in these communities, in Monto and Rockhampton).

Holiday Life Skills Program

This program ran in September 2014 and January 2015, in Biloela and Monto. The program targets social skills, gross and fine motor development and community engagement to support educational programs and lifelong learning.

Specialised Equipment Program

This program 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 an electric adjustable inclusion table to allow students with disabilities the opportunity to work in different positions and postures.

COMMUNITY RESOURCE CENTRE



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 2014/15, new shade sails in both playgrounds and seven new bikes and trikes of varying sizes to cater for children of all ages and skill levels. The Tigermoth side by side bike will allow two people to ride side by side safely while enjoying exercise and social interaction.

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.

Programs 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, drumming, 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 programs 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 Indigenous playgroup, run by Anglicare CQ and Playgroup Queensland 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, Youth Justice Program, Dispute Resolution Services, APM, Family Relationships Centre, Let's Talk Developmental Hub, Montrose Access, Autism Queensland, Drug and Alcohol Foundation Queensland and many other service providers.

The 2014/2015 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.



COMMUNITY RESOURCE CENTRE



REGIONAL ARTS DEVELOPMENT FUND (RADF)

The Regional Arts Development Fund (RADF) is a partnership between the Queensland Government and the Banana Shire Council to support local arts and culture in regional Queensland.

RADF continued to support local emerging and established artists and cultural workers by providing assistance towards independent professional development opportunities and local arts and cultural projects. A total of \$32 624 towards eight (8) successful applications was dispersed throughout the 2014-15 year.

The number of applications received was less than previous years, however diversity in artforms and artists or groups receiving funding remained. Approved projects included individual professional development to attend Gondwana National Choral School, research and documentation of the history of the Taroom Rodeo, workshops and film equipment for community use, oral history workshops and towards bringing an exhibition to the Banana Shire Regional Art Gallery.

The 2014-15 year saw the beginning of a new direction for RADF, which was transitional year between moving from a State wide program towards individual Shire orientated programs with each participating Council now able to tailor RADF to suit their community. The Banana Shire responded with an evaluation of the program and the creation of tailored grant categories, guidelines and application forms, ensuring the design and look of documents to be consistent with other Banana Shire Council grant forms. These changes were trialed in round 4 of RADF 2014-15.



Oral Historian Lesley Jenkins with workshop participants at Baralaba

HACC - Home and Community Care

Council continued to provide HACC services to the towns of Taroom, Wandoan and surrounding areas as per funding agreements. Services are being delivered in line with funding service agreements for both the Commonwealth HACC Programme and the State HACC Programme. Both programmes are meeting their financial and governance targets. 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 in the Parks and Open Spaces area this year have included:

- Malcolm Husbands Park, Biloela – dog agility project; value \$30,000
- North St Park, Banana – covered BBQ area; value \$25,000
- Major Family Park, Baralaba – installation of new playground equipment; value \$205,000
- Ludwig Leichhardt Park, Taroom – lighting upgrade, new playground equipment and general upgrade; value \$155,000



Ludwig Leichhardt Park (1)



Ludwig Leichhardt Park (2)



Major Family Park (1)



Major Family Park (2)

ENVIRONMENTAL HEALTH 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, and involves the provision of sharps disposal containers in public toilets in Biloela and Moura for use by the public, and a sharps disposal container exchange program, involving the provision of new containers and an avenue for disposal of filled containers, free of charge to diabetics or those with similar health needs, through a number of locations within the Shire.

Vector and Vermin Control

With the major rain event in February larviciding was undertaken, as well as adult control around the towns of Biloela, Jambin, Baralaba and Dululu using ULV equipment. Additional treatments were undertaken around Schools, Hospitals and Day Care Centres.

Council officers continued assisting Queensland Health in an ovitrapping program in Biloela to detect the presence of *Aedes aegypti*, the Dengue fever vector.

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, undertaking enter and clear action where necessary.

Public Health, Environmental and Local Law Nuisance

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 2014/15 financial year was as follows:

Food business license	119
Environmental registration	1
Rental accommodation permit	1
Caravan park operator permit	8
Higher risk personal appearance service	1
Footpath permit	63
Commercial activity permit	4

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.

CEMETERIES

Improvement works continued on all cemeteries, with major works being undertaken at the Biloela Lawn Cemetery, Cracow, Wowan, and Jambin Cemeteries.



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:

- 2036 dogs registered;
- 7 Menacing dogs;
- 1 Dangerous dogs;

and

- 514 Animals impounded;
- 211 Animals destroyed;
- 76 Animals rehomed;
- 227 Animals released.

Compliance Officers continued to take the Petpep Program into the local primary schools, with 4 visits throughout the year with 246 students attending. This program teaches children responsible pet ownership and dog bite prevention.

Several infringement notices were also issued to dog owners for failing to comply with direction notices.

3. ENVIRONMENT

3.1 Strategic Direction

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.

Council continued with strategic control program of Giants Rat Tail Grass with a total of 14,000 ha being aerial treated with Flupropante. The cost for the project was split 50:50 between the property owners and Council. Follow-up inspections indicated that there was a high success rate in the control of Giant Rats Tail.

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 145 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 as well as attending public information days such as Beef Week 2015.

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

- 1080 baiting, with the quantity of baits provided to properties during the year adding up to nearly 14,000kg, which included the following break-up:-

Properties	Type of bait	Amount
73 properties	Dog meat	6,490 kg
37 properties	Pig meat	4,010 kg
17 properties	Pig grain	2,760 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.

DECLARED PESTS, STOCK ROUTES, WASHDOWNS



Stock and Stock Route Management

There was a dramatic increase in applications for stock route agistment and travel permits, with 59 grazing permits and 6 travel permits being issued, due to the dry conditions.

Council continued its continued improvement to water facilities on the Stock Routes, with the upgrading of Paddy's facility being completed with the addition of storage tanks, water troughs and fencing out the storage dams.

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

Washbays continued to receive high usage for the prevention of weed seed spread.



DECLARED PESTS, STOCK ROUTES, WASHDOWNS

4. ECONOMIC

4.1 Strategic Direction

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

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:

Development Permit Type	2010/11	2011/12	2012/13	2013/14	2014/15
Material Change of Use	14	32	34	23	9
Reconfiguration of a Lot	7	10	15	9	6
Combined (i.e. both Material Change of Use and Reconfiguration of a Lot)	1	0	0	2	3
Total	22	42	49	34	18

* 12 Concurrence Agency Responses were also issued in the 2014/15 period.

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 increased:

Financial Year	2010/11	2011/12	2012/13	2013/14	2014/15
Plumbing Approvals	126	136	142	42	53

BUILDING

Council has employed a qualified building certifier.

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

Financial Year	2010/11	2011/12	2012/13	2013/14	2014/15
Building Approvals	201	269	216	171	155
Council certified Approvals		37	34	45	58
Privately certified Approvals		232	182	126	97

SWIMMING POOL SAFETY CERTIFICATES

Financial Year	2010/11	2011/12	2012/13	2013/14	2014/15
Certificates Issued	0	0	0	4	9



TOURISM DEVELOPMENT

The Banana Shire Tourism Advisory Committee has continued to meet quarterly 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. 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. Stocks were 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 then occurred during the financial year and reflects 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 had engaged a consultant to review the brochure and website, investigate linkages and develop an advertising schedule. This work was completed early in the financial year with suggested projects 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 economic 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 Shire Council.

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.

Council's Development and Environmental Services area has been active in advancing the Council's role in local and regional economic development. Regular engagement with business and economic development groups along with advocacy and leadership and development facilitation have formed part of the department's activities. Council also now issues a regular Economic Development Newsletter that provides important business and industry related information to the public as well as showcasing local businesses and promoting events and other economic issues.

A draft Economic Development Plan (EDP) has also been prepared to highlight strategic actions and choices that will support a strong, forward moving economy and long term economic prosperity.

Economic Recovery

The Banana Shire Council Economic Recovery Sub-group was tasked with the recovery functions following the Tropical Cyclone Marcia event. This included coordinating economic recovery efforts including collaboration with business and industry and government. A survey of businesses in affected areas was conducted by Council and the State to assist in articulating the economic impacts of the disaster and to support decisions for disaster relief programs to be made available for business. The Economic Recovery Sub-group also assisted in the establishment of BlazeAid in Biloela to assist with disaster relief for affected rural properties.

An Economic Recovery Strategy was also developed to guide economic recovery activities and tasks. This strategy will be used to guide economic recovery functions in future events.

Industry Summit

The Banana Shire Industry Summit was held on the 16th of September 2014. This event was a great success with the focus being on Growing the Banana Shire....the Shire of Opportunity.

The Industry Summit included presentations by Ms Kris Trevilyan – Multi System Farming, Terry Nolan – Nolan Meats, Bob Ansett – Entrepreneur and Mayor Paul Pisasale – City of Ipswich. Each presenter gave motivational addresses on what it takes to make business successful.



Recent Developments

Cockatoo Coal – Coal Train Load Out Facility and Haul Road
Major electricity infrastructure (transmission lines and substations) and coal seam gas related infrastructure (i.e. Woleebee Creek to Glebe Weir Pipeline)
QLD Heritage Park – 48 Hour Rest Stop
Anytime Fitness (Gym) – Biloela
New telecommunication facilities (Shire wide)

New Planning Scheme

Preparation of the new Banana Shire Planning Scheme to replace the existing Banana Shire Planning Scheme, 2005 and Taroom Shire Planning Scheme, 2006 is progressing. 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 is likely to be completed in 2015 with adoption of the draft scheme proposed for 2016. 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 Strategic Direction

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.



Treated water tanks and operations building at new sewerage treatment plant in Theodore

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*.

Water Services Personnel were kept busy maintaining and restoring services as a result of Cyclone Marcia. Infrastructure at Council's Biloela, Thangool, Callide Dam and Goovigen schemes was impacted.

Major construction activities for the year included those projects jointly funded by the Queensland State Government under the Royalties for the Regions Program. These included the completion of the new Theodore Sewage Treatment Plant (Round 2), and commencement of the Baralaba Water Treatment Plant and Water Supply Improvements, 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 as well as infrastructure upgrades at Biloela (\$1.24Million), Baralaba (\$711K), Goovigen (\$176K), Moura (\$296K) Taroom (\$276K), Thangool (\$238K), Theodore (\$78K) and Wowan (\$39K)

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

- Condition assessments and cleaning of reservoirs/water towers utilising diving teams (various schemes)
- Cleaning of water mains (all schemes) utilising 'air scouring'
- Sewer pipeline Cleaning and CCTV inspection (rolling program over 5 yrs to complete all sewers)
- Sewer lining program (Biloela and Moura)
- Fit-out of replacement bores located off Callide Creek.
- Acquisition of approximately 0.2ha of land at Goovigen to permit construction of future water reservoir, booster pumping station and chlorination facility.
- Commence construction of new reservoir storage at Goovigen
- Programmed water meter replacement and large diameter meter upgrades (all schemes).
- Sewer manhole refurbishment (various schemes)
- Replacement of damaged sewer connections (various schemes)
- Purchase of new sewer pipeline CCTV inspection equipment
- Purchase of valve maintenance trailer to improve maintenance efficiencies
- Installation of mechanical inlet screen at Taroom STP
- Installation of water depth level indicators to various monitoring bores (Biloela)
- Clean sludge ponds at Biloela WTP
- Installation of security fence to Thangool booster pump station and various bore compounds
- Standpipe (tanker fill-point upgrade) at Taroom WTP

- Demolition of redundant building infrastructure (Biloela STP)
- Demolition of redundant infrastructure (Theodore STP)

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*.



New clarifier at the upgraded Baralaba Water Treatment Plant

Built Environment

Projects completed in 2014/2015:-

- Biloela administration building - solar PV generation system
- Moura Recreation Grounds new change rooms
- New Theodore SES shed
- Biloela Civic Centre:
 - Replace and repair box gutters
 - Replace bar ceiling
 - Refurbish supper room lights, ceiling and walls
 - Refurbish outdoor toilets
 - Refurbish main toilets
 - Paint foyer
 - Replace damaged pathway
 - Refurbish caretakers cottage
- Baralaba Playgroup toilet and effluent system upgrade
- Biloela SES shed awning
- Biloela Library - replacement workbenches, desks and carpet
- Council housing – various upgrades and repairs
- Biloela Transit Accommodation - concrete parking area and stormwater diversion
- Biloela Rural Lands shed - front awning
- Biloela animal pound car parking and carport
- Biloela old pound house demolition
- Biloela State Farm Road Flats - roof replacement and refurbish of flat No 2
- Kianga Hall
 - Sliding doors repairs
 - Resheet storage room
 - New outdoor lighting and front entrance handrails
- Taroom saleyards - repair loading ramp
- Thangool ARO shed – new roller doors
- Wowan RSL Hall - kitchen replacement
- Biloela Cemetery - new shade structure
- Biloela Dunn Street Depot - new waste office
- Biloela Old Council Chambers demolition
- Biloela water bores fencing
- Biloela STP - new plumber's shed
- Moura Pool 50m pool shade structure
- Moura Pool playground shade structure
- Biloela Pool roof replacement
- Biloela Pool screen over the 50m filters

Projects currently being undertaken are as follows:-

Biloela Pool

- New shade structure over the 25m pool
- Canteen upgrade
- New shade structure at the front of the 50m pool
- Epoxy grouting of the tiles 25m pool

Moura Pool

- Redo expansion joints both pools
- Remove paint and repair shell and repaint both pools
- New filtration system for 25m pool to separate the pools
- New skimmer boxes for 25m to improve circulation
- Shade and fence small kids play area
- Shade at 50m pool
- Retile 25m pool edge
- Heating of 25m pool and install blankets

Taroom Pool

- Canteen upgrade
- Filter upgrade
- Repair of pool shell
- New shade structure

Other Projects

- Baralaba water tower reroof
- Biloela water tower reroof
- Cyclone Marcia insurance claims and rectification work
- CRC shade sail (Grant funding)



INFRASTRUCTURE SERVICES

Infrastructure Services has two primary functions:

1. Infrastructure Technology (Infrastructure planning, design, safety technical services including quality assurance)
2. Infrastructure Delivery (Project Delivery and Infrastructure Maintenance)

INFRASTRUCTURE TECHNOLOGY (formally Technical Services)

The role of Infrastructure Technology is to provide Council with a strategic framework for roads, drainage, parks, and associated public infrastructure. Generally the workforce is offered technical guidance with regard to roads and stormwater standards, quality assurance and workplace health and safety.

