



# Banana Shire Council



## Annual Report 2015/2016



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## **COUNCIL CONTACTS**

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

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

<b>Location</b>	<b>Telephone</b>	<b>Hours of Operation</b>
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<b>Administration Centre</b> 62 Valentine Plains Road Biloela Qld 4715	Telephone: 4992 9500	8.00 am – 5.00 pm Monday to Friday
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**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**

<b>Taroom Office</b> 18 Yaldwyn Street Taroom Qld 4420	Telephone: 4992 9500 or 4992 9530 (Direct)	8.00 am – 5.00 pm Monday to Friday
<b>Moura Office</b> 43 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
<b>Community Resource Centre</b> 102 Rainbow Street Biloela Qld 4715	Telephone: 4992 4052 Fax: 4992 4052	9.00 am – 5.00 pm Monday to Friday
<b>Biloela Library</b> 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
<b>Moura Library</b> McArthur Street Moura Qld 4718	Telephone: 4997 3197	1.00 pm – 6.00 pm Tuesday & Thursday 9.00 am – 12.00 pm Saturday
<b>Taroom Library</b> 24 Yaldwyn Street Taroom Qld 4420	Telephone: 4627 3355	9-30 am – 1.00 pm & 2.00 pm – 5.00 pm Tuesday, Thursday & Friday
<b>Theodore Library</b> 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 Wahrenoonga Retirement Village and several schools in the Banana Shire. The timetable is on a fortnightly basis. Copies are available at all Shire Libraries.

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## Vision, Mission Statement & Values

### Our Vision

*"Shire of Opportunity"*

"To improve the quality of life for our communities through the delivery of efficient, 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 2016**

### *Recognising our Achievers*

Congratulations to the Moura community on hosting a great Australia Day for 2016 at the Moura Recreation Grounds. Good numbers turned out to support the community and to congratulate award winners and nominees for the Banana Shire Australia Day Awards.

<b>Junior Sportsperson</b>	<b>Ameliija Swaffer-Selff (WINNER)</b>
	Emma Clarke
	Christina McLure
	Jemma Hancox
	John Radel
	TeMahia Onekawa
<b>Senior Sportsperson</b>	<b>Janet Hogan (WINNER)</b>
<b>Sports Coach, Official and/or Administrator</b>	<b>Colin Nevell (WINNER)</b>
	Shari Hancox
	Sheay Wheeler
<b>Community Group or Team</b>	<b>Moura Fish Stocking Group Inc (WINNER)</b>
	Biloela Rugby Union Club
	Thangool State School Mud Army
<b>Junior Cultural Award</b>	<b>Laura Heit (WINNER)</b>
	Karla Lovell
	Mikaela Warren
	Najwa Adams-Ebel
	Olivia Brewer
<b>Cultural Award</b>	<b>Janette Townsend (WINNER)</b>
<b>Community Event of the Year Award</b>	<b>Colour Fun Run 2015 (WINNER)</b>
	Goovigen District Centenary Celebrations
	Robin The Hood – Theatre Restaurant
	TECCA Outback Mini Mudder
<b>Volunteer Award</b>	<b>Ben O'Donnell (WINNER)</b>
	Di Morris





	Eleanor Ball
	Kathleen Moller
	Shirley Gent
<b>Young Citizen of the Year Award</b>	<b>Madeline Brewer (WINNER)</b>
	Sarah Bock
<b>Citizen of the Year Award</b>	<b>Alan McTaggart (WINNER)</b>
	Kaye Crerar
	Norah Parsons



**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 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 11 km 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 5,800, is the main population and administration centre in the Shire. It is the dormitory town for the Callide 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 1,700 and serves the mining and rural industries of the area. It is the home of the Dawson Coal Mine and also has the second largest Grain Depot in Queensland. Also located adjacent to Moura are the Queensland Cotton Gin, Queensland Nitrates Ammonium Nitrate Plant and significant gas resources. The Queensland Nitrates Ammonium Nitrate Plant uses coal bed methane from the Moura area, as well as gas from other gas suppliers to produce ammonium nitrate for use in mines (mainly in Central Queensland).

Taroom has a population of approximately 580 and is richly endowed with natural attractions, thriving rural sector and a range of quality community and business facilities.

Theodore, with a population of approximately 450, supports a diverse rural community with its main industries being cotton growing and saw milling.

Other centres are Thangool, population approximately 300 and Baralaba population approximately 260.



## **Services**

The Shire supports numerous business and industrial facilities, nine public primary schools, three public P-10 schools, two state high schools, one private primary school and one private P-10 school, one CQU centre, most mainstream Christian churches and their associated groups, five public hospitals, and a number of popular sports. Biloela also has a high standard PCYC complex.

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



## **Tourism**

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

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

The Council remains committed to delivering the tourism message to leverage the myriad historical, man-made and natural attractions as well as the shire's diverse industry; through all media platforms and looks 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 hardwood mills in Queensland.

There are abundant supplies of coal bed methane, which is increasingly being 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 Power Stations.

Coal bed methane is extracted from the coal seams in the Moura/Theodore and Taroom areas. The shire is rich in natural resources, with extensive undeveloped coal deposits in the Baralaba, Taroom and Theodore areas.



## Industry

The following industries have continued to remain viable:-

- ☐ Aquaculture (Redclaw production)
- ☐ Herbs and Spices
- ☐ Squab (meat pigeon) Processing
- ☐ Meat related industries
- ☐ CQU Centre as 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 210 m high (nearly the length of two football fields). The chimney for the newer Callide 'C' Power Station is 20 m higher.
- 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.



## **Cracow Gold**

Cracow gold mine is owned and operated by Evolution Mining following its acquisition in 2011. Previously it was owned by Newcrest Mining Ltd and Sedimentary Holdings Ltd forming the Cracow Mining Joint Venture (CMJV) which approved the \$90M capital development of this mine in September 2003.

Commissioning of the project took place during the final quarter of 2004 with full mining capacity of 360,000 tonnes reached during 2005/06.

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

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 also for industrial use. This development would result in over 1,000 permanent jobs and an additional \$40 million worth of agricultural production annually.

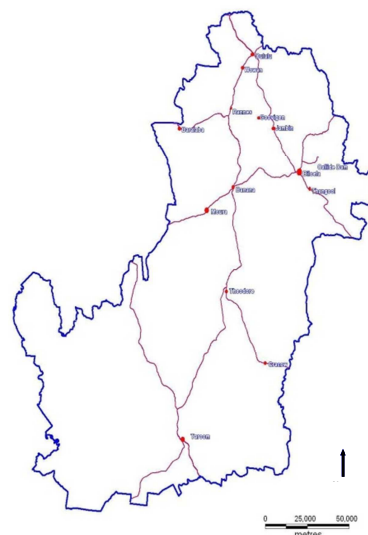
*The information contained in these profile documents has been prepared in good faith, but is printed on the basis that Banana Shire shall not be responsible for any errors therein, or any acts of omission that may occur due to its use*



## **COUNCIL SERVICES**

### **Road Network:**

State		838 km
Council	– Sealed	1,099 km
	– Unsealed	2,895 km
		3,994 km
Aerodromes	– Certified	2
	– Other	4
Water Treatment Plants		5
Sewerage Treatments Plants		4
Public Swimming Pools		3
Community Centres/Halls		6
Community Resource Centre		1
Libraries		4
Mobile Library		1



## **Shire Statistics**

- **Area** 28,577(km<sup>2</sup>)
- **Population** 14,947
- **Main Administration Centre** Biloela
- **Other Towns & Villages** Banana, Baralaba, Cracow, Dululu, Goovigen, Jambin, Moura, 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 AND LEADERSHIP GROUP



## COUNCIL STRUCTURE



## **ELECTED MEMBERS**

	<b>Councillor</b>	<b>Portfolio</b>
	<b>Mayor - Cr Nev Ferrier</b> <b>Mobile: 0448 011 814</b> <b>Email: <a href="mailto:mayor@banana.qld.gov.au">mayor@banana.qld.gov.au</a></b>	Executive Management, Economic Development, Media/PR, LDMG, Assist all Portfolio Councillors
	<b>Div 1 - Cr David Snell</b> <b>Mobile: 0427 922 176</b> <b>Email: <a href="mailto:david.snell@banana.qld.gov.au">david.snell@banana.qld.gov.au</a></b>	Water, Sewerage, Public Pools, Trade Waste, Solid Waste, Biloela Civic Centre, Land Tenure & Land Development, Public Conveniences, Fleet, Native Title
	<b>Div 2 – Deputy Mayor Cr Warren Middleton</b> <b>Mobile: 0488 410 275</b> <b>Email: <a href="mailto:warren.middleton@banana.qld.gov.au">warren.middleton@banana.qld.gov.au</a></b>	Development Services, Planning & Environment (includes Planning, Plumbing, Building, Animal control, Cemeteries/Funerals), Compliance Enforcement, Disaster Management (including SES), Sister City.
	<b>Div 3 - Cr Pat Brennan</b> <b>Mobile: 0419 156 958</b> <b>Email: <a href="mailto:pat.brennan@banana.qld.gov.au">pat.brennan@banana.qld.gov.au</a></b>	Infrastructure (includes Roads, Streets, Drainage, Parks, Recreation, Reserves, Contract/Private Works, Quality Assurance, Quarries, Operational Works, Street Lighting, Design, Survey), Airports, Land Protection, Wash Down facilities, Saleyards, Clearance Dip (Taroom).