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.

Some key technical staff have moved on from the Infrastructure Technology section during 2015, and it has been challenging to recruit suitably qualified replacements. Thankfully those remaining have been able to utilise others including selective use of consultants, to continue with the technical services to other sections within Council.

Survey & Design

Survey and design is an important construction activity. Detailed surveys are required to “pick up” pre-existing locations and relative levels of features such as drainage lines, services, road and stormwater infrastructure. The survey team is also utilised to transfer design details onto the project site, and then to record the “as constructed” data.

In the modern world of work by contract, the survey team is central to ensure that the design details are accurately set out, and recorded post construction.

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, and to improve safe school travel. 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. Issues 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.

Operational Works assessment is an essential service undertaken by the Technical Development Coordinators team. Assessing the infrastructure designs associated with the Cockatoo Coal mine expansion has been one of the major developments being assessed this year, however this team also assesses minor works associated with driveways, levee banks as well as major developments.

Quality System

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



INFRASTRUCTURE DELIVERY (ROADS)

Project Delivery and Infrastructure Maintenance

Capital Works

Council approved a roadworks capital program of approximately \$12M for 2014/15. The highlights of which are:

- Warren St, Goovigen – completion of kerb and channel, widening and bitumen sealing work; value \$310,000
- Barrett St, Biloela - completion of underground drainage, kerb and channel and asphalt overlay work; value \$750,000
- Orange Creek Rd – gravel and seal over 3.5km of unsealed section of road; value \$590,000
- Theodore-Moura Rd – realign approximately 1km of road including cross road drainage, geotextile, gravel and bitumen seal; value \$1.2M
- Crowdsdale-Camboon Rd at Dingley Dell intersection – realign road and install concrete floodway and 600mm dia. low flow pipes; value \$150,000

Crowdsdale-Camboon Road



Before



During



After

Moura-Theodore Road



Before



During



During



After

Private Works – Gas Industry

Road works to restore those council roads which were worst affected by the increased traffic during the construction of gas pipelines in the area continued in 2014/15.

The most prominent road to receive these funds was Banana-Baralaba Rd which got shoulder resheeting work, floodway restoration and bitumen seal widening work as part of this project.

**INFRASTRUCTURE DELIVER (ROADS) – CAPITAL WORKS, PRIVATE WORKS,
ROYALTY FOR THE REGIONS, FLOOD DAMAGE**

Royalty for the Regions

- Eidsvold-Theodore Rd - This project was completed in 2014/15 after commencing in 2013/14. The final seal and line marking was carried out in December. There was a saving of about \$500,000 from the initial funding amount.
- Bears Lagoon Rd – Funding of approximately \$276,000 was received to improve the flood immunity and vertical road alignment at Maloneys Creek

Bears Lagoon Road



Before



After

Flood Damage

Restoration work for the Cyclone Oswald event in January 2013 was completed in May 2015. The work may be finished but the reconciliation and value for money assessments by the Queensland Reconstruction Authority (QRA) continue and final payment will not be provided until this is complete.

In February 2015 Cyclone Marcia hit the Central Queensland region and significantly affected the north eastern section of the Shire. Restoration work submissions have been provided to the QRA and approval has been received for approximately \$14M of flood damage projects which need to be completed by the end of June 2017.

WASTE MANAGEMENT

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

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

In 2014/15, Council completed upgrades to several transfer stations and landfills within the Shire:

<p>Jambin Transfer Station</p> <ul style="list-style-type: none"> • Fencing upgrade 	
<p>Moura Transfer Station</p> <ul style="list-style-type: none"> • Fire break • Fencing upgrade 	
<p>Thangool Transfer Station</p> <ul style="list-style-type: none"> • Fencing upgrade 	
<p>Theodore Transfer Station</p> <ul style="list-style-type: none"> • Fencing and security upgrade 	
<p>Trap Gully Landfill, Biloela</p> <ul style="list-style-type: none"> • Commencement of leachate trench construction. • Soil tests for relocation of weighbridge. • Water access from Callide Mine. 	

Aerodromes

Banana Shire maintains five (5) aerodromes located at Thangool, Taroom, Moura, Theodore and Baralaba, and one (1) aircraft landing area (ALA) located at Taroom. 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. The Taroom ALA is a grass runway.

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.

In 2014/15, Council undertook the following projects at several aerodromes within the Shire:

Moura Aerodrome

- Signage "Welcome to Moura"

Taroom Aerodrome

- Fencing upgrade
- Minor strip repairs

Taroom ALA

- Signage

Thangool Aerodrome

- Initial investigations into the construction of an Airpark
- Fencing upgrade
- Planning and design for apron expansion and runway reseal.

PLANT OPERATIONS

Council maintains a plant fleet with an asset value in excess of \$16 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.



PLANT



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)
Aerodromes	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)

the number of invitations to change tenders under section 228(7) during the financial year;

(Section 228 (7) If—

(a) an invitation to tender under subsection (4) or (6)(b) states that the local government might later invite all tenderers to change their tenders to take account of a change in the tender specifications; and

(b) the local government does change the tender specifications; the local government may invite all the persons who submitted a tender to change their tender to take account of the change, before making a decision on the tenders.

Council changed the specifications and extended the closing date on one tender during the year.

Council advised all parties that had requested tender documents of the changes in the tender specifications.

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

Financial Assistance Grants - FAGS

Financial Assistance Grants are monies received from the Federal Government annually. Council takes this opportunity to acknowledge the valuable contribution that these funds make towards the maintenance and upgrade of Council infrastructure and assets. These monies are distributed by the Queensland Grants Commission using an approved methodology.

Council received the following Financial Assistance Grants:

Financial Assistance Grant	Reference	Grant
General Purpose Grant	2200-1010-0000	\$5,639,824.00
Identified Road Grant	5050-1010-0000	\$2,305,577.00
Total		\$7,945,401.00

The Identified Road Grant component of \$2,305,577 has been utilised as a contribution to capital works totalling in excess of \$6.9M on the following roads:

Auburn Street	Gladstone Road	Mimosa Street
Banana Baralaba Road	Glengowan Road	Murchison Street
Barrett Street	Glenmoral-Roundstone Road	Nathan Street
Barry Lane	Grantleigh-Pheasant Creek Road	Neville Street
Bears Lagoon Road	Hornimans Road	North Street Carpark
Belousoff Lane	Huon Street	Nott Street
Bundalba Street	Injune Road Rural Reseal	Okano Street
Callide Street	Jambin Goovigen Road	Orange Creek Road
Calvale Road	Jambin Three Ways Road	Raglan Street
Caslte Creek Bridge	Kariboe Street	Railway Terrace
Charles Street	Kelman Street	Ramsay Street
Coreen Street	Lake Callide Drive	Semples Road
Crowdale-Camboon Road	Lawrence Street	Smiths Road
Dawson Avenue	Leichhardt Street	Tearaway Road
Dawson Highway	Linkes Road	Thangool-Lookerbie Road
Dawson Hwy (Moura)	Maynard Lane	Valley View Drive
Dawson Parade West	McArthur Street	Warren Street
Fiveways-Mt Eugene Road	McCanns Road	Widderick Street
Ford Street	Meissners Road	Wolsey Street
Gibihi Road	Melton Street	Yaldwyn Street

Concessions on Rates and Charges

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

Council granted the following concessions on rates to not-for-profit organisations and for eligible pensioners:

Function	Reference	Concessions	
Retirement Homes	2010-1195-0000	\$106,089.56	Plus water consumption and general rates on applicable parcels
Council Pensioner Rebate	2010-1180-0000 2010-1181-0000 2010-1182-0000	\$174,417.41	
Rates Based Financial Assistance	2010-1194-0000	\$45,809.55	
Total Council Concessions		\$326,316.52	

State Government Pension Rebate	2010-1170-0000	\$118,538.99	
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Internal Audit – Report for the Financial Year

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

The Audit Plan and Charter from the previous year was carried forward into 2014-2015, reviewed and updated. Council's Internal Audit Committee met twice during the financial year to consider the status of items on this Audit Action Plan and to report to Council. Council initially utilised the services of the Performance Solutions section of the Local Government Association Queensland for advice and internal audits to comply with legislation until this service was discontinued in late 2014.

Council has appointed Moore Stephens as its internal auditor for 2015-2016 for advice, internal audits, assessment of the major risks to Council and updating the Internal Audit Plan including an Action Plan for 2015-2016 which is 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

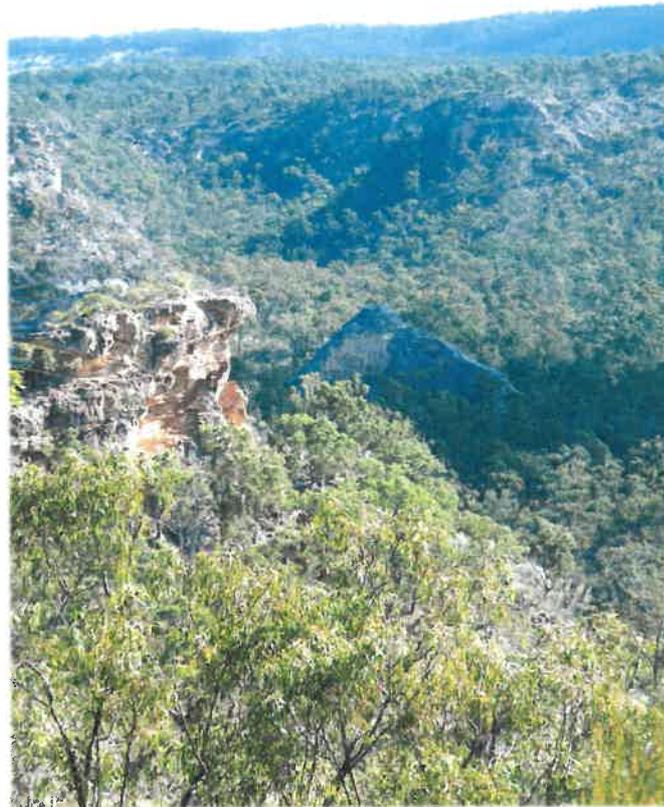
Local Government Regulation 2012 Section 190 (1) (i)

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 adopted a new Code of Conduct on 4 March 2015 to meet the principles of the *Public Sector Act 1994* for employees and other persons who have a contract or other agreement with Council.

As allowed under the Act, Council has completed and adopted a separate Code of Conduct for 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.

Councillors have received appropriate training on the provisions of the Code relevant to them.

All employees and other relevant persons 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. Training sessions have been arranged for all staff and the Code of Conduct is part of the induction process for all new employees.

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.

FINANCIAL STATEMENTS

GENERAL PURPOSE FINANCIAL STATEMENT

Local Government Regulation 2012 Section 183 (a)

See Attached Document (Page 97 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

The Community Financial Report is a plain English summary of Council's Financial Statements prepared in accordance with Section 179 of the *Local Government Regulation 2012*.

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 2015.

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 Financial Statements

The Financial Statements incorporate 4 "primary" financial statements and accompanying notes.

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.

5. Notes to the Financial Statements

Provides greater detail to the line numbers of the four (4) "primary financial statements".

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.

Where to find a complete version of Council's 14/15 Financial Statements?

A complete version of Council's Financial Statements for the 12 months to 30 June 2015 can be found in the 2014/15 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 2014/15

Council's result for the 2014/15 year was a \$2,566,139 deficit. This includes capital income and expenses.

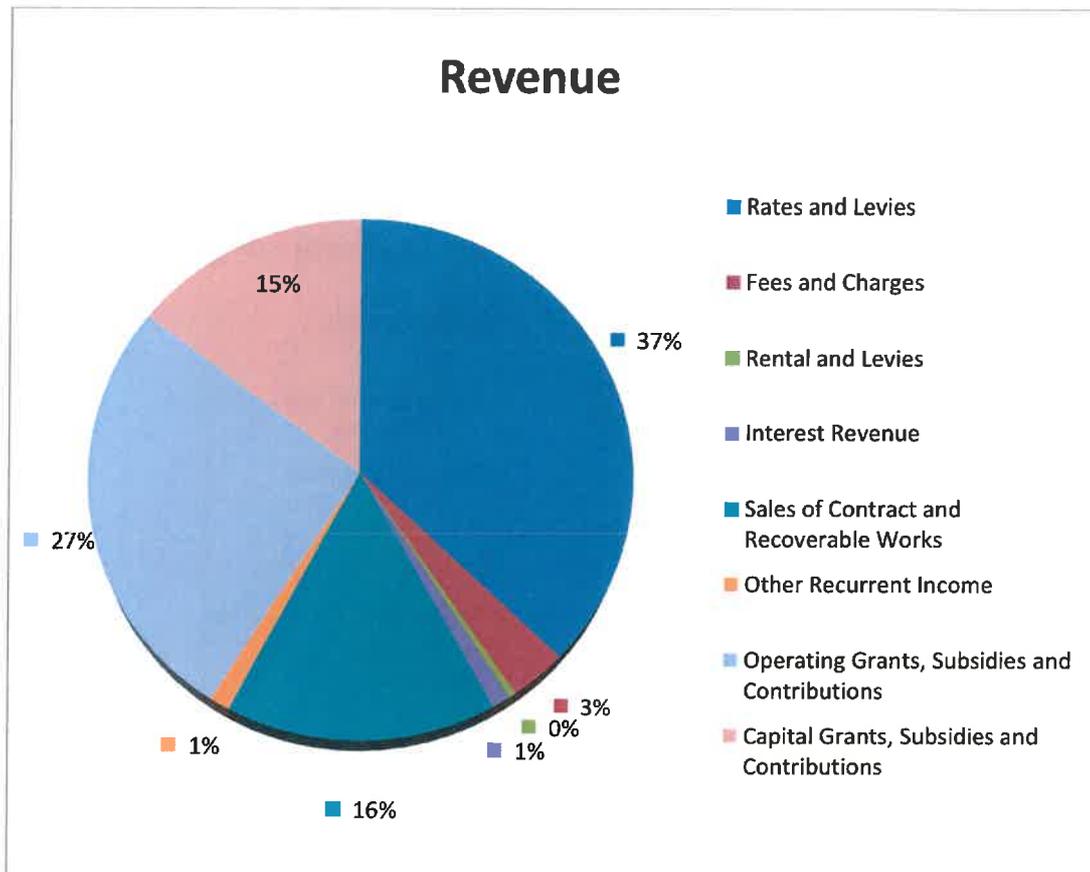
Council's Operating Result

\$	Actual 2015	Budget 2015	Actual 2014
Expenditure (excl. capital expenses)	(75,723,642)	(73,188,486)	(82,970,256)
Revenues (excl. capital income)	73,019,232	71,801,640	82,063,721
Operating Surplus/(Deficit) for the period	(2,704,410)	(1,386,846)	(906,535)

The operational deficit for the year represents a shortfall in annual income to cover its annual expenses. The main reasons for the difference between the actual result and the budgeted result was a decrease both in operational and capital grants, subsidies and contributions. This resulted in a reduction in actual revenue in comparison to budget.

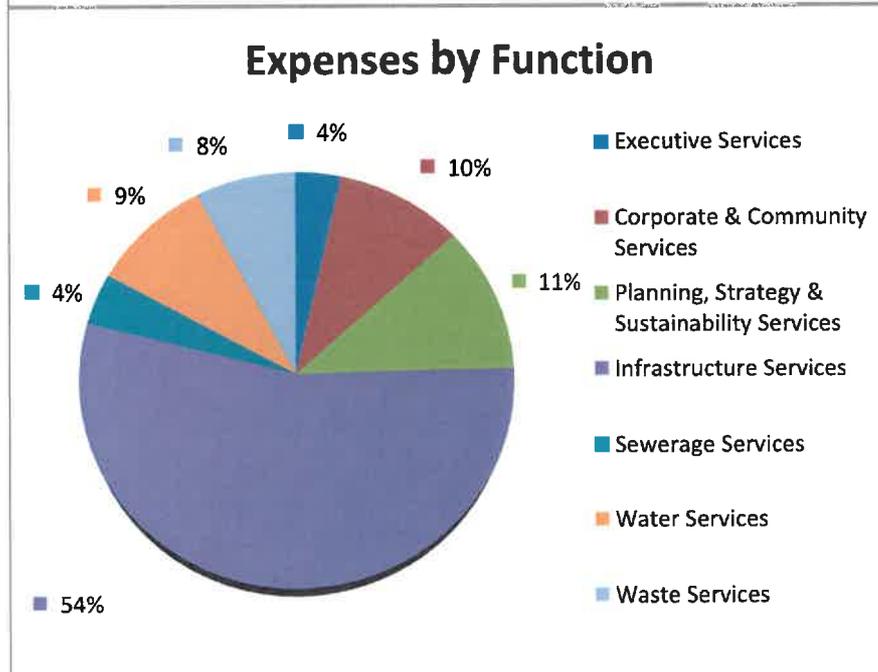
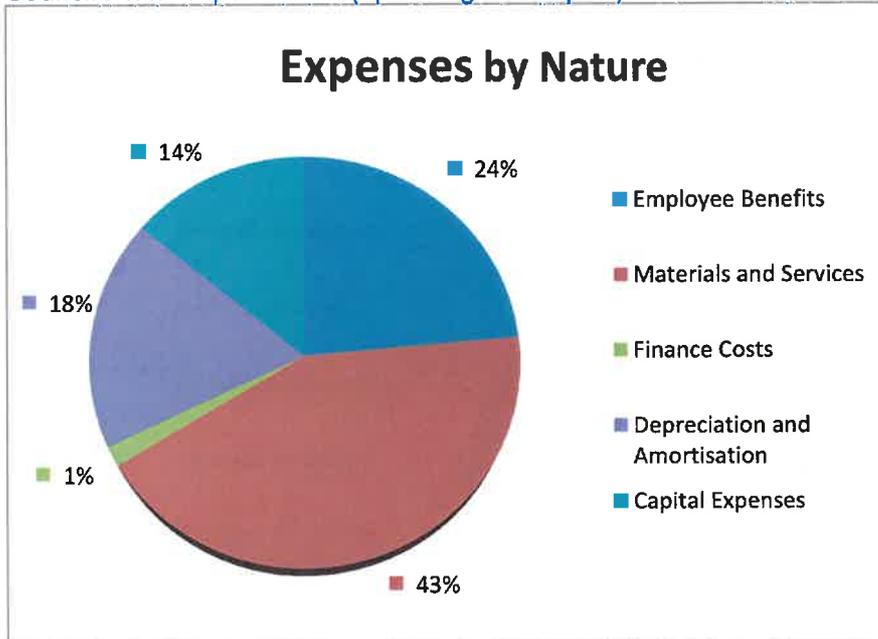
Council's Revenue Sources for the 2014/15 year

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



Council's Expenditure for the 2014/15 year

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



2.2 Councils Statement of Financial Position (Balance Sheet) for 2014/15

Council's Net Wealth

The Statement of Financial Position (Balance Sheet) discloses the Net Community Equity of Council, which represents its wealth as measured by a dollar value of its assets less liabilities.

Council's Wealth

	Actual 2015	Actual 2014
The major items that make up Council's wealth include the following assets:		
Available Cash & Investments	15,953,500	11,759,859
Cash & Investments "restricted" for future funding purposes	8,268,588	10,351,877
Debtors	2,658,854	9,979,660
Infrastructure, Property, Plant & Equipment	713,514,212	701,444,886
Council has funded some of its operations and assets by the following liabilities:		
Loans & Borrowings	11,396,897	11,659,063
Provisions for Restoration of Refuse Sites	17,479,428	13,409,495
Net Community Equity	702,212,019	703,165,821

3. Financial Sustainability Measures (Sec 169(5) *Local Government Regulation 2012*)

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

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

The Financial Sustainability indicators (in accordance with the *Local Government Regulation 2012*) that Council must publish are as follows:

Operating Surplus Ratio

Net Result divided by Total Operating Revenue

This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

Asset Sustainability Ratio

Capital Expenditure on the Replacement of Assets (Renewals) divided by Depreciation Expense

This is an approximation of the extent to which the infrastructure assets managed by the local government are being replaced as these reach the end of their useful lives.

Depreciation expense represents an estimate of the extent to which the infrastructure assets have been consumed in a period.

Capital expenditure on renewals (replacing assets that the local government already has) is an indicator of the extent to which the infrastructure assets are being replaced.

This ratio indicates whether a local government is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out.

Net Financial Liabilities Ratio

Total Liabilities less Current Assets divided by Total Operating Revenue

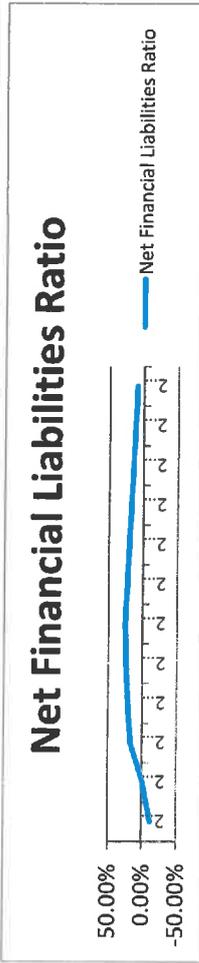
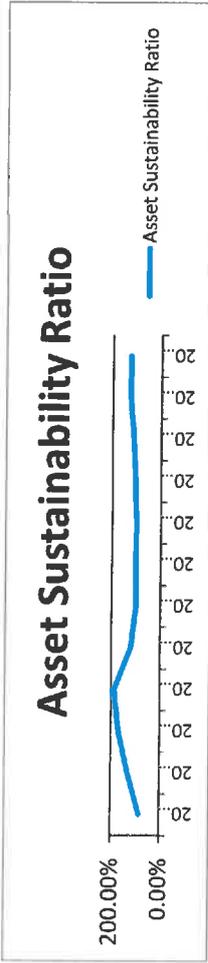
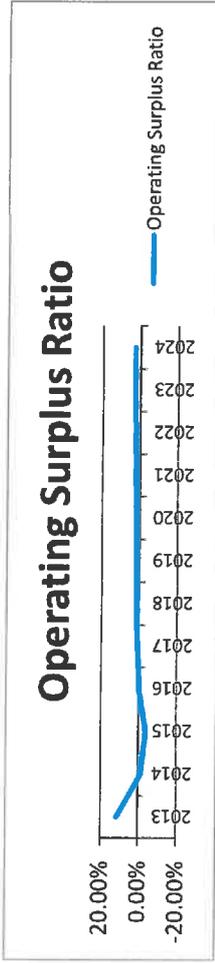
This is an indicator of the extent to which the net financial liabilities of a local government can be serviced by its operating revenues.



Financial Sustainability Indicators

for the year ended 30 June 2015

Ratio	Target	Actual 2013	Actual 2014	Actual 2015	Yr 1 2016	Long Term Financial Plan Projections								
						Budget Yr 2 2017	Yr 3 2018	Yr 4 2019	Yr 5 2020	Yr 6 2021	Yr 7 2022	Yr 8 2023	Yr 9 2024	
Operating Surplus Ratio	0 - 10%	11.30%	-1.10%	-3.70%	-0.20%	0.80%	1.50%	1.80%	1.90%	2.20%	2.40%	2.70%	2.90%	
Asset Sustainability Ratio	> 90%	83.52%	129.14%	166.88%	186.31%	120.20%	99.96%	100.43%	97.91%	104.40%	111.93%	126.17%	124.09%	
Net Financial Liabilities Ratio	< 60%	-12.82%	-1.73%	15.94%	20.30%	22.60%	24.60%	22.00%	19.30%	16.60%	13.80%	11.10%	9.10%	



VALUATION OF NON-CURRENT PHYSICAL ASSETS

Local Government Regulation 2012 Section 185 (b)

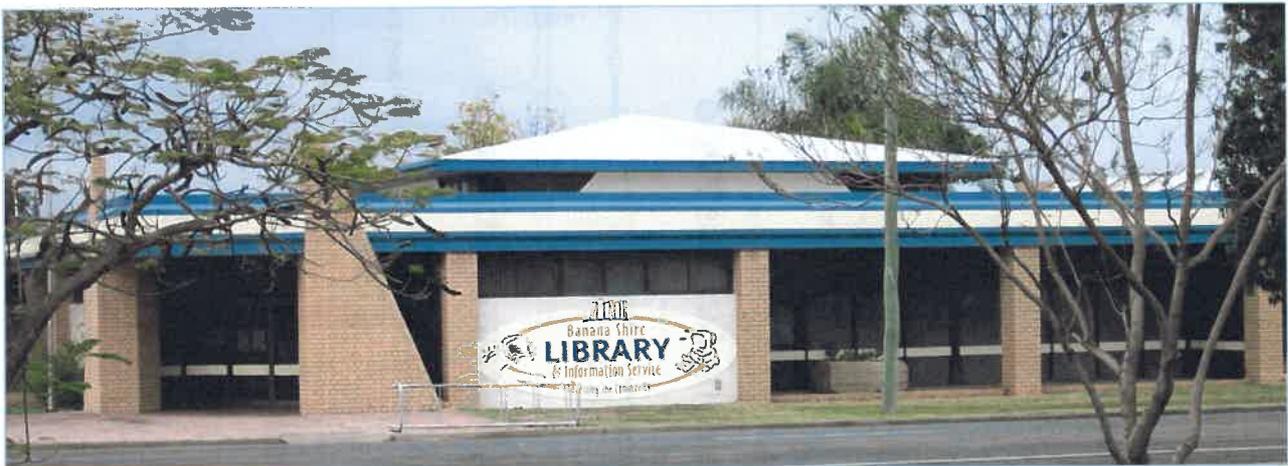
List of Council resolutions, under section 206 (2) of the *Local Government Regulation 2012*, setting an amount for each different type of non-current physical asset below which the value of an asset of the same type must be treated as an expense made during the year.