	<p><b>Div 4 - Cr Col Semple</b></p> <p><b>Mobile: 0437 740 189</b> <b>Email: colin.semple@banana.qld.gov.au</b></p>	<p>Infrastructure (includes Roads, Streets, Drainage, Parks, Recreation, Reserves, Contract/Private Works, Quality Assurance, Quarries, Operational Works, Street Lighting, Design, Survey), Airports, Land Protection, Wash Down facilities, Saleyards, Clearance Dip (Taroom).</p>
	<p><b>Div 5 – Cr Brooke Leo</b></p> <p><b>Mobile: 0438 110 325</b> <b>Email: brooke.leo@banana.qld.gov.au</b></p>	<p>Administration &amp; Community Services (includes Tourism/Promotion, Arts/Culture, Libraries, CRC, Customer Service, Records Management, Halls (excluding Biloela Civic Centre), Community Development, Community Engagement, Community Consultation.</p>
	<p><b>Div 6 - Cr Vaughn Becker</b></p> <p><b>Mobile: 0427 582 221</b> <b>Email: vaughn.becker@banana.qld.gov.au</b></p>	<p>Corporate Services (includes Finance, Information Technology, Purchasing/Stores, Rates, Asset Management), Human Resources, Learning &amp; Development, Governance &amp; Risk, GIS, Work Health &amp; Safety, HACC.</p>





## Councillor Representation on Committees

### Advisory Committees

Committee / Group	Councillor/s
Banana Shire <b>Community Resource Centre</b> Advisory Committee	Leo
HACC - Banana Shire Home and Community Care Advisory Committee	Becker
Banana Shire <b>Tourism</b> Advisory Committee	Mayor Leo
RADF - Banana Shire Regional Arts Development Fund	Becker Leo

*Council has approved by resolution that Councillors, other committee members, employees and other persons may take part by teleconferencing at all Advisory Committee meetings.*

### Statutory Committees

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

### Council Portfolio Briefings / Working Groups / Workshops

Group	Councillor/s
Banana Shire Aerodromes Working Group	Brennan Semple
Banana Shire Industry Summit Working Group	Mayor Middleton (Chair) Leo
Banana Shire Council Aboriginal Consultative Group	Mayor Snell
Cockatoo Coal Working Group (i.e. Transport Corridor Working Group)	Mayor (Chair) Semple
Road Safety Management Reference Group	Brennan Semple
Native Title & Cultural Heritage Representative	Snell
Wulli Wulli ILUA	Mayor (or delegate) Becker Staff CEO (or delegate) Manager Governance & Risk Relevant Director



Gladstone Area Water Board Working Group	Snell (Chair) Mayor
Leichhardt Centre Working Group	Becker
Callide Dam Recreation Area Working Group	Mayor Brennan Middleton Snell Leo

*Where not a member, the Mayor is invited to all advisory committee meetings & council working group meetings.*

### **Community & Other Organisations Committees**

<b>COMMITTEE / ASSOCIATION / GROUP</b>	<b>FACILITATOR / PATRON / INSTIGATOR / CONTROLLING BODY</b>	<b>COUNCILLOR/s</b>
<b>ARTS and CULTURE</b>		
Banana Shire Art Gallery Assn Inc	Community	Leo
Banana Shire Community Arts Assn	Community	Leo
<b>COMMUNITY</b>		
Callide Coalfields Community Liaison Forum	Environment	Mayor Middleton
SunWater Community Liaison Group for Nathan Dam & Pipelines Project	SunWater	Becker
<b>DISASTER MANAGEMENT</b>		
Recovery Sub Group - Economic	BSC Local Disaster Management Group	Leo
Recovery Sub Group – Environmental	BSC Local Disaster Management Group	Brennan
Recovery Sub Group – Human Social	BSC Local Disaster Management Group	Becker
Recovery Sub Group – Infrastructure	BSC Local Disaster Management Group	Semple
Baralaba/Rannes LECC	BSC Local Disaster Management Group	Semple
Jambin/Goovigen LECC	BSC Local Disaster Management Group	Semple
Moura/Banana LECC	BSC Local Disaster Management Group	Leo
Theodore/Cracow LECC	BSC Local Disaster Management Group	Becker
Taroom LECC	BSC Local Disaster Management Group	Becker
Wowan/Dululu LECC	BSC Local Disaster Management Group	Semple
<b>Note</b>	<b><i>Appointment of councillors to LECC groups is not a council</i></b>	

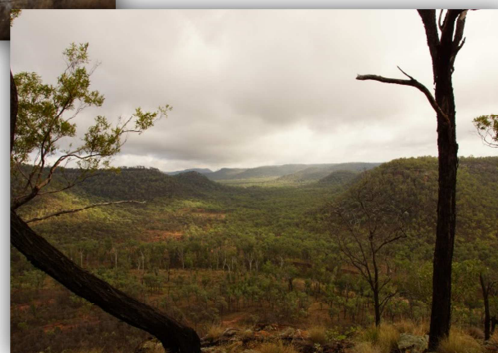
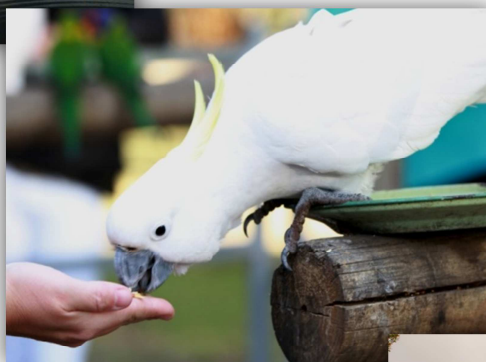
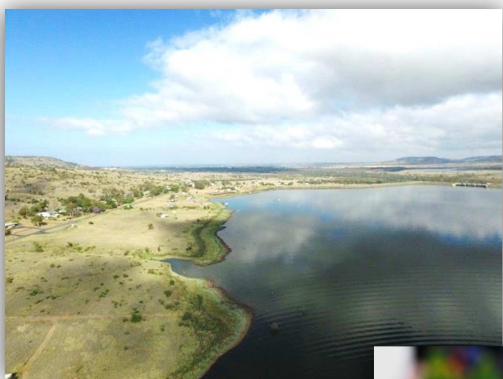
### **COUNCILLORS – REPRESENTATION ON COMMITTEES**



<b>COMMITTEE / ASSOCIATION / GROUP</b>	<b>FACILITATOR / PATRON / INSTIGATOR / CONTROLLING BODY</b>	<b>COUNCILLOR/s</b>
	<i>appointment.</i>	
<b>GOVERNANCE and PLANNING</b>		
Bowen Basin Regional Road & Transport Group	Infrastructure	Mayor Crs Brennan and/or Semple
Central Queensland Regional Planning Committee	Dept of Infrastructure, Local Government & Planning	Mayor Brennan
CQROC –Central Queensland Regional Organisation of Councils	Gladstone Regional Council	Mayor Middleton
Native Title	Dept of Aboriginal and Torres Strait Islander Partnerships	Snell
Valuation Consultative Group	Queensland Valuer-General	Becker
<b>LANDCARE and PEST MANAGEMENT</b>		
Baralaba Landcare	Dept of Environment & Heritage Protection	Semple
CPMG - Capricorn Pest Management Group	Capricorn Pest Management Group	Brennan Semple
Dee River Restoration Committee (a sub-committee of the Wowan/Dululu Landcare Group)	Wowan/Dululu Landcare Group	Mayor Semple
Dululu/Wowan Landcare	Dept of Environment & Heritage Protection	Semple
Taroom Landcare	Dept of Environment & Heritage Protection	Becker
<b>RIVER CATCHMENT and WATER RESOURCES</b>		
Callide Sub-catchment Community Reference Panel	Dept of Energy, Biofuels & Water Supply	Snell
Callide Valley Water Supply Scheme Customer Committee	Dept of Energy, Biofuels & Water Supply	Snell
Central Queensland Regional Water Supply Strategy Committee	Dept of Energy, Biofuels & Water Supply	Mayor Snell
Dawson Catchment Co-ordinating Association Inc	Dept of Energy, Biofuels & Water Supply	Semple
Dawson Valley Water Supply Customer Committee	Dept of Energy, Biofuels & Water Supply	Snell
Don River, Dee River & Alma Creek Advisory Committee	Dept of Energy, Biofuels & Water Supply	Mayor Semple
<b>SPORTS and RECREATION</b>		
Magavalis Sports Club Committee	Community	Snell
Taroom Showgrounds Improvement Committee	Taroom Show Society	Becker
<b>TOURISM and PROMOTION</b>		
Country Way Promotions Committee	Country Way Promotions	Leo



<b>COMMITTEE / ASSOCIATION / GROUP</b>	<b>FACILITATOR / PATRON / INSTIGATOR / CONTROLLING BODY</b>	<b>COUNCILLOR/s</b>
	Committee	
Leichhardt Hwy Promotions Assn Inc Committee	Leichhardt Hwy Promotions Assn Inc Committee	Leo
GAPDL-Gladstone Area Promotion and Development Limited	GAPDL	Leo



## **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.

Councillors' remuneration for the financial year was based on the schedule below

Position	% of MLA Rate	Remuneration Rate (This rate applied as from 01/07/2015)
Mayor	65	\$97,684
Deputy Mayor	37.5	\$56,356
Councillor	32.5	\$48,842

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 2015/16:

Councillor	Remuneration	Superannuation	Total
VA Becker	51,749	6,708	58,457
PJ Brennan	51,749	6,708	58,457
RJ Carige	78,009	9,361	87,370
ME Clancy	40,618	5,223	45,841
NG Ferrier	61,554	7,885	69,439
B Leo	12,091	1,485	13,576
W Middleton	58,155	7,002	65,157
CG Sample	13,134	1,625	14,759
D Snell	51,749	6,708	58,457
	418,808	52,705	471,513



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## 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.

#### REIMBURSEMENTS DIRECT TO COUNCILLORS

Councillor	Internet Allowance	Mobile Phone Allowance	Incidental Allowance	Travel Expenses	Out of Pocket Expenses	Insurance Claim Excess	TOTAL
VA Becker	300	300		527	441		1,567
PJ Brennan	300	300		1,541			2,141
RJ Carige	250	0			503	7,500	11,620
ME Clancy	250	250		5,735	107		6,342
NG Ferrier	300	250		4,494			5,044
B Leo	50	50		850			950
W Middleton	300	300					600
C Semple	50	50		832			932
D Snell	300	300			287		887
<b>TOTAL</b>	<b>2,100</b>	<b>1,800</b>	<b>0</b>	<b>13,979</b>	<b>1,338</b>	<b>7,500</b>	<b>30,084</b>

## **FACILITIES PROVIDED TO COUNCILLORS**

### **(additional to Remuneration and Expenses Reimbursed)**

Use of Council facilities ceased for Councillors not returned at the Local Government Elections with the declaration of polls.

<b>Councillor</b>	<b>Facilities Provided</b>
VA Becker	Vehicle (for Council use only) Accommodation (in Biloela for meetings) Tablet Computer
PJ Brennan	Tablet Computer
RJ Carige	Office at Administration Centre Vehicle (for Council use only) Mobile Phone Tablet Computer Mayoral Corporate Credit Card
ME Clancy	Tablet Computer
NG Ferrier	Office at Administration Centre - as from 30 March 2016 Vehicle (for Council use only) - as from 30 March 2016 Mobile Phone - as from 30 March 2016 Tablet Computer Mayoral Corporate Credit Card - as from 30 March 2016
B Leo	Tablet Computer
W Middleton	Tablet Computer Credit Card – up to 11 April 2016
C Semple	Tablet Computer
D Snell	Tablet Computer

**OTHER DIRECT EXPENSES INCURRED BY COUNCILLORS**

Councillor	Conferences & Deputations		Training		Council & Operational Meetings & Inspections
	Registration	Accommodation, Travel & Meals	Registration	Accommodation & Travel	Accommodation, Travel & Meals
VA Becker					1,436
PJ Brennan		495			215
RJ Carige	114	5,021			77
ME Clancy					
NG Ferrier		152			344
B Leo					
W Middleton		26			
C Semple					
D Snell					25
<b>TOTAL</b>	<b>114</b>	<b>5,694</b>	<b>0</b>	<b>0</b>	<b>2,096</b>

Councillor	IT / Phone / Internet	Council Vehicle Internal Hire	Mayoral Expenses	TOTAL
VA Becker	545	33,480		35,461
PJ Brennan	553	372		1,634
RJ Carige	397	29,400	1,182	36,191
ME Clancy	409			409
NG Ferrier	1,914	4,120		6,530
B Leo	132			132
W Middleton	545	248		820
C Semple	327			327
D Snell	545			570
<b>TOTAL</b>	<b>5,368</b>	<b>67,620</b>	<b>1,182</b>	<b>82,074</b>





## **COUNCILLORS MEETING ATTENDANCE**

*Local Government Regulation 2012 Section 186 (d)*

The following Local Government meetings were attended by Councillors.

Councillor	Ordinary Meetings	Special Meetings	Committee Meetings	Council Workshops
VA Becker	12	n/a	4	14
PJ Brennan	12	n/a	1	13
RJ Carige	9	n/a	12	8
ME Clancy	9	n/a	11	8
NG Ferrier	12	n/a	12	15
B Leo	3	n/a	4	7
W Middleton	12	n/a	13	15
C Semple	3	n/a	1	7
D Snell	12	n/a	1	14

## **OVERSEAS TRAVEL - COUNCILLORS**

*Local Government Regulation 2012 Section 188*

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

Name		<i>Local Government Regulation 2012 Section 188 (1)(a)</i>
Destination		<i>Local Government Regulation 2012 Section 188 (1)(c)</i>
Purpose	No Overseas travel was made by a councillor in an official capacity during the financial year.	<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 Chapter 6 Administration Division 6*

*Local Government Regulation 2012 Section 186*

### **Misconduct and Inappropriate Conduct Orders**

*Local Government Regulation 2012 Section 186 (d)*

<b>MISCONDUCT</b>	Local Government Regulation 2012(d)(i)	Number of orders and recommendations made under Section 180(2) or (4) of the <i>Local Government Act 2009</i> .	0
<b>INAPPROPRIATE CONDUCT</b>	Local Government Regulation 2012(d)(ii)	Number of orders made under Section 181 of the <i>Local Government Act 2009</i> .	2

### **Misconduct and Inappropriate Conduct Details**

*Local Government Regulation 2012 Section 186 (e)*

	(e) (i)	(e) (ii)	(e) (iii)
	<b>The name of each councillor for whom an order or recommendation was made under S180 of the Act or an order was made under S181 of the Act;</b>	<b>A description of the misconduct or inappropriate conduct engaged in by each of the councillors;</b>	<b>A summary of the order or recommendation made for each councillor;</b>
1	Cr Ron Carige	Misconduct	Charge Dismissed
2	Cr Ron Carige	Alleged inappropriate conduct by Mayor referred to departments chief executive	(a) Ordered that Cr Carige be reprimanded (b) Ordered that any repeat of the inappropriate conduct be referred to a regional conduct review panel as misconduct
3	Cr Ron Carige	Alleged inappropriate conduct by Mayor referred to departments chief executive	a) Ordered that Cr Carige be reprimanded (b) Ordered that any repeat of the inappropriate conduct be referred to a regional conduct review panel as misconduct
4	Former Councillor Ron Carige	Misconduct	Not sustained



## **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*

	<b>Subject Matter</b>	<b>Details</b>	<b>Number</b>
(i)	Frivolous Matter, made vexatiously lacking in substance	Complaints about the conduct or performance of councillors for which no further action was taken under section 176C(2) of the Act;	Nil
(ii)	Inappropriate Conduct by Mayor or Deputy Mayor	Complaints referred to the department's chief executive under section 176C(3)(a)(i) of the Act; (inappropriate conduct)	2
(iii)	Inappropriate Conduct by other Councillor	Complaints referred to the mayor under section 176C(3)(a)(ii) or (b)(i) of the Act;	Nil
(iv)	Misconduct	Complaints referred to the department's chief executive under section 176C(4)(a) of the Act; (misconduct)	1
(v)	Corrupt Conduct	Complaints assessed by the chief executive officer as being about corrupt conduct under the Crime and Corruption Act	Nil
(vi)	Regional Review Panel	Complaints heard by a regional conduct review panel;	1
(vii)	Tribunal	Complaints heard by the tribunal;	1
(viii)	Preliminary assessment is that complaint is about another matter	Complaints to which section 176C(6) of the Act applied.	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.



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### **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
6	7	Nil	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	76,512.99	
3190-2120-0002	Community Development – In Kind Assistance	15,325.81	
3190-2380-0000	Community Recovery Package * Callide Valley Men's Shed \$5,000 * Thangool State School Art Therapy	6,910.08	
2010-1194-0000	Rates Based Financial Assistance- Sports & Community Groups	55,946.95	
2010-1195-0000	Rates Based Financial Assistance- Retirement Homes	111,865.08	Plus General Rates and Water Consumption on applicable premises exempt from charging.
3450-2380-0000	Regional Arts Development Fund – Grants to Locals	3,5237.00	
	<b>TOTAL</b>	<b>\$301,797.91</b>	

## **COUNCILLOR'S DISCRETIONARY FUNDS**

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

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

To date, Council has not allocated Discretionary Funds to Councillors, consequently no Councillor's Discretionary Funds were expended during this year.