Council Meeting Date	Resolution Number	Resolution
No resolutions setting an amount for each different type of non-current physical asset below which the value of an asset of the same type must be treated as an expense were made during the year.		

The following policies of Council apply:

- Asset Management Policy adopted 25 June 2014, and
- Non-Current Asset Threshold Policy adopted September 2000 as amended 25 June 2014

These policies are available on 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 2015

Banana Shire Council's loan portfolio is raised solely with the Queensland Treasury Corporation. On 30 September 2014, Council consolidated the portfolio into a general consolidated facility for all existing loans. Before the consolidation, the loans were separated for the following projects:

- Dawson Highway Major Roundabout
- Theodore Land Development
- Administration Centre
- Workshop / Store Facility
- Cracow Water Supply
- Moura Sewerage Treatment Plant
- Theodore Sewerage Treatment Plant

During the 2014/15 year, Council secured a loan for the Baralaba Water Treatment Plant for \$654,000 which has not been consolidated in our portfolio.

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 30/06/14	QTC INTEREST ACCRUED	QTC LOAN CHARGES	QTC REPAYMENTS (BORROWINGS)	BOOK DEBT BALANCE 30/06/15
GENERAL FUNCTIONS					
Consolidated Account	\$11,659,064	\$694,656	\$14,668	1,625,999	\$10,742,389
WATER FUNCTIONS					
Baralaba WTP	-	\$490	\$18	(\$654,000)	\$654,508
TOTAL	\$11,659,064	\$695,146	\$14,686	\$971,999	\$11,396,897

Loan Description	<u>Debt Pool</u>	<u>Approximate Remaining Term</u>
Consolidated Account	9 years	8 years
Baralaba Water Treatment Plant	10 years	9 years

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

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

The total repayment amounts for the 2014/2015 financial year are indicated in the above table.



BANANA SHIRE COUNCIL



2014/2015 FINANCIAL REPORT

FINANCIAL REPORT



Banana Shire Council

Financial Statements

For the year ended 30 June 2015

BANANA SHIRE COUNCIL

Financial Statements

For the year ended 30 June 2015

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Financial Statements

For the year ended 30 June 2015

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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 2015

	Note	2015 \$	2014 \$
Income			
Revenue			
Recurrent revenue			
Rates and levies	3 (a)	31,779,505	30,051,794
Fees and charges	3 (b)	2,852,448	4,854,270
Rental and levies	3 (c)	348,063	492,842
Interest received	3 (d)	915,182	939,073
Sales of contract and recoverable works	3 (e)	13,395,334	29,697,787
Other recurrent income		1,002,692	689,135
Grants, subsidies and contributions	4 (a)	22,726,008	14,287,151
Proceeds from sales of land developed for resale	5	-	1,051,669
Total operating revenue		73,019,232	82,063,721
Capital revenue			
Grants, subsidies and contributions	4 (b)	12,474,022	8,964,724
		<u>12,474,022</u>	<u>8,964,724</u>
Total revenue		85,493,254	91,028,445
Total income	2	85,493,254	91,028,445
Expenses			
Recurrent expenses			
Employee benefits	7	(20,774,389)	(21,171,894)
Materials and services	8	(37,592,524)	(43,801,724)
Current cost of developed land sold	5	-	(1,680,459)
Finance costs	9	(1,375,357)	(965,636)
Depreciation and amortisation	10	(15,981,372)	(15,350,543)
Total operating expenses		(75,723,642)	(82,970,256)
Capital expenses			
Other capital expenses	11	(12,335,751)	(2,985,308)
Total expenses		(88,059,393)	(85,955,564)
Net result		(2,566,139)	5,072,881
Other comprehensive income			
Increase in asset revaluation surplus		1,612,337	76,405,668
Total other comprehensive income		1,612,337	76,405,668
Total comprehensive income for the period		(953,802)	81,478,549

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 2015

	Note	2015 \$	2014 \$
Current Assets			
Cash assets and cash equivalents	13	23,222,088	21,111,736
Cash investments	17	1,000,000	1,000,000
Trade and other receivables	14	5,627,532	11,562,392
Inventories	15	2,864,858	2,595,591
		<u>32,714,478</u>	<u>36,269,719</u>
Non-current assets classified as held for sale	18	380,000	701,000
Total current assets		<u>33,094,478</u>	<u>36,970,719</u>
Non-current Assets			
Property, plant and equipment	19	713,514,212	701,444,886
Intangible assets	21	333,710	301,381
Total non-current assets		<u>713,847,922</u>	<u>701,746,267</u>
TOTAL ASSETS		<u>746,942,400</u>	<u>738,716,986</u>
Current Liabilities			
Trade and other payables	22	12,277,561	7,221,267
Provisions	23	2,868,425	2,966,826
Borrowings	24	1,001,432	954,219
Other	25	474,611	78,515
Total current liabilities		<u>16,622,029</u>	<u>11,220,827</u>
Non-current Liabilities			
Provisions	23	17,712,887	13,625,494
Borrowings	24	10,395,465	10,704,844
Total non-current liabilities		<u>28,108,352</u>	<u>24,330,338</u>
TOTAL LIABILITIES		<u>44,730,381</u>	<u>35,551,165</u>
NET COMMUNITY ASSETS		<u>702,212,019</u>	<u>703,165,821</u>
Community Equity			
Investment in capital assets	26	198,190,652	190,496,820
Asset revaluation surplus	27	495,154,350	493,542,013
Retained surplus (deficiency)	28	598,430	8,775,111
Reserves	29	8,268,588	10,351,877
TOTAL COMMUNITY EQUITY		<u>702,212,019</u>	<u>703,165,821</u>

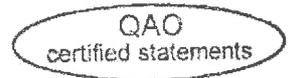
The above statement should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies.

BANANA SHIRE COUNCIL

Statement of Changes in Equity
For the year ended 30 June 2015

Note	Total		Retained surplus Note 28		Reserves Note 29		Asset revaluation surplus Note 27		Council Capital Note 26	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at beginning of period	703,165,821	621,525,473	8,775,111	5,825,088	10,351,877	15,371,508	493,542,013	417,136,345	190,496,820	183,192,532
Corrections to opening balances		161,799								161,799
Restated opening balances	703,165,821	621,687,272	8,775,111	5,825,088	10,351,877	15,371,508	493,542,013	417,136,345	190,496,820	183,354,331
Net result	(2,566,139)	5,072,881	(2,566,139)	5,072,881						
Other comprehensive income for the period										
Revaluations:										
Property, plant & equipment	1,612,337	76,015,778					1,612,337	76,015,778		
Impairments:										
Property, plant & equipment		389,890						389,890		
Total comprehensive income for period	(953,802)	81,478,549	(2,566,139)	5,072,881			1,612,337	76,405,668		
Transfers (to) from retained earnings to capital			7,772,589	2,712,584					(7,772,589)	(2,712,584)
Transfers (to) from retained earnings and recurrent reserves			(909,110)	4,129,282	909,110	(4,129,282)				
Transfers (to) from capital reserves and capital			(12,474,022)	(8,964,724)	(2,992,399)	(890,350)			15,466,421	9,855,074
Net transfers in the period			(5,610,543)	(2,122,858)	(2,083,289)	(5,019,632)			7,693,832	7,142,490
Balance at end of period	702,212,019	703,165,821	598,430	8,775,111	8,268,588	10,351,877	495,154,350	493,542,013	198,190,652	190,496,820

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 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities :			
Receipts			
General rates and utility charges		30,628,911	30,514,469
Rental and levies, fees and charges		3,200,511	5,347,112
Other income		21,705,772	37,327,812
GST received		7,302,652	5,962,154
Receipts from customers		62,837,846	79,151,547
Operating grants, subsidies and contributions		22,726,008	14,287,151
Interest received		922,240	935,181
Proceeds from sales of land developed for resale		-	1,051,669
Payments			
Payments materials and services		(33,634,565)	(46,811,583)
Payment to employees		(20,858,591)	(20,900,969)
Costs incurred on inventory land held for sale		-	(1,310,480)
GST paid		(6,417,918)	(6,604,161)
Payments to suppliers and employees		(60,911,074)	(75,627,193)
Interest expense		(730,041)	(756,709)
Net cash inflow (outflow) from operating activities	35	<u>24,844,979</u>	<u>19,041,647</u>
Cash flows from investing activities:			
State Government subsidies & grants		9,338,442	6,604,465
Capital contributions		3,135,580	2,360,259
Payments for property, plant and equipment	19	(35,418,814)	(23,677,973)
Payments for intangible assets	21	(92,641)	(301,381)
Proceeds from sale of property plant and equipment	6	564,972	1,203,703
Net cash inflow (outflow) from investing activities		<u>(22,472,461)</u>	<u>(13,810,927)</u>
Cash flows from financing activities:			
Proceeds from borrowings	24	654,000	
Repayment of borrowings	24	(916,166)	(1,077,953)
Net cash inflow (outflow) from financing activities		<u>(262,166)</u>	<u>(1,077,953)</u>
Net increase (decrease) in cash and cash equivalents held		<u>2,110,352</u>	<u>4,152,767</u>
Cash and cash equivalents at beginning of the financial year		21,111,736	16,958,970
Cash and cash equivalents at end of the financial year	13	<u><u>23,222,088</u></u>	<u><u>21,111,736</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 2015

1 Significant accounting policies

1.1 Basis of preparation

These general purpose financial statements are for the period 1 July 2014 to 30 June 2015 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. 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.

These financial statements have been prepared under the historical cost convention, except for the following:

- financial assets and liabilities, certain classes of property, plant and equipment and investment property which are measured at fair value;
- assets held for sale which are measured at fair value less cost of disposal.

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

Recurrent/capital classification

Revenue and expenditure are presented as "recurrent" or "capital" in the Statement of Comprehensive Income on the following basis:

Capital Revenue includes grants, subsidies and contributions received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers.

The following transactions are classified as either "Capital Income" or "Capital Expenses" depending on whether they result in accounting gains or losses:

- disposal of non-current assets
- discount rate adjustments to restoration provisions
- revaluations of investment property and property, plant and equipment.

All other revenue and expenses have been classified as "recurrent".

1.2 Constitution

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

1.3 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.

1.4 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.

Banana Shire Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. Council applies standards and interpretations in accordance with their respective commencement dates.

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2015

1. 4 Adoption of new and revised Accounting Standards (cont)

Due to its recent release, Council is still reviewing the way that revenue is measured and recognised to identify whether AASB 15 Revenue from Contracts with Customers will have a material impact. To date no impact has been identified.

AASB 15 is effective from 1 January 2017 and will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of Interpretations. It contains a comprehensive and robust framework for the recognition, measurement and disclosure of revenue from contracts with customers.

From 1 July 2016 AASB 124 Related Party Disclosures will apply to Council. This means that council will disclose more information about related parties and transactions with those related parties. Council is currently preparing for this change by identifying related parties. Related parties will include the Mayor, councillors and some council staff. In addition the close family members of those people and any organisations that they control or are associated with will be classified as related parties.

The remaining amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates are not likely to have a material impact on the financial statements.

1. 5 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 1.13 and note 20 Fair value measurements

Provisions - note 23

Contingencies - note 32

1. 6 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.

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

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2015

1.6 Revenue (cont)

(c) **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.

(d) **Rental income**

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

(e) **Interest**

Interest received from term deposits is accrued over the term of the investment.

(f) **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 inspections 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.

(g) **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.

1.7 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 1.8)

Receivables - measured at amortised cost less any impairment (note 1.9)

Financial liabilities

Payables - measured at amortised cost (note 1.16)

Borrowings - measured at amortised cost (note 1.18)

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."

1.8 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, all cash and cheques received 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 2015

1.9 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.

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.

1.10 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.

1.11 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.

1.12 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 2015 Council had one term deposit in excess of three months.

1.13 Property, plant and equipment

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

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

(a) 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.

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2015

1, 13 Property, plant and equipment (cont)

(b) Capital and operating expenditure

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are treated as capital expenditure. Assets under construction are not depreciated until they are completed and commissioned, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life 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.

Expenditure incurred in accordance with Natural Disaster Relief and Recovery Arrangements on road assets is analysed to determine whether the expenditure is capital in nature. The analysis of the expenditure requires Council engineers to review the nature and extent of expenditure on a given asset. For example, expenditure that patches a road is generally maintenance in nature, whereas a kerb to kerb rebuild is treated as capital. Material expenditure that extends the useful life or renews the service potential of the asset is capitalised.

(c) Valuation

Land and improvements, buildings, and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB 116 Property, Plant & Equipment and AASB 13 Fair Value Measurement. 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 and asset managers to assess the condition and cost assumptions associated with all assets, the results of which are considered in combination with an appropriate index for the region. Together these are used to form the basis of a management valuation for infrastructure asset classes in each of the intervening years.

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.

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2015

I. 13 Property, plant and equipment (cont)

(d) Capital work in progress

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

(e) Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on 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 (where applicable), 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. 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 (where appropriate) 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 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.

BANANA SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

1.14 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.

1.15 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.

1.16 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.

1.17 Liabilities - employee benefits

(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 are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

As council does not have an unconditional right to defer this liability beyond 12 months annual leave is classified as a current liability.

(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.

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2015

1. 17 Liabilities - employee benefits (cont)

(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.

Where employees have met the prerequisite length of service and council does not have an unconditional right to defer this liability beyond 12 months, long service leave is classified as a current liability. Otherwise it is classified as non-current.