## **Mayor's Message**

The 2016 Local Government Elections have come and gone and I am very proud and humbled to have been elected Mayor of Banana Shire Council for the next four years.

It is extremely helpful in my role as Mayor to have an experienced team of Councillors and staff to support and assist me.

I would take this opportunity to welcome aboard our two new Councillors, Brooke Leo and Col Semple. They have settled into their roles quickly and I am very sure that they will enjoy the many challenges that go with being a Councillor in this day and age.

Further, I would also like to acknowledge the contribution that former Councillor Maureen Clancy has made to Council over the last 22 years. Maureen has been a stalwart of the Moura community for many years and I am sure that she will continue with her sterling community work.

One of the major challenges for Council moving forward is the reduction in funding from Federal and State Governments and the ongoing downturn in the resources sector. This has resulted in Council having to regularly review its operations to ensure that we live within our means, whilst maintaining an affordable and appropriate level of service to our communities.

We have endeavoured to achieve these objectives in our recently adopted 2016/17 Council budget.

One of my key objectives in my role as Mayor is to rebuild the working relationship with both Councillors and staff. I am extremely pleased to advise that in the short space of time since the March elections this has progressed well with everyone involved working co-operatively during the budget process.

The next 12 months promise to be busy for Council. In addition to the normal work load Council will be undertaking a mid-life review of its Corporate Plan, Community Plan and its twelve Place Based Plans. Further we will be preparing a long term financial plan and finalising our asset management plan.

I look forward to catching up with various community groups and ratepayers as I travel throughout the Shire.

Cr Nev Ferrier  
**MAYOR**



## **Chief Executive Officer's Annual Report 2015/2016**

**The 2016 quadrennial Local Government Elections** were held on Saturday 19<sup>th</sup> March 2016.

Cr Nev Ferrier successfully contested the Mayoralty. Nev has brought a wealth of experience to the position having served some 12 years as Councillor at Banana Shire prior to the election as well as being a small business owner / operator in the Dululu area for many years.

Nev has settled quickly into his new role and bringing a team approach to the running of Council.

Councillors Brooke Leo and Col Semple were elected to Council in March. They too have settled into their roles and are working well with Council.

Also at the elections long serving Councillor Maureen Clancy was defeated after having served 22 years on Council. I would take this opportunity to acknowledge the contribution of Maureen to both Council and the Moura community.

During her time on Council she would have been witness to the many changes that have impacted Local Government operations and their local communities, and the challenges that these changes created.

We wish Maureen well in her future endeavours.

Throughout the year Council has put considerable effort and resources into finalising the response to the 2015 Callide Creek Flood Review. One of the key issues for Council was the preparation of a whole of shire flood study and this project is due for completion in September 2016.

In February 2016 there was yet another rain event resulting in further flooding in the Shire. Whilst not as severe as Cyclone Marcia there was considerable disruption and some \$1.5M in damages to road infrastructure.



Council was successful in its funding applications for a number of projects throughout the year –

**Australian Government Bridges Renewal Program**

- Lonesome Creek Bridge
- Callide Creek Bridge

**Local Government Grants & Subsidies Program (State)**

- Rain Gauge Network
- Moura Water Treatment Plant Stage 2
- Biloela Civic Centre Upgrade

The new Theodore SES Building was completed and officially opened in late 2015. This much needed facility has improved flood immunity and will give the SES volunteers a much improved facility to work from.

The positive and proactive approach of Councillors and staff has greatly assisted in Council moving forward and meeting the ongoing challenges that are a direct result of the rapidly changing environment that we operate in.

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

Ray Geraghty  
CHIEF EXECUTIVE OFFICER

## SENIOR MANAGEMENT

### Employees Remuneration Packages

Local Government Act 2009 Section 201

Number of remuneration packages payable to senior management

4

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

Package Range	Number
\$100,000 to \$199,999	3
\$200,000 to \$299,999	1

(The **senior management**, of a local government, consists of the chief executive officer and all senior executive employees of the local government.

A **senior executive employee**, of a local government, is an employee of the local government—

- (a) who reports directly to the chief executive officer; and
- (b) whose position ordinarily would be considered to be a senior position in the local government's corporate structure)

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

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

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

Following a review in 2013-2014 a new Corporate Plan was 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 Corporate Plan for Banana Shire Council for the 5 year period 2014/2019 (1 July 2014 to 30 June 2019) was adopted on 28 May 2014 and came into effect on 1 July 2014.

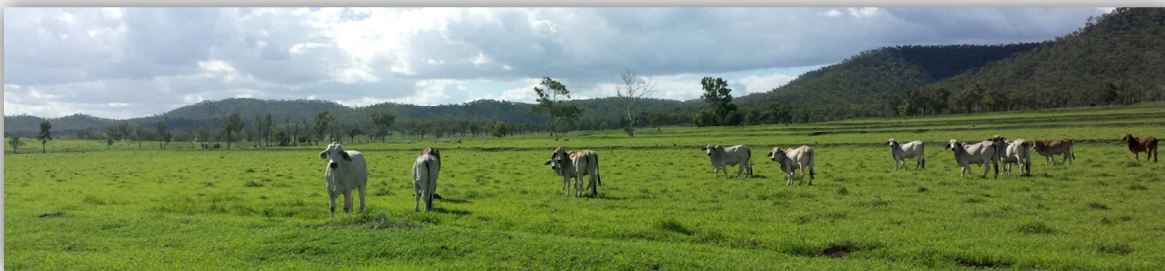
A mid term review of this Corporate Plan is proposed for 2016-2017.

Council's Annual Operational Plan and Budget for 2015/2016 were prepared to be consistent with the current 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.

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**

Council has been busy finalising the flood restoration works from the Christmas 2010 New Year 2011 flood event particularly in the Callide Valley however much of the shire remains drought affected.

The social and financial impacts of both the flooding and drought continue to have an impact on the community especially the rural community and consequently on Council's operations and budget.

The resource industry boom and bust cycle of exploration and development followed by a downturn continues to effect Council's operations. The coal industries downturn continues with little to no new development. Coal seam gas exploration continues but at a much reduced rate.

This change from a period of intense activity to a relatively quiet period in the resources industries with a resultant reduction in both the resident and itinerant workforce has continued to impact on sections of the shire.

Government subsidies and grants for infrastructure development have continued to decline and it is becoming increasingly difficult to obtain resource companies contributions.

Council has continued to consider and respond to any new proposals and applications however the opportunities have declined significantly.

The attraction and retention of staff continues to be a major challenge for Council as it is still difficult to attract staff to rural and regional areas.



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## **CORPORATE PLAN – Key Strategies**

Following a review, a new Corporate Plan for 2014-2019 which come into effect on 1 July 2014 was adopted on 28 May 2014. This Corporate Plan continued to apply for the whole 2015-2016 financial year.

Following are the Key Strategies from this Corporate Plan.

## **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.



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## **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 2015/2016 year continued with the same corporate structure however the Local Government elections of March 2016 resulted in a change of Mayor and 2 new Councillors.

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 review its policies by removing any policies made obsolete by legislation or changing circumstances and to adopt relevant new or amended policies. This will continue in 2016/2017.

Council will also continue to focus on risk management in 2016/2017 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

As mentioned last year, Queensland Parliament has adopted major changes to the *Industrial Relations Act*, as well as introducing a new modern award for local government which is still under negotiation. Due to the delay in finalising these changes, Council's 2012 Enterprise Bargaining Agreement remains in effect and Council is still waiting on finalisation and approval of the new award by the Industrial Commission.

All Council staff received comprehensive training on the new Drug and Alcohol Policy and the Code of Conduct – Employees during the year. Random drug and alcohol testing commenced in May 2016.

The first round of Performance Reviews were distributed relatively late however there was a good level of participation and good feedback.

Leave accruals continued to be monitored and proactively managed on an ongoing basis.

The Human Resources Induction for new employees has been streamlined and, in conjunction with the WHS Induction, now takes place every two (2) weeks on a Tuesday.

## Workforce Statistics

Council's workforce for the 2015/16 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 as at 30 June 2016.

Full-time equivalent = 257

Employment Status	Male	Female	Total
Full Time	175	64	239
Part Time	0	25	25
Fixed Term	4	12	16
Casual	6	37	43
Apprentice	0	0	0
Trainee	1	4	5
<b>TOTAL</b>	<b>187</b>	<b>142</b>	<b>328</b>

Unfilled Vacancies	28
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Department	Number of Employees (Inclusive of Vacancies)
Executive Services	19
Corporate & Community Services	112
Development and Environmental Services	71
Infrastructure Services	154
<b>TOTAL</b>	<b>356</b>

## **Learning and Development**

### **Trainees, Apprentices and Cadets**

Banana Shire Council was successful in obtaining four (4) Traineeships with the State Government's First Start Funding as part of the Skilling Queenslanders For Work initiative.

Council is also upskilling 18 existing workers with funding from Construction Skills Queensland in a Cert III in Civil Construction (Road Maintenance). Other upskilling areas have been in Water Operations and Plumbing.

Council also has a Civil Engineer Cadet and an Environmental Cadet working full time at the Biloela Office whilst studying part time through the University of Central Queensland.

### **Professional Development**

Banana Shire Council recognises that training, learning and development are a continual and progressive process, and that new opportunities and methods must constantly be sought to ensure that Council is offering the most efficient and applicable training, learning and development program.

In addition to training opportunities, Council encourages the development of employees by providing financial assistance for professional association membership. This is designed to expose employees to networking opportunities and industry information.

### **Careers Market**

Learning and Development has successfully coordinated Council's contribution to this year's Careers market held at the Biloela Civic Centre.

Staff from across the Council assisted to ensure that the Careers Market was not only a success, but provided interesting and interactive displays for all students who attended from all of the local high schools.

Council is appreciative of the opportunity to engage in this event hosted by Rotary and supported by a large number of other local businesses.

### **Work Experience**

Each year Banana Shire Council encourages local students to participate in our work experience programme.

To provide them with a "real life experience" Council also holds a Mock Interview. This also allows Council staff to learn interviewing skills.

Workloads and staff availability sometimes prevent a student being placed. Council does not place students in high risk areas.

Banana Shire Council also takes work experience students from the special needs class at Biloela State High School.

Staff from Learning and Development also attend a workshop every year for the year 12 students and talk about Interviewing Tips and how to write Selection Criteria.

Learning and Development are also involved in the annual Rapid Interviews held for the year 12 students who are not going for an OP Score.

### **Disaster Management Training**

Disaster Management training continues as a priority to assist Council staff who work in the Local Disaster Coordination Centre. The training covers Guardian Control Centre Software, QLD Disaster Management Framework Modules and Position Description Training for those with designated positions.

A training needs analysis was completed and on-going training and refresher courses will help to ensure that the Disaster Coordination 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**

Learning and Development coordinates and monitors internal and external training requirements relating to plant operations.

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".



## **Work Health and Safety (WHS)**

The primary function of Work Health and Safety is to ensure the health and well-being of all Council employees. To achieve this, the WHS Team have two primary functions within Council:

1. The development and continuous improvement of an effective and compliant Work Health and Safety Management System (SMS)
2. The provision of Health, Safety and Wellbeing advice, guidance and support to all staff employed by Banana Shire Council (BSC)

### ***Year in Review:***

#### **Safety Management System Update**

WHS have begun utilising a computer based SMS program (Myosh). The main advantages of adopting an on-line system include:

- The facilitation of a more effective and efficient Safety Management process
- Greater consistency in managing operations and processes across the company
- A more structured approach to how Health and Safety is managed in order to meet legal obligations as well as business goals and targets for Health and Safety at work
- Integration with other systems within Council such as training, fleet/equipment management and document control

#### **Safety Management System Review**

The WHS Management System underwent three external audits during the 2015/16 during which several minor deficiencies were identified. An internal audit was conducted and a strategic plan has been developed to address those deficiencies.

Polices and procedures are continually reviewed.

The Fire and Emergency portfolio has been handed over to Building Services.

#### **Training**

WHS has focused on providing necessary training to workers in the use of plant/equipment and Safe Operating Procedures for work activities. Site visits are undertaken to advise workers on any procedural changes which may have occurred. Induction processes are being reviewed to ensure the continuing safety of all workers and visitors to work sites.

#### **Lost Time Injuries (LTI's)**

The number of LTI's rose very slightly during the 2015/16 period but actual days lost was reduced by approximately half from the previous year.

## **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.

In July 2015, Council undertook the final steps required to implement a new Records Management software system, MagiQ. Council Staff are now using the system on a daily basis to capture, distribute, track and respond to incoming and outgoing correspondence, including phone messages, mail by post, email and fax. In the last financial year 70,000 documents were recorded in MagiQ and in the coming months the Records section will finalise the transition of more than a million documents from the previous Records Management software system DataWorks, into the new system.

In the first half of 2016 Council investigated the potential benefits of using an off-site document storage service to house Council's archives and carry out annual destruction following each financial year. Work is currently underway to prepare these archives for cataloguing and transfer to the Brisbane-based storage facility.

The 2015/2016 financial year saw a large decline in the amount of Right to Information Applications received by Council. One application existing from the previous financial year was finalised. Several Subpoenas were also received by Council. All were processed within legislative timeframes.

Annual destruction was carried out 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.



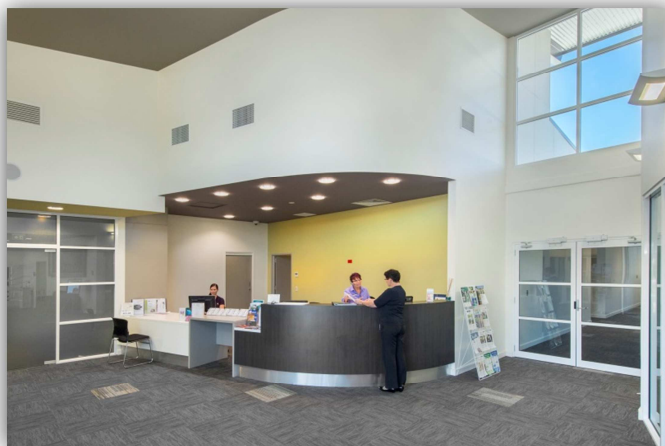
## **Information and Communication Technology**

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. 1,667 user support requests were completed during the year, at 24% increase on the previous year.

Some projects completed and made operational during the year included:

- Upgraded network storage to provide large increase required for both end-user resources and disaster recovery preparedness.
- Further upgrade and consolidation of server hardware and additional virtualization.
- Further upgrades to systems management software to assist in the rapid deployment of all Council software.
- Upgrade of corporate firewall to increase speed and services while also implementing tighter security measures to meet the increasing cyber threats to the organisation.



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## **COMMUNITY DEVELOPMENT**

### **Networking**

The Community Development Advisor:

- Attended regular community meetings throughout the financial year representing Council as required including interagency meetings in Biloela, Moura, Baralaba, Taroom and Theodore; Australia Day planning meetings and Biloela Indigenous Advisory Group meetings ;
- Continued to work with the Department of National Parks, Sport & Racing to deliver Sport & Recreation workshops in the Banana Shire;
- Liaised with Burnett Inland Economic Development Organisation (BIEDO) regarding their capabilities to deliver training in Banana Shire.

### **Training**

The Community Development Advisor participated in the following professional development workshops and webinars including:

- 'Building Better Clubs' webinar series hosted by Sports Community;
- Accidental Counselling workshop delivered by Uniting Care Community;
- Suicide Response workshop delivered by Uniting Care Community;
- A variety of mandatory Disaster Coordination & Recovery Training;
- Cultural Diversity Training delivered by Amarna.

### **Community Contributions**

Enquiries for the Community Grants Program continued to increase over the financial year. Advertising of the Program in the Central Telegraph has occurred for each round which has resulted in higher numbers of enquiries and applications.

Council contributed in excess of \$100,000.00 to the community across the Shire in the 2015-2016 financial year. Forty-nine applications were received under the program with an additional twenty-one funding arrangements/donations awarded that did not require application.

### **Community Project Support**

Thirty-nine letters of support or referee requests were written throughout the period for a variety of community groups to strengthen their applications for funding from external sources. Referee requests 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 two 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 1,200 listing views of Banana Shire based services during the financial year. Currently there are 367 organisations listed as being based in the Banana Shire (which has increased since the previous financial year) providing over 498 different services. A total of thirteen emails were distributed during the financial year to all organisations listed within the Directory using the broadcast function. With increased education and promotion about the Directory these numbers will only increase and the tool will become even more valued in the community.

## **Events**

The biennial Taroom Senior Citizens Luncheon was held on the 19<sup>th</sup> August 2015 with approximately 90 residents from Taroom, Wandoan and Theodore attending. The seniors were treated to morning tea and lunch, entertainment and a cent sale. The event was coordinated by Community services staff.

The 2016 Australia Day celebrations were held in Moura. Significant time is required from numerous staff in the Corporate & Community Services department in the planning for this event each year. Planning commences in July/August and continues up until the 26<sup>th</sup> January.



*Council staff Shanna Muston, Ruth Thompson and Melinda Petty at the Australia Day celebrations in Moura.*

The Community Development Advisor had the privilege of attending the 2015 Queensland Rural, Regional, Remote Women's Network (QRRRWN) Conference that was held in Biloela on the 4<sup>th</sup> and 5<sup>th</sup> of September. The event provided a wealth of speakers and workshop sessions to suit all interest areas. Banana Shire Council supported the event by way of a contribution towards venue hire fees and catering. The annual State wide event was a huge success and showcased Biloela and the Banana Shire to hundreds of visitors.