This liability is reported in note 23 as a provision.

1. 18 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. 19 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.

(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.

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.

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 and improvement. If there is no available revaluation surplus, increases in the provision are treated as a capital expense and recovered out of future decreases (if any). All refuse sites are on Council controlled land.

BANANA SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

1.20 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 and its capacity 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.

1.21 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.

1.22 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 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.

1.23 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).

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).

BANANA SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

1. 23 **Reserves held for funding future capital expenditure (cpont)**
- 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.
- Aerodrome reserve**
- This reserve holds funds to contribute to the future replacement of Council's aerodrome infrastructure.
1. 24 **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.
- Special Projects reserve**
- This reserve hold funds to contribute to special operating activities nominated by Council.
1. 25 **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. 26 **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. 27 **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.

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2015

2 Analysis of results by function

(a) Components of council functions

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

Executive Services

The objective of executive services is for Council to be open, accountable, transparent and deliver value for money community outcomes. The function includes strategic and operational planning, risk management, internal audit, corporate governance and administrative support. The Mayor, Councillors and Chief Executive Officer are included in Executive Services.

Corporate & Community Services

The objective of Corporate & Community Services to provide professional finance, plant, aerodrome and community services across council and the shire. This function includes: customer service, financial management and services, records management, stores and procurement, information technology, library and education services, community development, plant management and aerodrome planning and maintenance.

Planning, Strategy & Sustainability Services

This function facilitates the shire growth and prosperity through well planned and quality development. The objective of planning and development is to ensure that Banana Shire Council is well designed and efficient yet also preserves the character and natural environment on the shire. This function includes: services related to the environmental health, public building maintenance, animal control, planning and management of the developmental approval processes.

Infrastructure Services

The objective of the infrastructure services is to ensure the community is serviced by a high quality and effective road network. The function provides and maintains transport infrastructure, including the maintenance and provision of the drainage network; parks; public toilets; technical services; disaster management and SES support.

Sewerage Services

This function protects and supports the health of our community by sustainably managing sewerage infrastructure.

Water Services

The goal of this program is to support a healthy, safe community through sustainable water services. This function includes all activities relating to managing Council's water infrastructure.

Waste Services

The goal of this function is to protect and support our community and natural environment by sustainably managing refuse. The function provides refuse collection and disposal services.

BANANA SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

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				
	2015 \$	2015 \$	2015 \$	2015 \$	2015 \$	2015 \$
Executive Services	16,250	32,492	48,742	3,093,848	(3,045,106)	-
Corporate & Community Services	6,433,728	21,767,661	28,201,389	8,542,745	19,658,644	67,563,449
Planning, Strategy & Sustainability Services	120,237	1,443,955	1,564,192	10,018,324	(8,454,132)	92,433,318
Infrastructure Services	17,617,680	21,372,444	38,990,124	47,909,618	(8,919,494)	476,268,537
Sewerage Services	1,600,000	3,446,118	5,046,118	3,538,873	1,507,245	32,052,371
Water Services	1,192,285	7,212,219	8,404,504	8,178,842	225,662	75,759,306
Waste Services	-	3,238,185	3,238,185	6,777,143	(3,538,958)	2,865,419
Total	26,980,180	58,513,074	85,493,254	88,059,393	(2,566,139)	746,942,400

Prior Year

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 Services	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
Waste Services	64,836	3,838,956	3,903,792	3,319,799	583,993	1,879,724
Total	20,308,299	70,720,146	91,028,445	85,955,564	5,072,881	738,716,986

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2015

	2015	2014
Note	\$	\$
3 Revenue analysis		
(a) Rates and levies		
General rates	21,739,204	20,413,320
Water	6,720,463	6,434,350
Sewerage	3,554,473	3,395,460
Waste management	696,494	692,391
Garbage charges	2,272,108	2,201,340
Rates and utility charge revenue	34,982,742	33,136,861
Less: Discounts	(2,918,948)	(2,818,404)
Less: Pensioner remissions	(284,289)	(266,663)
Net rates and utility charges	<u>31,779,505</u>	<u>30,051,794</u>
(b) Statutory fees and charges		
Town planning fees	97,648	756,769
Building fees & charges	130,182	235,776
Animal Registrations	65,910	29,608
Licences and permits	56,130	59,896
Fines and infringements	2,046	2,621
Saleyard fees	111,599	82,761
Disposal fees	501,427	844,865
Other statutory fees	176,507	222,226
User fees and charges	1,710,999	2,619,748
	<u>2,852,448</u>	<u>4,854,270</u>
(c) Rental and levies		
Other property rental income	348,063	492,842
	<u>348,063</u>	<u>492,842</u>
(d) Interest received		
Investments	763,688	789,322
Over due rates and utility charges	151,494	149,751
	<u>915,182</u>	<u>939,073</u>
(e) Sales of contract and recoverable works		
Revenue	13,395,334	29,697,787
	<u>13,395,334</u>	<u>29,697,787</u>
4 Grants, subsidies and contributions		
(a) Recurrent - grants, subsidies and contributions are analysed as follows:		
General purpose grants	7,945,401	3,936,348
State Government subsidies & grants	9,696,337	9,767,486
Other Non-Government Subsidies	-	20,500
Contributions	5,084,270	562,817
Total recurrent revenue	<u>22,726,008</u>	<u>14,287,151</u>
(b) Capital - grants, subsidies, and contributions are analysed as follows:		
Monetary revenue constrained for capital purposes:		
State Government subsidies & grants	9,338,442	6,604,465
Contributions	3,135,580	2,360,259
Total capital revenue	<u>12,474,022</u>	<u>8,964,724</u>

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2015

	2015	2014
Note	\$	\$
4 Grants, subsidies and contributions (cont)		
(c) Conditions over contributions		
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	2,833,303	804,326
	<u>2,833,303</u>	<u>804,326</u>
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	2,003,818	2,092,199
	<u>2,003,818</u>	<u>2,092,199</u>
5 Gain (loss) on the disposal of inventory land developed for resale		
Proceeds from sales of land developed for resale	-	1,051,669
Current cost of developed land sold	16	(1,680,459)
	<u>-</u>	<u>(628,790)</u>
6 Gain (loss) on the disposal of capital assets		
(a) Proceeds from the sale of plant and equipment	559,962	1,203,703
Less: Book value of plant and equipment sold	(562,823)	(1,777,873)
	<u>(2,861)</u>	<u>(574,170)</u>
(b) Proceeds from the sale of land and buildings	5,010	-
Less: Book value of land and buildings sold	(281,287)	-
Total gain (loss) on the disposal of capital assets	11	(574,170)
	<u>(279,138)</u>	<u>(574,170)</u>
7 Employee benefits		
Total staff wages and salaries	16,182,196	15,633,273
Councillors' remuneration	390,621	408,447
Annual, sick and long service leave entitlements	3,442,499	3,827,284
Superannuation	33	2,137,852
	<u>22,172,898</u>	<u>22,006,856</u>
Other employee related expenses	1,459,653	1,145,693
	<u>23,632,551</u>	<u>23,152,549</u>
Less: Capitalised employee expenses	(2,858,162)	(1,980,655)
	<u>20,774,389</u>	<u>21,171,894</u>
Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.		
Total Council employees at June 2015:	2015	2014
Elected members	7	7
Administration staff	93	103
Depot and outdoors staff	163	163
Total full time equivalent employees	<u>263</u>	<u>273</u>

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2015

		2015	2014
	Note	\$	\$
8 Materials and services			
Audit of annual financial statements by the Auditor-General of Queensland		85,731	68,013
Internal Audit		4,644	10,650
Council Road Maintenance		3,526,852	4,162,132
Private Works		4,210,608	2,944,598
Donations and Contributions Paid		160,521	138,642
Legal fees		166,969	286,155
Insurance		183,414	187,587
Administration supplies and consumables		163,304	156,553
Telephone and Communications		304,520	282,115
Electricity		1,362,240	1,414,545
Contractors (non Works)		1,004,830	1,217,671
Professional Fees		489,762	976,064
Counter Disaster Operations		140,119	7,754
Flood Restorations		10,953,409	9,643,505
Plant Operation and Maintenance		3,183,795	3,397,081
Other material and services		11,651,806	18,908,659
		<u>37,592,524</u>	<u>43,801,724</u>
9 Finance costs			
Finance costs charged by the Queensland Treasury Corporation		730,041	756,709
Bank charges		52,660	51,293
Refuse sites - change in PV over time		592,656	157,634
		<u>1,375,357</u>	<u>965,636</u>
10 Depreciation and amortisation			
(a) Depreciation of non-current assets			
Site improvements		802,306	209,027
Buildings		991,948	1,200,017
Plant and equipment		1,771,497	1,755,137
Road, bridge and drainage network		7,464,947	7,392,009
Water		2,793,913	2,642,658
Sewerage		1,629,967	1,535,197
Environmental Infrastructure Assets		187,822	405,778
Other Assets NC		278,660	199,753
		<u>15,921,060</u>	<u>15,339,576</u>
(b) Amortisation of other intangible assets			
Computer software		60,312	10,967
		<u>60,312</u>	<u>10,967</u>
Total depreciation and amortisation		<u>15,981,372</u>	<u>15,350,543</u>
11 Capital expenses			
Loss on the sale of capital assets	6	279,138	574,170
Loss on write-off of capital assets	12	8,517,655	768,058
Increase in rehabilitation provision for future costs, due to a change in discount rate		3,538,958	158,622
Increase in rehabilitation provision above land revaluation surplus		-	1,484,458
Total capital expenses		<u>12,335,751</u>	<u>2,985,308</u>

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2015

		2015	2014
	Note	\$	\$
12 Loss on write-off of capital assets are as follows:			
Land		157,158	-
Buildings		3,036,107	-
Plant and equipment		-	47,299
Road, bridge and drainage network		3,760,092	74,056
Water		996,248	558,840
Sewerage		106,720	87,863
Environmental Infrastructure Assets		296,458	-
Other Assets NC		164,872	-
	11	<u>8,517,655</u>	<u>768,058</u>
13 Cash assets and cash equivalents			
Cash at bank and on hand		1,014,394	1,244,808
Deposits at call		22,207,694	19,866,928
Total cash and cash equivalents per cash flow statement		<u>23,222,088</u>	<u>21,111,736</u>
Cash investments held	17	<u>1,000,000</u>	<u>1,000,000</u>
Total cash assets		<u>24,222,088</u>	<u>22,111,736</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	654,000	-
Unspent government grants and subsidies	-	77,000
Unspent developer contributions	4,408,287	3,250,750

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	3,206,301	7,024,127
Total unspent restricted cash held in reserves	29	<u>8,268,588</u>
		<u>10,351,877</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).

14 Trade and other receivables

Current

Rateable revenue and utility charges	1,572,495	1,122,567
Water charges yet to be levied	1,104,198	-
Accrued interest	49,894	56,952
GST recoverable	-	255,235
Other debtors	2,658,854	9,979,660
Less: Impairment provision	(29,812)	(35,436)
	<u>5,355,629</u>	<u>11,378,978</u>
Prepayments	271,903	183,414
	<u>5,627,532</u>	<u>11,562,392</u>

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

Opening balance	35,436	53,220
Impairment adjustment in period	(5,624)	(17,784)
Closing balance	<u>29,812</u>	<u>35,436</u>

BANANA SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

	2015	2014
Note	\$	\$
15 Inventories		
Current		
Inventories for internal use:		
Quarry and road materials	69,940	126,450
Stores and materials	1,075,627	749,850
	<u>1,145,567</u>	<u>876,300</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>1,719,291</u>
	<u>2,864,858</u>	<u>2,595,591</u>
16 Land purchased for development and sale		
Balance at the beginning of financial year	1,719,291	2,089,270
Development costs	-	1,310,480
Less: Cost of developed land sold	-	(1,680,459)
Balance at end of the financial year	15 <u>1,719,291</u>	<u>1,719,291</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	701,000	701,000
Transfer from other non current asset category	(321,000)	-
	<u>380,000</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 as it is no longer required. It has been placed with real estate agents and is expected to be sold within one year.

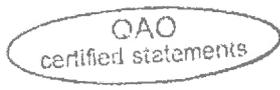
The land is valued at the lower of cost and selling price less costs to sell.

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2015

19 Property, plant and equipment

Basis of measurement	Land		Site improvements		Buildings		Plant and equipment		Road, bridges and drainage network		Water		Sewerage		Environmental Infrastructure Assets		Other Assets NC		Works in progress		Total
	Fair Value 2015	Fair Value 2014	Fair Value 2015	Cost 2015	Fair Value 2015	Fair Value 2014	Fair Value 2015	Cost 2015	Fair Value 2015	Fair Value 2014	Fair Value 2015	Cost 2015	Fair Value 2015	Fair Value 2014	Fair Value 2015	Cost 2015	Fair Value 2015	Fair Value 2014	Fair Value 2015	Cost 2015	
Asset Values																					
Opening gross value as at 1 July 2014	\$ 11,549,002	\$ 94,570,838	\$ 2,386,807	\$ 35,938,615	\$ 94,570,838	\$ 547,837,395	\$ 118,347,913	\$ 69,557,417	\$ 6,467,350	\$ 11,403,974	\$ 14,359,439	\$ 11,403,974	\$ 14,359,439	\$ 11,403,974	\$ 14,359,439	\$ 11,403,974	\$ 14,359,439	\$ 11,403,974	\$ 14,359,439	\$ 11,403,974	\$ 14,359,439
Additions at cost	68,754	68,754		2,033,919	68,754	11,438,379	4,759,114	3,055,670	22,724	767,254	12,576,878	767,254	12,576,878	767,254	12,576,878	767,254	12,576,878	767,254	12,576,878	767,254	12,576,878
Internal transfers from work in progress					3,409,395	6,374,084	1,289,206	499,189													
Disposals																					
Write-offs					(678,240)	(1,125,652)															
Revaluation adjustment to other comprehensive income (refer the ARS's)	(157,158)	(3,638,068)			(3,638,068)	(8,091,708)															
Income (refer the ARS's)																					
Internal transfers between asset classes	(260,000)	581,000			581,000																
Change in gross value as at 30 June 2015	11,320,598	2,386,807	2,386,807	26,846,882	94,940,847	567,608,350	124,071,851	74,771,585	6,213,899	12,344,163	13,998,846	12,344,163	13,998,846	12,344,163	13,998,846	12,344,163	13,998,846	12,344,163	13,998,846	12,344,163	13,998,846
Accumulated depreciation and impairment																					
Opening balance as at 1 July 2014																					
Depreciation provided in period			1,202,218	10,036,824	10,755,667	90,729,677	53,919,949	41,217,038	1,350,324	1,882,167	1,882,167	1,882,167	1,882,167	1,882,167	1,882,167	1,882,167	1,882,167	1,882,167	1,882,167	1,882,167	1,882,167
Depreciation on disposals			802,306	1,771,497	991,948	7,464,947	2,793,913	1,629,967	187,822	278,680	278,680	278,680	278,680	278,680	278,680	278,680	278,680	278,680	278,680	278,680	278,680
Depreciation on write-offs					(396,953)	(562,829)															
Revaluation adjustment to other comprehensive income (refer the ARS's)					(601,951)	(4,281,616)	(1,610,024)	(362,006)	(50,814)	(193,369)	(193,369)	(193,369)	(193,369)	(193,369)	(193,369)	(193,369)	(193,369)	(193,369)	(193,369)	(193,369)	(193,369)
Accumulated depreciation as at 30 June 2015			2,004,524	11,245,492	10,748,701	93,913,008	56,186,622	43,446,479	1,487,332	1,967,458	1,967,458	1,967,458	1,967,458	1,967,458	1,967,458	1,967,458	1,967,458	1,967,458	1,967,458	1,967,458	1,967,458
Total written down value as at 30 June 2015	11,320,598	382,283	382,283	15,601,390	84,192,146	473,695,342	67,885,229	31,325,106	4,726,567	10,386,705	13,998,846	10,386,705	13,998,846	10,386,705	13,998,846	10,386,705	13,998,846	10,386,705	13,998,846	10,386,705	13,998,846
Range of estimated useful life in years	Not depreciated	0 - 60	0 - 60	3 - 20	30 - 100	10 - 100	20 - 80	12 - 100	40 - 50	7 - 100	13,998,846	7 - 100	13,998,846	7 - 100	13,998,846	7 - 100	13,998,846	7 - 100	13,998,846	7 - 100	13,998,846
Addition of renewal assets					449,266	9,608,469	2,616,274	551,018													
Addition of other assets	68,754	246,656	246,656	2,033,919	2,033,919	1,829,910	2,142,840	2,504,832	22,724	767,254	12,576,878	767,254	12,576,878	767,254	12,576,878	767,254	12,576,878	767,254	12,576,878	767,254	12,576,878
Total additions in period	68,754	246,656	246,656	2,033,919	2,033,919	1,829,910	2,142,840	2,504,832	22,724	767,254	12,576,878	767,254	12,576,878	767,254	12,576,878	767,254	12,576,878	767,254	12,576,878	767,254	12,576,878
* ARS denotes - Asset Revaluation Surplus	68,754	693,922	693,922	2,033,919	693,922	11,438,379	4,759,114	3,055,870	22,724	767,254	12,576,878	767,254	12,576,878	767,254	12,576,878	767,254	12,576,878	767,254	12,576,878	767,254	12,576,878



BANANA SHIRE COUNCIL

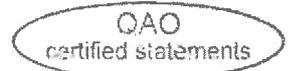
Notes to the Financial Statements
For the year ended 30 June 2015

19 Property, plant and equipment - prior year

Basis of measurement	Land		Site improvements		Buildings		Plant and equipment		Road, bridge and drainage network		Water		Sewerage		Environmental Infrastructure Assets		Other Assets NC		Works in progress		Total	
	Fair Value 2014	Fair Value 2014	Fair Value 2014	Fair Value 2014	Fair Value 2014	Fair Value 2014	Fair Value 2014	Fair Value 2014	Fair Value 2014	Fair Value 2014	Fair Value 2014	Fair Value 2014	Fair Value 2014	Fair Value 2014	Fair Value 2014	Fair Value 2014	Fair Value 2014	Fair Value 2014	Fair Value 2014	Fair Value 2014		Cost 2014
Asset Values																						
Opening gross value as at 1 July 2013	11,487,158	2,386,807	81,814,516	26,459,475	497,787,579	113,762,170	66,346,153	4,899,680	7,266,804	5,590,363	818,806,505											
Minor correction to opening balance			(1,671,563)		9,894						(1,656,733)											
Additions at cost	181,844		803,219	2,846,479	5,162,966	1,874,457	638,221	1,061,600	195,333	10,913,854	23,677,973											
Internal transfers from work in progress			160,798		1,500,220	308,330		51,630	350,590													
Disposals				(3,313,908)																		
Write-offs				(63,431)																		
Revaluation adjust to other comprehensive income, (refer the ARS*)			13,377,991		53,485,518	3,447,027		2,025,944	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	2,386,807	94,570,828	25,938,615	557,857,395	118,347,913	69,557,417	5,467,350	11,403,974	14,359,439	912,538,750											
Accumulated depreciation and impairment																						
Opening balance as at 1 July 2013		993,191	10,947,638	9,823,834	94,781,402	50,064,923	38,530,442	1,016,427	2,897,507		209,150,374											
Minor correction to opening balance			(1,853,164)		(850)	27,115	3,984		4,361		(1,818,533)											
Depreciation provided in period		209,027	1,200,017	1,755,137	7,392,009	2,642,688	1,455,197	405,778	199,753		15,339,576											
Depreciation on disposals				(1,536,035)							(1,536,035)											
Depreciation on write-offs				(6,172)							(569,083)											
Revaluation adjust to other comprehensive income, (refer the ARS*)			466,186		(11,028,575)	1,570,484		(71,882)			(9,082,745)											
Impairment adjustment to other comprehensive income, (refer the ARS*)					(589,890)						(389,890)											
Accumulated depreciation as at 30 June 2014		1,202,218	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	1,669,002	1,184,589	83,815,171	15,901,791	467,127,718	64,427,964	28,340,379	5,117,026	9,521,807	14,359,439	701,444,886											

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 2015

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 non-current assets

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, due to their short-term nature, assumed to approximate their fair value (Level 2).

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 18. 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)".

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)

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 2015.

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2015

20	Fair Value Measurements - continued	Category	Note	Level 2 (Significant other observable inputs)		Level 3 (Significant unobservable inputs)		Total	
				2015	2014	2015	2014	2015	2014
				\$		\$		\$	
	Recurring fair value measurement								
	Recurring fair value measurements								
	Land	19	-	-	11,320,598	11,669,002	11,320,598	11,669,002	
	Site Improvements	19	-	-	382,283	1,393,616	382,283	1,393,616	
	Buildings	19	-	-	84,192,146	83,815,172	84,192,146	83,815,172	
	Road, bridge and drainage network	19	-	-	473,695,432	467,107,718	473,695,432	467,107,718	
	Water	19	-	-	67,885,229	64,427,964	67,885,229	64,427,964	
	Sewerage	19	-	-	31,325,106	28,340,380	31,325,106	28,340,380	
	Environmental infrastructure assets	19	-	-	4,726,567	5,117,026	4,726,567	5,117,026	
	Other Assets NC	19	-	-	10,386,705	9,521,806	10,386,705	9,521,806	
					<u>683,914,066</u>	<u>671,392,684</u>	<u>683,914,066</u>	<u>671,392,684</u>	
	Non-recurring fair value								
	Non-current assets classified as held for sale	19	380,000	701,000	-	-	380,000	701,000	

There are no transfers 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.

20 Fair Value Measurements - continued

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

Specific valuation techniques used to value Councils assets comprise:

Land, Site Improvements and Buildings (Level 3)

The last full and complete valuation of building assets was conducted in the 2013/14.

Council has taken into account the following when making a determination on movements in fair value for the 2014/15 financial year:

- Department of Natural Resources and Mines information concerning an immaterial decrease in land valuations over the previous 12 months;
- Local observations; and
- Recent project costs and tender outcomes.

Council therefore considers that it is reasonable not to apply indexation to land and building assets for the 2014/15 financial year.

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

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 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 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.

Roads Infrastructure

The fair value assessment of all Road Infrastructure assets was last undertaken in the 2013/14 financial year. The next full revaluation is not likely to occur before 2018/19.

No indexation has been applied to road infrastructure assets for the 2014/15 financial years. This approach was adopted having regard to:

- The unit rates related to Council's construction of road assets during the 2014/15 financial year; and
- 1.31% decrease in the Road and Bridge Construction index, Queensland, June qtr 2014 to Mar qtr 2015 as sourced from the ABS.

Council therefore considers that it is reasonable not to apply indexation to Road infrastructure assets for the 2014/15 financial year.

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

20 Fair Value Measurements – continued

Water and Sewerage Infrastructure

(i) Passive Assets

A fair value assessment of Council's passive water and sewerage assets was last undertaken in 2012/13 financial year and an indexation of 3% applied in the 2013/14 financial year. The next full revaluation is not proposed until the 2016/17 financial year.

A further indexation of 3% has been applied for the 2014/15 financial year. This indexation was established having due regard to recent passive asset construction 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 construction rates/costs for water main construction in Banana Shire between the 2013/14 and 2014/15.

(ii) Active Assets

Active assets were last fair valued in the 2011/12 financial year and indexed by 2% and 3% in the 2012/13 and 2013/14 years respectively. The next full revaluation is not proposed until the 2016/17 financial year.

No indexation has been applied to Active Water & Sewerage Assets for the 2014/15 financial year. This approach was established having due regard to the following relevant construction indices:-

- 1.4% decrease in Asset revaluation index: Machinery and Equipment, Queensland, Mar qtr 2014 to Dec qtr 2014 as sourced from the ABS (as at 01/05/15 – figures for March QTR 2015 not yet available);
- 0.1% decrease in Asset revaluation index: Engineering construction, Queensland, Mar qtr 2014 to Dec qtr 2015 as sourced from the ABS (as at 01/05/15 – figures for March QTR 2015 not yet available);
- 0.85% increase in Consumer Price Index (a): All groups, Brisbane, June qtr 2014 to March qtr 2015;

Having regard to the above Council, considers that it is reasonable not to apply indexation to Water & Sewerage Active Asset values for the 2014/15 financial year.

(iii) Active & Passive Assets – Consideration of Useful Lives

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

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2015

	2015	2014
Note	\$	\$
21 Intangible assets		
Net carrying value at period end:		
(a) Computer software	189,657	157,328
(b) Water rights	144,053	144,053
	<u>333,710</u>	<u>301,381</u>
(a) Computer software		
Opening gross carrying value	352,628	195,300
Acquired at cost	92,641	157,328
	<u>445,269</u>	<u>352,628</u>
Accumulated amortisation		
Opening balance	195,300	184,333
Amortisation in the period	60,312	10,967
	<u>255,612</u>	<u>195,300</u>
Net carrying value at end of the financial year	<u>189,657</u>	<u>157,328</u>
Software has a finite life estimated at five years.		
(b) Water rights		
Opening gross carrying value	144,053	-
Acquired at cost	-	144,053
Net carrying value at end of the financial year	<u>144,053</u>	<u>144,053</u>
22 Trade and other payables		
Current		
Accruals	7,905,971	4,187,814
Creditors	1,727,819	1,015,920
GST payable	629,499	-
Annual leave	1,849,581	1,854,532
Other entitlements	164,691	163,001
	<u>12,277,561</u>	<u>7,221,267</u>
23 Provisions		
Current		
Long service leave	2,868,425	2,966,826
	<u>2,868,425</u>	<u>2,966,826</u>
Non-Current		
Long service leave	233,459	215,999
Property restoration:		
Refuse sites	17,479,428	13,409,495
	<u>17,712,887</u>	<u>13,625,494</u>
Details of movements in provisions:		
Long service leave		
Balance at the beginning of financial year	3,182,825	3,017,486
Amount provided for in the period	338,061	634,756
Amount paid in the period	(419,002)	(469,417)
Balance at end of the financial year	<u>3,101,884</u>	<u>3,182,825</u>

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2015

		2015	2014
	Note	\$	\$
23 Provisions			
Refuse sites			
Balance at the beginning of financial year		13,409,495	3,128,617
Increase in provision - due to change in time		592,656	157,634
Increase in provision - change in discount rate		3,538,958	158,621
Amount expended in year		(61,681)	(954,857)
Increase (decrease) in estimate of future cost		-	10,919,480
Balance at end of the financial year		<u>17,479,428</u>	<u>13,409,495</u>
Non-current portion		<u>17,479,428</u>	<u>13,409,495</u>
		<u>17,479,428</u>	<u>13,409,495</u>