The QUT Big Lift once again visited the Banana Shire in 2015 to provide assistance to residents and groups where required. The group of approximately 40 students arrived on the 23<sup>rd</sup> November in Theodore and were put to work straight away helping out at venues such as the Bowls Club, Recreation Grounds, Retirement Village, Hotel and Museum. The Theodore community welcomed the students with open arms and by all reports both the community residents who were involved and the visiting students enjoyed the experience and would welcome a return visit any time. The group stayed two nights in the pavilion at the Recreation Grounds and were supported during their visit by Council's Community





Development Advisor. This was the 4<sup>th</sup> visit from the QUT Big Lift team to Banana Shire and conversations continue for future visits.



*Members of the QUT Big Lift taking time out for a photo in Theodore*

The Community Development Advisor assisted in the delivery of the Drought Relief Concerts held across the Shire throughout October and November. This culminated in the Shannon Noll concert in Biloela with a donation of \$6,000.00 being presented to Brian Egan of Aussie Helpers from the community members of Banana Shire.



*Mayor Ron Carige and Cr Maureen Clancy presenting the cheque to Brian Egan*

## **Customer Service**

There has been a 12% decrease in calls through the phone system during the year. For approximately five months from July 2015 to 26<sup>th</sup> of November 2015 there were no actual reporting statistics available due to an issue with the Data view reporting system being down. Moura Customer service were continuing to experience ongoing communication issues to the Moura office due to the poor phone line services in the old building. Moura CS relocated to a section in the Moura Youth Centre at the start of February 2016 in which we have seen a big improvement in phone services.

Customer Service Officers answered approximately 13,743 calls, which equates to approximately 110 calls per work day and approximately 3,435 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 10,396 face to face customers attending our facility to undertake their business; which equates to a 3.2% increase against the 2014/15 financial year. Our teams issued 4,484 receipts from the Biloela Administration office, 746 from the Moura Customer Service Centre and 905 from the Taroom Customer Service Office.

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



## **Financial Services**

Operational and capital financial reports were presented to Council on a monthly basis in accordance with the *Local Government Regulation 2012*. Financial services staff have 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 2015/2016 Financial Statements have been audited without qualification and all other statutory reports were completed in accordance with relevant legislation.

## **Procurement / Stores**

The Procurement team have actively assisted all departments in meeting the demands of their day to day jobs whilst ensuring that all departments are meeting Council's Procurement Policy and their financial responsibilities.

Stock levels are maintained to ensure that all items are available for emergency and everyday tasks. Pallet racks have allowed extra storage inside the stores area for large items and has allowed temporary storage of items which are not a stock requirement. The new chemical sheds have been fitted with shelving to allow easy access for items which are required to be and stored in compliance with safety legislation.





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## **Disaster Management**

Disaster Management continues to be an important function of Council as Council has significant responsibilities under the Queensland Disaster Management Act to implement activities that contribute to the reduction or elimination of the effects of hazards and to reducing the susceptibility or increasing resilience to hazards that may impact on the local communities or environment.

Council's disaster management processes were again tested during the year in response to a number of severe weather events that triggered these processes to various levels of activation.

A significant amount of effort has also been expended throughout the year in implementing the recommendations arising from the Office of the Inspector General Emergency Management review into the Callide Creek Flooding resulting from TC Marcia.

Council's disaster management arrangements are supported through the establishment of a Local Disaster Management Group comprising representatives of various government and non-government agencies including local emergency service agencies.

Council maintains an up to date Local Disaster Management Plan to ensure community safety through the development of disaster management strategies and arrangements for effective coordination of available resources to assist communities to:

- Mitigate wherever possible, the potential adverse effects of an event; and
- Prepare for managing the effects of an event; and
- Effectively respond to and recover from a disaster or emergency situation.

Two "desk top" exercises were conducted during the year;

1. Incident Management Team Exercise – to provide an opportunity for members of the Local Disaster Coordination Centre Incident Management Team to gain a better understanding of the principles of the Incident Management System to be employed within the LDCC; and
2. Agency Liaison Officers – to provide an opportunity for nominated agency liaison officers and tasking officers within the LDCC to gain a better understanding of the purpose of a local disaster coordination centre and the roles and responsibilities of such liaison officers.

Council continues to provide ongoing training to all internal and external disaster management stakeholders in accordance with the Queensland Disaster Management Training Framework as well as training in Council's Guardian software system utilised within the local disaster coordination centre during disaster events, to manage and appropriately record activities in response to such events.

## **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”.*

### **Banana Shire Regional Art Gallery**

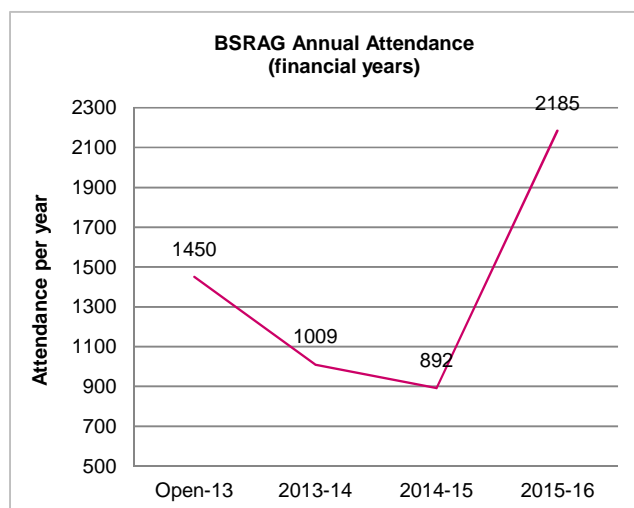
The Banana Shire Regional Art Gallery experienced great growth in attendance, and is becoming a valuable place for art enthusiasts, families and visitors to frequently attend and engage in creative activities. The volunteer base has significantly increased, which has allowed us to introduce more initiatives such as weekend opening hours once per month.

Key events and exhibitions include Art Mix, now solidified as an annual Council facilitated exhibition, and the Brigalow Arts Festival delivered by the Banana Shire Art Gallery Association. A particular highlight in this year's exhibition schedule was the imaginative and immersive exhibition 'A Sense of Wonder'.

### **Attendance & Delivery**

<b>Total Attendance</b>	<b>2185</b>
Adults	1803
Children (18 & U)	382
Total Number of Group Visits	11
<b>Exhibition Openings Attendance</b>	<b>649</b>
Total Number of Exhibition Openings	10
<b>Total Number of Exhibitions</b>	<b>11</b>
BSC Presented (collection, curated)	3
BSC Presented (touring)	0
External	8
<b>Workshops/Public Programs Attendance</b>	<b>222</b>
Total Number of Workshops/Public Programs	10
<b>Weekend Attendance</b>	<b>114</b>
Total Number of Weekends Open	5





Images L to R: Sense of Wonder Exhibition | A family enjoys the QAGOMA APT8 Kids Touring activities | Sense of Wonder Artists deliver an artist talk and demonstration | Children with their projects at the Sue Daw Aquatic Creatures workshop

## Banana Shire Art Collection

The Banana Shire Art Collection comprises of 292 pieces, an increase of 50 pieces predominately acquired through donations.

Image: *Old Rainbow Hotel*, Walter Pasley  
Donated by the Banana Shire Historical Society



## Arts & Cultural Activity

Council also facilitated other arts and cultural activity, such as bringing the touring production of *It All Begins With Love* to Biloela. This play shed light on domestic violence issues and was a very moving performance for those who attended.

Image: *It All Begins With Love* Scene, Courtesy of Creative Regions.



## Focus

Council's "Focus" newsletter was circulated quarterly with strong community support for the Community Calendar.

The newsletter is mailed to all mailing addresses within the Banana Shire (approximately 6,400) 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](mailto:enquiries@banana.qld.gov.au)



## Library

Banana Shire Libraries have had a very successful year, with an increase in loans and visitor numbers

### Highlight

Stig Weymss, narrator of Andy Griffiths books, came for Children's Book Week - 300 local school children attended.



We also took delivery of our new Mobile Library in October.

The feedback from customers has been extremely positive.

With all staff able to operate the vehicle, it will be used to its full potential.



### Events

**August** - Cooina Kindy kids visit & display their art.





**November** – Robogals, volunteer Science students from UQ, came to show kids how to program Lego robots.



Remembrance Day Display – Animals in War display was very well received

## January

APT8 Kids on Tour program at Biloela Art Gallery, Moura Youth Centre, Taroom Hall, & Theodore Youth Centre in conjunction with Banana Shire Art Gallery.





### March

Greycliffe Homestead display timed to coincide with Biloela Historical Society's annual open day.



**May** - State Library of Queensland staff visited for the QANZAC 100 event. They brought along diaries & other artifacts to view.

### June - LegoSpiro at Moura Library



Total Loans	
Biloela	49453
Mobile	9035
Moura	6198
Theodore	2343
Taroom	5265
Total	72294

Door Count	
Biloela	47596
Mobile	3221
Moura	2863
Theodore	1084
Taroom	3702
Total	58466

Membership	
Biloela	5499
Mobile	772
Moura	756
Theodore	265
Taroom	443
Total	7735



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## **Community Resource Centre 2015/2016**

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 2015/2016 has continued to provide these in Banana Shire. This is achieved by:

### **Resource Library**

The CRC has lent 2,563 items during the 2015/2016 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**

These funded programs are designed to enhance the educational outcomes of eligible children with disabilities in schools and are accessed via school service request.

##### *Education and Therapy Support Programs*

Individual and group therapy services were provided by a Speech Language Pathologist, Occupational Therapist, Physiotherapist, Educators and therapy assistants 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, Mount Murchison, Prospect Creek and Thangool.

##### *School Support Holiday Programs*

This program targets social skills, gross and fine motor development and community engagement to support educational programs and lifelong learning. The program has been extended in 2016 to provide support to enable students with disabilities to participate in educational activities (eg camps, excursions, extension activities) on the same basis as their peers. This program also facilitated a horse riding therapy program and a homework support program.

##### *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. Acquisitions during the 2015/2016 year have included three wheelchairs and a range of specialised postural seating to promote inclusion and participation in learning activities in classrooms.

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



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### **CRC – Fee for Service**

This year has seen the introduction of therapy services on a fee for service basis. With the introduction of the National Disability Insurance Scheme, the provision of therapy services under project funding will reduce significantly, making fee for service a vital part of the CRC's income stream.

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

The Callide Dawson Special Needs Support Group Inc. (CDSNSG) 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 support for gifted music students to attend the State Honours Ensemble Program, and have provided early intervention therapy support for children under preschool age in the shire. The Early Intervention program seeks to address needs identified by the Shire Wide Banana Bubs Red Flag initiative, collaboration between CQ health, CQ Medicare Local and community groups from around the shire. CDSNSG provided significant support to the shire wide launch of the Banana Bubs Project in 2015.

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

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.

Allied health services for residents of Banana Shire were provided at the CRC by a number of organisations, including psychology, counselling, speech pathology, occupational therapy, exercise physiology and dietetics services delivered by There4U for the Primary Health Network. These programs are funded by the Commonwealth Department of Health and Ageing. Central Queensland Sleep Clinic and Queensland Program of Assistance to Survivors of Torture and Trauma (QPASTT), Converge and the Family Relationships Centre provided outreach services to Banana Shire from the CRC premises. Speech therapy was provided by Dr Amanda Heit Speech Pathologist, Music Therapy by Sing and Grow and small group therapeutic intervention by Autism Queensland.

Interagency meetings were held quarterly at the CRC in 2015, providing a forum for local and visiting services to meet and form networks to benefit our community. Callide Valley Chaplaincy, Sailability in the Bush CQ Inc., CDSNSG, Banana Shire Support Centre, Banana Shire Allied Health Steering Committee and Queensland Health also utilised the CRC facilities to hold meetings.

A number of organisations used the CRC meeting rooms to run training sessions and workshops. These included Disability Services, Anglicare CQ, C and K, Amarna, Check Up, CRU, Global Intellectual Group and the Queensland Rural and Remote Women's Network State Conference.

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. Employment agencies, MAXX and APM utilised the CRC to support job seekers during 2015/2016. Several support groups including Mental Health Support Group and Cancer Council Queensland have met at the CRC during this period.

The 2015/2016 year has been an exciting time for the CRC. We continue to respond to changing community needs and are excited about the future for our service.

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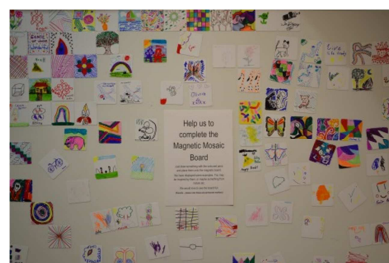
## REGIONAL ARTS DEVELOPMENT FUND (RADF)

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, local arts and cultural projects and initiatives delivered by Council for the community. A total of \$39,433 was dispersed towards ten projects, completely utilising all of the allocated RADF funding.

The 2015-16 year saw the implementation of the updated RADF program which is now an individual program, tailored to suit our community and our local priorities. Changes included the introduction of the 'Creative Life Project' where BSC will collaboratively work with a community group to value add to an existing event or festival.

RADF GRANTS			
Round	Applicant	Project	Grant Amount
1	Owen Anderson	Bespoke Furniture Making	\$850
2	Glenda Semple	McGregor School - I Can't Draw!? Learn How You Can	\$1,500
	Robyn Dower	Sense of Wonder	\$3,985
3	Taroom State School	Lion King Jr	\$4,290
	Jane Gray	Masterclass with Wendy Wright	\$1,384
	Biloela Baptist Church	"Rampage Youth" Concerts 2016	\$15,845
	Music Teachers Association (Biloela)	Piano Workshop	\$1,383
	Fay Neale	Wrapt in Rocky	\$1,000
	Banana Shire Council	BSRAG: Creating an Identity & Brand	\$5,000
	Banana Shire Council	Creative Life Project	\$4,196



Images L-R: Owen Anderson's workshop projects in progress | Sense of Wonder artist talk and community activities

## 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 Home Support Programme and the State Qld Community Care 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.

**RADF- REGIONAL ARTS DEVELOPMENT FUND  
HACC - HOME AND COMMUNITY CARE**



## **PARKS AND OPEN SPACES**

Significant projects that have been carried out in the Parks and Open Spaces area this year have included:

- Lions Park, Moura – upgrade park facilities including softfall and replace non-compliant playground; value \$100,000
- Glebe Weir Park, Taroom – refurbish carpark, bollards and park furniture; value \$20,000
- Neville Hewitt Park, Theodore – replace non-compliant playground equipment; value \$90,000



Lions Park, Moura



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## **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**

Following heavy rain in February, mosquito control activities were undertaken around the towns of Biloela, Thangool, Jambin, Goovigen, Moura and Theodore. These activities involved the application of larvicide to potential breeding sites and the use of ULV equipment to treat adult mosquitoes. Additional treatments were undertaken around schools, hospitals, sports fields and day care centres, in an effort to reduce nuisances and the likelihood of mosquito borne disease.

Council officers assisted Queensland Health in conducting an alpha virus program to detect the presence of Ross River Virus and Barmah Forest Virus in the local mosquito population. This program involved the trapping and identification of mosquitoes to determine the species mix within the community, as well as the analysis of honey-soaked feeding cards for the presence of viruses.

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

### **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.

Council officers continued monitoring water quality for Council's reticulated supply, Council swimming pools, and food premises on a non-reticulated supply.

A population of Little Red flying foxes began roosting within the Moura township towards the end of the financial year, with Council providing coordination and support to manage this situation in consultation with the Department of Environment and Heritage. With the issue of flying fox management re-emerging within the Shire, a Statement of Management Intent, which clearly defined the role that Council intended to play in the management of flying foxes within the Shire, was developed and endorsed by Council in June.



## **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 2015/16 financial year was as follows:

Food business license	107
Environmental registration	0
Rental accommodation permit	1
Caravan park operator permit	9
Higher risk personal appearance service	1
Footpath permit	58
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 at Shire cemeteries, with new concrete beams installed at the Moura, Theodore and Jambin Cemeteries and Biloela Lawn Cemetery, and fencing completed at the Baralaba, Wowan and Theodore Cemeteries. Portable shade covers were constructed for the Baralaba, Moura and Wowan Cemeteries, and a new gravel road provided at the Jambin Cemetery.

Council undertook a total of 78 burials throughout the Shire during the year.

## **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:

- 2493 dogs registered;
- 3 Menacing dog declarations;
- 1 Dangerous dog declaration;

Of the animals that were impounded the following apply:

- 129 Animals destroyed;
- 113 Animals rehomed;
- 219 Animals released.

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

This financial year saw a significant increase in dog registrations resulting from Council conducting a systematic inspection program the previous year. There was a significant increase in rehoming of animals and a corresponding decrease in animals destroyed thanks to the extensive efforts of compliance officers and establishment of networks and relationships with local rescue organisations.

Compliance Officers continued to take the Petpep Program into the local primary schools, but with significant staff changeover, were only able to participate in 1 visit throughout the year with 120 students attending. This program teaches children responsible pet ownership and dog bite prevention.

### **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 Giant Rats Tail Grass, Parthenium, Mother of Millions, Prickly Acacia, Rubbervine, Lantana, Bellyache 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 a strategic control program of Giants Rat Tail Grass with 9 properties being aerial treated with Flupropanate. The cost for the project was split 50:50 between the property owners and Council. Follow-up inspections indicated a high success rate in the control of Giant Rats Tail Grass.

Council staff conducted 143 washdown inspections, which target the prevention of weed seed spread.

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

Council's land protection staff attended training provided by the Department of Agriculture and Fisheries on the new *Biosecurity Act 2014*, in preparation for the Acts' intended commencement date of 1 July 2016, replacing the *Land Protection (Pest and Stock Route Management) Act 2003*.