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 June 2024 to June 2025

Details of borrowings at balance date are:

Current

Queensland Treasury Corporation

1,001,432

954,219

Non Current

Queensland Treasury Corporation

10,395,465

10,704,844

Details of movements in borrowings:

Queensland Treasury Corporation

Balance at the beginning of financial year

11,659,063

12,737,016

Loans raised

654,000

Principal repayments

(916,166)

(1,077,953)

Balance at end of the financial year

11,396,897

11,659,063

Classified as :

Current

1,001,432

954,219

Non-current

10,395,465

10,704,844

11,396,897

11,659,063

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

71,079

78,515

Rates received in advance

403,532

474,611

78,515

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2015

		2015	2014
	Note	\$	\$
26 Council capital			
(i) Calculation of capital value and retained surplus:			
Cash and cash equivalents		24,222,088	22,111,736
Less restricted cash:			
Reserves (excluding the asset revaluation)		(7,614,588)	(5,782,993)
Capital sustainability reserve		-	(4,568,884)
Unspent loan capital fund reserve		(654,000)	-
Revenue received in advance		(474,611)	(78,515)
Cash funds allocated for future rehabilitation costs		(6,943,208)	(609,927)
Working capital cash (including employee entitlements)		(7,937,253)	(2,296,307)
Retained surplus (deficit) available for distribution	28	598,430	8,775,111
Total council capital value	26 (ii)	198,190,652	190,496,820
Total capital and retained surplus at end of period		<u>198,789,082</u>	<u>199,271,931</u>
(ii) Movement in council capital account			
Balance at beginning of the financial year		190,496,820	183,192,532
Error correction to capital assets	36	-	161,799
Adjustments from (to) retained surplus:			
Transfer of capital expenses in the period		(12,335,751)	(2,985,308)
Transfer of revenue expended on capital assets		4,563,162	272,724
Total transfers (to) from retained surplus		<u>(7,772,589)</u>	<u>(2,712,584)</u>
Transfer (to) from restricted reserves:			
Net transfer (to) from Future capital sustainability reserve		4,568,884	(4,568,884)
Net transfer (to) from Unspent loan cash reserve		(654,000)	1,000,000
Grants, subsidies and contributions reserve		11,393,485	13,249,566
Transfer (to) from general reserves:			
Capital Aquisitions Reserve		158,052	14,249
Plant Reserve		-	32,804
Waste Disposal Reserve		-	127,338
Total transfers (to) from reserves		<u>15,466,421</u>	<u>9,855,074</u>
Total council capital at end of the financial year		<u>198,190,652</u>	<u>190,496,820</u>
The amount by which the Council has increased (decreased) its capital capacity to deliver future services to the community before inflation adjustments		<u>7,693,832</u>	<u>7,304,289</u>
27 (i) Asset revaluation surplus			
Movements in the asset revaluation surplus were as follows:			
Balance at the beginning of financial year		493,542,013	417,136,345
(a) Adjustments to property, plant and equipment through revaluations:	19		
Land		-	(9,435,022)
Buildings		-	12,911,805
Road, bridge and drainage network		-	64,514,093
Water		1,199,106	1,876,543
Sewerage		371,244	825,448
Environmental Infrastructure Assets		-	426,323
Other Assets NC		41,987	4,896,588
		<u>1,612,337</u>	<u>76,015,778</u>
(b) Adjustments to property, plant and equipment through impairments:			
Road, bridge and drainage network		-	389,890
		-	389,890
Balance at end of the financial year		<u>495,154,350</u>	<u>493,542,013</u>

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2015

	2015	2014
Note	\$	\$
27 (ii) Asset revaluation surplus analysis		
The closing balance of the asset revaluation surplus is comprised of the following asset categories:		
Buildings	43,556,805	43,556,805
Plant and equipment	569,574	569,574
Road, bridge and drainage network	375,986,223	375,986,223
Water	49,209,920	48,010,814
Sewerage	18,183,316	17,812,072
Environmental Infrastructure Assets	426,323	426,323
Other Assets NC	7,222,189	7,180,202
	<u>495,154,350</u>	<u>493,542,013</u>
28 Retained surplus		
Movement in retained surplus		
Balance at the beginning of financial year	8,775,111	5,825,088
Net result	(2,566,139)	5,072,881
	<u>6,208,973</u>	<u>10,897,969</u>
Transfers (to) from capital account:		
Transfer of capital expenses	11	12,335,751
General revenue used for capital funding purposes	(4,563,162)	(272,724)
Net capital account transfers	<u>7,772,589</u>	<u>2,712,584</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	(12,474,022)	(8,964,724)
	<u>(12,474,022)</u>	<u>(8,964,724)</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
Special projects reserve	(909,110)	18,579
CDEI Grant reserve	-	14,501
	<u>(909,110)</u>	<u>4,129,282</u>
Balance at end of the financial year	<u>598,430</u>	<u>8,775,111</u>
29 Reserves		
(a) Restricted capital reserves		
(i) Future capital sustainability reserve		
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	4,568,884	-
Funded depreciation on capital assets in period	15,179,066	15,141,516
Less: Funds utilised in the period	(19,747,950)	(10,572,632)
Balance at end of the financial year	<u>-</u>	<u>4,568,884</u>
(ii) Unspent loan cash reserve		
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
Loan funds drawn down in period.	554,000	-
Loan cash expended in period.	-	(1,000,000)
Balance at end of the financial year	<u>654,000</u>	<u>-</u>

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2015

	2015	2014
Note	\$	\$
29 Reserves (cont)		
(iii) Constrained grants and subsidy contributions reserve		
Balance at the beginning of financial year	3,327,750	7,612,592
Transfer from retained earnings non reciprocal grants, subsidies and contributions received and allocated to specific capital projects	12,474,022	8,964,724
Transfers to the capital account funds expended in the period	(11,393,485)	(13,249,566)
Balance at end of the financial year	<u>4,408,287</u>	<u>3,327,750</u>
Total restricted capital reserves	<u>5,062,287</u>	<u>7,896,634</u>
(b) Other reserves		
(1) Summary of capital reserves held for funding future projects:		
(i) Capital Aquisitions reserve	2,058,418	2,216,470
(ii) Plant reserve	21,928	21,928
(iii) Aerodrome reserve	130,407	130,407
	<u>2,210,753</u>	<u>2,368,805</u>
(2) Summary of recurrent reserves held for funding future projects:		
(i) Special Projects reserve	995,548	86,438
	<u>995,548</u>	<u>86,438</u>
Total other reserves	<u>3,206,301</u>	<u>2,455,243</u>
Total reserves	<u>8,268,588</u>	<u>10,351,877</u>
30 Commitments for expenditure		
Contractual Commitments		
Contractual commitments at balance date but not recognised in the financial statements are as follows:		
Biloela Civic Centre - per year	68,000	68,000
Biloela Pool - per year	31,164	30,700
Moura Pool - per year	36,544	36,000
Taroom Pool - per year	30,453	30,000
Magavalis Sports Complex - per year	13,700	13,700
	<u>179,861</u>	<u>178,400</u>
Capital Commitments		
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	59,107	75,567
Infrastructure Services (Roads, Bridges, Drainage, Streetscaping ...)	148,620	210,274
Water & Sewerage Infrastructure	2,147,408	2,277,637
Buildings, Parks, Pools and Other	320,670	210,702
	<u>2,675,805</u>	<u>2,774,180</u>
These expenditures are payable :		
Within one year	2,675,805	754,909
Later than 1 year but not later than 5 years	-	2,019,271
	<u>2,675,805</u>	<u>2,774,180</u>

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2015

	2015	2014
Note	\$	\$
31 Events after balance date		
There were no material financial adjusting events after balance date.		
32 Contingent liabilities		
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:	<u>389,709</u>	<u>389,709</u>
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 2015 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.		
Council does not have any employees who are members of the CDBF and, therefore, is not exposed to the obligations, assets or costs associated with this fund.		
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.		

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2015

	2015	2014
Note	\$	\$
33 Superannuation (cont)		
<p>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.</p> <p>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.</p> <p>As at the reporting date, the assets of the scheme are sufficient to meet the vested benefits.</p> <p>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."</p> <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 2014-15 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>	<p style="text-align: right;"><u>2,157,582</u></p>	<p style="text-align: right;"><u>2,137,852</u></p>

34 Trust funds

Trust funds held for outside parties:

Security deposits

Unclaimed monies

422,675	658,997
<u>63,827</u>	<u>63,827</u>
<u>486,502</u>	<u>722,824</u>

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.

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2015

		2015	2014
	Note	\$	\$
35 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities			
Net result		(2,566,139)	5,072,881
Non-cash operating items:			
Depreciation and amortisation	10	15,981,372	15,350,543
Current cost of developed land sold	16	-	1,680,459
Change in restoration provisions expensed to finance costs	9	592,656	157,634
		<u>16,574,028</u>	<u>17,188,636</u>
Investing and development activities:			
Capital grants, subsidies and contributions	4	(12,474,022)	(8,964,724)
Capital expenses	11	12,335,751	2,985,308
Payments for inventory land and development costs in the period		-	(1,310,480)
		<u>(138,271)</u>	<u>(7,289,896)</u>
Changes in operating assets and liabilities :			
(Increase) decrease in receivables		6,652,848	9,741,149
(Increase) decrease in inventories		(269,267)	(14,947)
Increase (decrease) in payables		4,338,306	(1,883,176)
Increase (decrease) in provisions		(142,622)	(789,518)
Increase (decrease) in other liabilities		396,096	(2,983,483)
		<u>10,975,360</u>	<u>4,070,026</u>
Net cash inflow from operating activities		<u>24,844,979</u>	<u>19,041,647</u>
36 Minor correction for assets not previously recognised			
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	-	(1,656,733)
Less: Accumulated depreciation	19	-	1,850,010
Gain from assets not previously recognised		-	<u>193,277</u>
Summary details of assets previously recognised incorrectly are as follows:			
Less: Accumulated depreciation	19	-	31,477
Loss on assets previously recognised incorrectly	11	-	<u>31,477</u>
Net result of recognised/derecognised assets		-	<u>161,800</u>

BANANA SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

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	2015 \$	2014 \$
Financial Assets			
Cash and cash equivalents - Bank	13	1,014,394	1,244,808
Cash investments held with - QTC	13	18,207,694	15,866,928
Cash investments held with other approved deposit taking institution	13&17	5,000,000	5,000,000
Receivables - rates	14	2,676,693	1,122,567
Receivables - other	14	2,678,936	10,256,411
Other credit exposure			
Guarantee	32	389,709	389,709
Total		<u>29,967,426</u>	<u>33,880,423</u>

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 agency ratings, and while not capital guaranteed, the likelihood of a credit failure is assessed as remote.

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2015

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.

2015	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	18,207,694	182,077	(182,077)	182,077	(182,077)
Other investments	4,000,000	40,000	(40,000)	40,000	(40,000)
Loans - QTC at fixed and generic *	(11,396,897)				
Net total	10,810,797	222,077	(222,077)	222,077	(222,077)
2014					
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)				
Loans - QTC at variable **	-	-	-	-	-
Net total	8,207,865	198,669	(198,669)	198,669	(198,669)

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 2015

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	9,602,419
Revenues from services provided to external customers	28,687,064
Community service obligations	6,945,000
Total revenues	45,234,483
Expenditures	42,233,747
Surplus	3,000,736

BANANA SHIRE COUNCIL
Notes to the Financial Statements

For the year ended 30 June 2015

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.

Refuse Management Nil

- Provide adequate landfill and refuse disposal in the Shire.

Water and Sewerage Services \$6,945,000

- 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.

TOTAL \$6,945,000

BANANA SHIRE COUNCIL

FINANCIAL STATEMENTS

For the year ended 30 June 2015

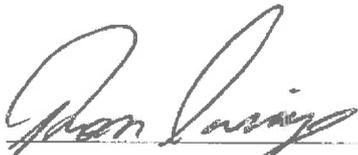
MANAGEMENT CERTIFICATE

For the year ended 30 June 2015

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:

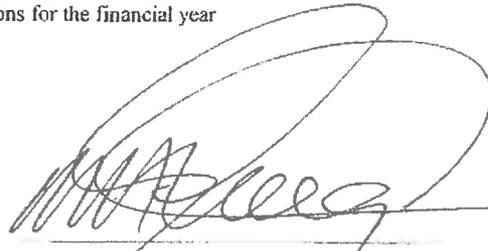
- (i) the prescribed requirements of the Local Government Act 2009 and Local Government Regulation 2012 for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 42, present a true and 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 CARILE

Date: 27.10.15



Chief Executive Officer

Name: Raymond Peter CORACHY

Date: 27.10.15

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 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility for the Financial Report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Local Government Act 2009* and *Local Government Regulation 2012*, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

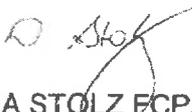
in accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of Banana Shire Council for the financial year 1 July 2014 to 30 June 2015 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

For the year ended 30 June 2015

Current Year Financial Sustainability Statement

Certificate of Accuracy - for the Current Year Financial Sustainability Statement

Independent Auditor's Report (Current Year Financial Sustainability Statement)

BANANA SHIRE COUNCIL

**Current-year Financial Sustainability Statement
For the year ended 30 June 2015**

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 2015 against key financial ratios:

	Operating surplus ratio	Asset sustainability ratio	Net financial liabilities ratio
Target	between 0% and 10%	greater than 90%	not greater than 60%
Actual	-3.70%	166.88%	15.94%

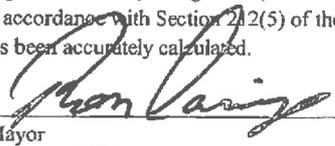
Note 1 - Basis of Preparation

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 2015.

**Certificate of Accuracy
For the year ended 30 June 2015**

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the regulation).

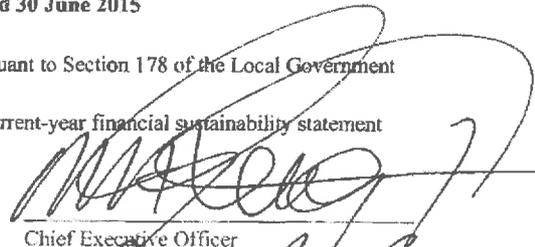
In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.



Mayor

Name: RON CARIGE

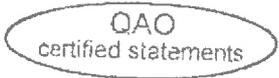
Date: 27/10/15



Chief Executive Officer

Name: Raymond Peter Soraghty

Date: 27/10/15



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 2015, 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 2015, 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.



A handwritten signature in black ink, appearing to read "D. Stolze".

D A STOLZE CPA
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 2015

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 2015 against key financial ratios:

Target

Actuals at 30 June 2015

Projected for the ye 30 June 2016

30 June 2017

30 June 2018

30 June 2019

30 June 2020

30 June 2021

30 June 2022

30 June 2023

30 June 2024

Operating surplus ratio	Asset sustainability ratio	Net financial liabilities ratio
between 0% and 10%	greater than 90%	not greater than 60%
-3.70%	166.88%	15.94%
-0.20%	186.31%	20.30%
0.80%	120.20%	22.60%
1.50%	99.96%	24.60%
1.80%	100.43%	22.00%
1.90%	97.91%	19.30%
2.20%	104.40%	16.60%
2.40%	111.93%	13.80%
2.70%	126.17%	11.10%
2.90%	124.09%	9.10%

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.

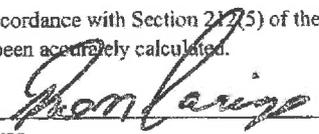
The table below summarises how we performed against set targets for the seven key financial performance indicators established in our financial strategy. In summary, we achieved or bettered six of the financial targets, performing strongly in our ability to generate cash from day-to-day operations, meeting 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 2015

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the regulation).

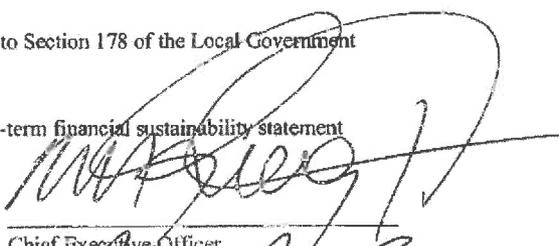
In accordance with Section 2(25) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.



Mayor

Name: RON PARIGE

Date: 27/10/15



Chief Executive Officer

Name: Raymond Peter Goarichy

Date: 27/10/15

**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

Notes to the Financial Statements

For the year ended 30 June 2015

	2015	2014
Financial indicators and ratios of the accounts	\$	\$
Maintenance of council's physical operating capability		
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	693,999,002	688,607,717
Operating surplus/(deficit) in period	-2,704,410	-906,535
Transfers from operating reserves to retained earnings in period	-909,110	4,129,282
Retained surplus/(deficit) brought forward from prior year	8,775,111	5,825,088
Closing balance of the opening capital value	699,160,594	697,655,553
Change in the opening capital value	5,161,592	9,047,835
	%	%
Asset sustainability ratio		
Expenditure on replacement assets divided by depreciation expense	179.66%	129.14%
Target range >90%		
Operating surplus ratio		
Net operating surplus/(deficit) divided by total operating revenue	-3.70%	-1.10%
Guidance range is between 0% and 10%		
Net financial liability		
Total liabilities less current assets divided by total operating revenue	15.94%	-1.73%
Guidance range is not greater than 60%		
A negative percentage indicates that the current asset exceed the total liabilities which is a very strong financial position		
Asset consumption ratio		
Book value of infrastructure assets divided by there gross value		
Target range is between 40% and 80%	74.76%	75.11%
Interest cover ratio		
Net interest expense divided by total operating revenue	-0.25%	-0.22%
Target range is between 0% and 5%		
A negative percentage indicates that interest income exceeds the interest expense.		
Working capital ratio:		
Unrestricted current assets available to meet current liabilities	1.7 : 1	2.9 : 1
Guidance range 1:1 to 4:1		
Change in community equity ratio:		
The percentage change in the net wealth of the Council.	-0.14%	13.14%
Debt servicing ratio:		
The percentage that the Council's total recurrent revenue that is used to service loan interest and principal repayments	2.25%	2.24%
General rate revenue ratio:		
The Council's dependence on general rate revenue as a percentage of total recurrent revenue	29.77%	24.87%

Financial indicators and ratios of the accounts (cont)

Revenue ratio:

The Council's dependence on net rates and utility charges as a percentage of total recurrent revenue 43.52% 36.62%

Debt exposure ratio:

The percentage of Council's capital debt to total community equity 1.62% 1.66%

Capital expenditure ratio

· The ratio of capital expenditure to depreciation 222.21% 165.43%

Rate arrears ratio

The percentage of rates and charges receivable to net rate and charges revenue 4.95% 3.74%

The effectiveness of Council's collection of rates and charges

BANANA SHIRE COUNCIL

Statement of Operating Performance

For the year ended 30 June 2015

	Note	2015 \$	2014 \$
Operating Income			
Rates and utility charge revenue	3 (a)	34,982,742	33,136,861
Less: Discounts		(2,918,948)	(2,818,404)
Less: Pensioner remissions		(284,289)	(266,663)
Net rates and utility charges		31,779,505	30,051,794
Fees and charges	3 (b)	2,852,448	4,854,270
Rental and levies	3 (c)	348,063	492,842
Interest received	3 (d)	915,182	939,073
Sales of contract and recoverable works	3 (e)	13,395,334	29,697,787
Other recurrent income		1,002,692	689,135
Grants, subsidies and contributions	4 (a)	22,726,008	14,287,151
Proceeds from sales of land developed for resale		-	1,051,669
Total operating revenue		73,019,232	82,063,721
Operating Expenses			
Employee benefits	7	(20,774,389)	(21,171,894)
Materials and services	8	(37,592,524)	(43,801,724)
Current cost of developed land sold	5	-	(1,680,459)
Finance costs	9	(1,375,357)	(965,636)
Depreciation and amortisation	10	(15,981,372)	(15,350,543)
Total operating expenses		(75,723,642)	(82,970,256)
Operating surplus (deficit) for the period		(2,704,410)	(906,535)
Capital revenue			
Grants, subsidies and contributions	4 (b)	12,474,022	8,964,724
Capital income			
Total capital revenue and income		12,474,022	8,964,724
Capital expenses			
Loss on the sale of capital assets	6	(279,138)	(574,170)
Loss on write-off of capital assets	12	(8,517,655)	(768,058)
Increase in rehabilitation provision for future costs, due to a change in discount rate		(3,538,958)	(158,622)
Increase in rehabilitation provision above Land		-	(1,484,458)
Revaluation Surplus		-	(1,484,458)
Total capital expenses		(12,335,751)	(2,985,308)
Net result		(2,566,139)	5,072,881

BANANA SHIRE COUNCIL

Statement of Appropriations

For the year ended 30 June 2015

		2015	2014
	Note	\$	\$
Retained surplus (deficiency) from prior years		8,775,111	5,825,088
Net result for the period		<u>(2,566,139)</u>	<u>5,072,881</u>
		<u>6,208,973</u>	<u>10,897,969</u>
Transfers (to) from capital account:			
Transfer of capital expenses	11	12,335,751	2,985,308
General revenue used for capital funding purposes	CFS*	<u>(4,563,162)</u>	<u>(272,724)</u>
Net capital account transfers		<u>7,772,589</u>	<u>2,712,584</u>
Transfers (to) from restricted reserves			
Constrained grants and subsidy contributions reserve	29	<u>(12,474,022)</u>	<u>(8,964,724)</u>
Retained surplus (deficiency) available for transfer to reserves		<u>1,507,540</u>	<u>4,645,829</u>
Transfers (to) from reserves for future recurrent funding purposes:			
Operating Grants in advance reserve	29 (2)(i)	-	4,096,202
Special projects reserve	29 (2)(ii)	(909,110)	18,579
CDEI Grant reserve	29(2)(iii)	-	14,501
Retained surplus (deficit) at end of period		<u><u>598,430</u></u>	<u><u>8,775,111</u></u>

BANANA SHIRE COUNCIL

Statement of Capital Funding

For the year ended 30 June 2015

	Note	2015 \$	2014 \$
Sources of capital funding			
General revenue used for capital purposes		4,563,162	272,725
Loan monies expended		-	1,000,000
Funded depreciation and amortisation		19,747,950	10,572,632
Proceeds from the sale of capital assets	6	564,972	1,203,703
Constrained grants, subsidies and contributions		11,393,485	13,249,566
Capital Acquisitions reserve		158,052	14,249
Plant reserve		-	32,804
Waste Disposal reserve		-	127,338
		<u>36,427,621</u>	<u>26,473,017</u>
Application of capital funding			
Non current capital assets :			
Land		68,754	-
Site improvements		-	181,844
Buildings		4,105,317	964,007
Plant and equipment		2,033,919	2,846,479
Road, bridge and drainage network		17,812,663	6,663,186
Water		6,048,320	2,182,787
Sewerage		4,350,170	1,316,370
Environmental Infrastructure Assets		93,821	1,213,230
Other Assets NC		1,266,443	545,923
Movement in capital work in progress		(360,593)	9,179,857
Intangible assets		92,641	301,381
		<u>35,511,455</u>	<u>25,395,064</u>
Principal loan redemptions :			
Queensland Treasury Corporation		916,166	1,077,953
		<u>916,166</u>	<u>1,077,953</u>
		<u>36,427,621</u>	<u>26,473,017</u>

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

BANANA SHIRE COUNCIL

Analysis of Cash Holdings

As at 30 June 2015

	2015				2014			
	\$				\$			
CASH HOLDINGS AT PERIOD END	24,222,088				22,111,736			
Represented by :-								
(iii) Constrained grants and subsidy contributions reserve			4,678,287				3,227,750	
(ii) Capital Acquisitions reserve			2,058,418				2,216,470	
(iii) Plant reserve			21,928				21,928	
(iv) Waste Disposal reserve			(0)				(0)	
(v) Aerodrome reserve			130,407				130,407	
(ii) Operating Grants in Advance reserve								
(iii) Special Projects reserve			995,548				88,418	
(iii) CDEI Grant reserve								
			7,614,588				5,782,993	
Future capital sustainability reserve							4,568,884	
Unspent Loan Cash Reserve			654,000					
Other Cash Balances held :-								
Revenue received in advance			474,611				78,515	
Refunds due								
Retained surplus (deficit) at end of period			598,450				8,775,111	
Cash backing of rehabilitation provisions								
	Cash to date	Provision balance	(Shortfall)	Cash held	Cash to date	Provision balance	(Shortfall)	Cash held
Refuse sites	6,943,208	17,479,428	(10,536,220)	6,943,208	609,927	13,409,495	(12,799,568)	609,927
Movement in Working Capital Cash	2015				2014			
	Capital A/c	Current Period	Movement		Capital A/c	Current Period	Movement	
	Analysis	Balances			Analysis	Balances		
Trade receivables	6,050,197	5,627,532	422,665		6,050,197	11,562,392	(5,512,195)	
Inventories		1,145,307	(1,145,307)			876,300	(876,300)	
Inventory land for devel. & sale		1,719,291	(1,719,291)			1,719,291	(1,719,291)	
Other financial assets		0						
Net movement in assets	6,050,197	8,492,390	(2,442,193)		6,050,197	14,157,983	(8,107,786)	
Liabilities								
Creditors and accruals	4,999,999	10,263,289	5,263,290			5,203,734	5,203,734	
0		0						
Employee entitle - current		4,882,697	4,882,697			4,984,359	4,984,359	
Entitlements - non current		253,459	233,459			215,999	215,999	
Net movement in liabilities	4,999,999	15,379,445	10,379,446			10,404,092	10,404,092	
	0							
Net Assets minus Liabilities	1,050,197	(6,887,055)			6,050,197	1,753,890		
	A	B			A	B		
Net working capital cash (deficit) at period end			A - B =	7,937,252			A - B =	2,296,307
CASH HOLDINGS AT PERIOD END	24,222,089				22,111,737			
Analysis of the Council's Capital A/c								
Non current capital assets			714,227,922				702,447,267	
Add - Unspent rehabilitation cash held			6,943,208				609,927	
Add - Unspent capital cash held			654,000				4,568,884	
Total capital assets			721,825,130				707,626,078	
Capital loans			11,396,897				11,659,063	
Rehabilitation provisions			17,479,428				13,409,495	
Net debt			28,876,325				25,068,558	
Net capital assets minus net capital debt		X	692,948,805			X	682,557,520	
Capital account			198,844,652				195,065,704	
Asset revaluation surplus			495,154,350				493,542,013	
Total of Council capital value		Y	693,999,002			Y	688,607,717	
Net working capital accounts balances in Capital A	Y - X = A		1,050,197		Y - X = A		6,050,197	