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 8,375kg, which included the following break-up:-

<b>Properties</b>	<b>Type of bait</b>	<b>Amount</b>
45 properties	Dog meat	4,430 kg
32 properties	Pig meat	3,225 kg
14 properties	Pig grain	720 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.
- Rabbit Calicivirus Disease was released in Biloela for control of rabbits.
- Council staff also undertook a trapping program to reduce feral cat numbers around Taroom.



## **Stock and Stock Route Management**

With ongoing dry conditions, there continued to be a large number of applications for stock route agistment and travel permits, with 49 grazing permits and 10 travel permits being issued, involving a total of 9008 head.

Council continued its improvement to water facilities on the Stock Routes, with the upgrading of Peekadoo'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.

## **Tick Clearing Yards**

The Taroom tick clearing yards and dip were rebuilt during the year, replacing the old timber with a galvanised structure in order to meet animal welfare standards and prevent residual contamination of the infrastructure.



## **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 received is a slight increase on the previous financial year however it is well down on the number during the resources boom.

<b>Development Permit Type</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
Material Change of Use	14	32	34	23	9	12
Reconfiguration of a Lot	7	10	15	9	6	7
Combined (i.e. both Material Change of Use and Reconfiguration of a Lot)	1	0	0	2	3	1
<b>Total</b>	<b>22</b>	<b>42</b>	<b>49</b>	<b>34</b>	<b>18</b>	<b>20</b>

\* 10 Concurrence Agency Responses were also issued in the 2015/16 period.

### **Strategic Planning - New Planning Scheme**

Preparation of the new Banana Shire Planning Scheme to combine and replace the existing Banana Shire Planning Scheme, 2005 and Taroom Shire Planning Scheme, 2006 is on hold pending changes in Government legislation. The State Government proposes to replace the current *Sustainable Planning Act 2009* with a new Planning Act in the near future.

Having one scheme will simplify processing and provide a more measured approach towards development throughout the whole Shire however in the meantime Council will continue to operate



under the two existing schemes whilst preparing the new planning scheme under the new legislation.

The new planning scheme will establish the overall strategic direction (economic, social and environmental) for the local government area for the next 15 to 25 years.

Once completed to draft stage public consultation will occur prior to formal consideration and adoption by Council.

## **PLUMBING**

The number of Plumbing Approvals has increased:

Financial Year	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Plumbing Approvals	126	136	142	42	53	63

## **BUILDING**

Council has employed a qualified building certifier.

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

Financial Year	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Building Approvals	201	269	216	171	155	175
Council certified Approvals		37	34	45	58	81
Privately certified Approvals		232	182	126	97	94

## **SWIMMING POOL SAFETY CERTIFICATION**

Financial Year	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Certificates Issued	0	0	0	4	9	17



## **TOURISM DEVELOPMENT**

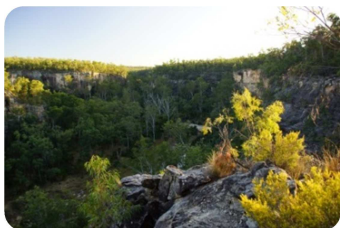
The Banana Shire Tourism Advisory Committee has struggled to meet quarterly, with much absenteeism and a lack of drive through some town representatives as well as Local Government Elections disrupting this calendar. Council is seeking ways to better engage with tourism operators/community members who are more highly focused on amplifying our new message.

Banana Shire Council, through Origin funding, embarked on a bold tourism undertaking to review current tourism operation and partnerships, develop a contemporary tourism strategy and complement it through a digital marketing strategy and plan. This process delivered a refreshed digital library of pictures and video, the construction of a new interactive website and social media platforms and above all, the creation of a tourism brand that accurately reflects the range of experiences across the region. Launched through a comprehensive digital marketing & advertising campaign, and supported by subject matter workshops across the Shire, this strategy has been well received and will provide the platform to further sell our message across the greater region.

Council also decided to further enhance this message through the 2016 Banana Shire Industry Summit, with the focus being on Tourism; more specifically the Drive Market and how all business can share in this growing market as well as local produce food tourism experiences.

Gladstone Area Promotion and Development Limited (GAPDL) attended a range of travel/holiday shows in Australia and New Zealand distributing regional guides and promoting attractions and activities in the Gladstone Region however Banana Shire Council decided to cease its agreement with GAPDL in June 2016 and engage with Outback Queensland Tourism Association (OQTA) as a partnership specifically targeting the drive market. This partnership promises to leverage Council's new brand (Sandstone Wonders) utilising OQTA marketing expertise and reach to drive more visitations and increase the length of stay thereby delivering more economic benefit to local towns.

Council's participation in both the Leichhardt Highway Promotions Association (LHPA) and Australia's Country Way Committee (ACW) remains strong. The relationship further strengthened towards the end of 2015, through a mutual agreement that both committees would work together in partnership on common themes, such as websites, print media and drive routes. The focus in the future is to further expand this concept to include other inland highway groups. Both ACW and LHPA attended relevant major tourism shows throughout regions and cities to further highlight the experiences across their respective footprint. 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, which is flagged to be delivered sometime within the 2016/17 financial year. The LHPA were successful in negotiating specific experience signage through Transport and Main Roads (TMR) with delivery in July 2016.



**sandstone**  
**WONDERS**



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## **ECONOMIC DEVELOPMENT**

### **Broad Direction**

Council continued to support the four pillars economic development strategy based on:

- Tourism
- Agriculture
- Resources, and
- Construction

To foster development in these areas, Council has taken the following approach:

- 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 managed by the Development and Environmental Services area as this role is 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. As applicable, Council has disseminated business and industry related information to the public.

A draft Economic Development Plan (EDP) to highlight strategic actions and choices that will support a strong, forward moving economy and long term economic prosperity is currently being reviewed and will be presented to Council for consideration.

## **Industry Summit**

The 13<sup>th</sup> Banana Shire Industry Summit was held on the 13<sup>th</sup> October 2015. This event was a great success with the focus being on the Beef Industry “How changes will strengthen the industry”.

Following an opening address by Hon Barnaby Joyce MP, Federal Minister for Agriculture, the summit was addressed by the following speakers:

- Howard Smith, President, Cattle Council of Australia
- Richard Norton, Managing Director, Meat & Livestock Australia
- Grant Maudsley, General President, Agforce Queensland
- Dr Alex Ball, General Mgr, Red Meat Innovation, Meat & Livestock Australia
- Geoff Teys, Executive Director Livestock, Teys Australia
- Alison Penfold, CEO, Australian Livestock Exporters' Council.

Each presenter gave motivational addresses that will be of benefit to all members of the beef industry present at the summit.



## **Future Intentions and Projects**

- Develop economic development strategy
- Continue engagement with key local, regional, state and federal stakeholders
- Advance new planning scheme to further facilitate 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 \$200 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.



***Goovigen Reservoir***



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*.

Major construction activities for the year included those projects jointly funded by the Queensland State Government under the Building Our Regions program. These projects included the construction of the Baralaba Water Treatment Plant and Water Supply System Improvements, completion of the Banana Reservoir Projects, and commencement of The Moura Water Treatment Plant Upgrade (Stage 2).

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 and augmentation works.

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

- Biloela Water Treatment Plant Upgrade/Automation - \$1.85 Million
- Moura Water Treatment Plant Upgrade/Automation (Stage 1) - \$1.9 Million
- Sewer pipeline Cleaning and CCTV inspection (rolling program over 5 yrs to complete all sewers)
- Sewer manhole replacement/refurbishment (various schemes)
- Replacement of damaged sewer property connections (various schemes)
- Substantial completion of Malakoff Street Sewer Diversion and Augmentation
- Substantial completion of emergency overflow storage at Dee Street Sewage Pumping Station.
- Removal of sludge from lagoons at Biloela STP
- Substantial completion of Goovigen Water Supply Upgrade – including construction of a ground level water reservoir, installation of booster pumping station and new chlorination facility.
- Delivery of pre-fabricated chlorine facility to Taroom WTP
- Programmed water meter replacement and large diameter meter upgrades (all schemes).
- Survey and Design of Moura Raw Water Pipeline Replacement/Augmentation
- Hydrant replacement program (all schemes - ongoing)
- Valve replacement program (all schemes - ongoing)

Operational efficiencies continue to be pursued for 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*.

## **Built Environment**

Built Environment is responsible for the repairs and maintenance of Council buildings.

They were busy last year organising repairs to various buildings in Biloela, Thangool and Taroom as a result of damage sustained from Cyclone Marcia, and storm events.

A number of capital projects were completed across the Shire, including works at reservoirs and treatment plants.

Works were conducted at the Taroom, Biloela and Moura Pools including new shade structures and canteen upgrades.

Mobile shade structures were delivered to various Cemeteries throughout the Shire.

Council is continuing with solar projects throughout the Shire to reduce running costs of Council buildings and infrastructure.

Council has a very proactive approach to maintaining a high standard of maintenance to Council buildings and structures for the safety and enjoyment of users and the community.



*Biloela 25m Pool shade structure*

*Thangool Aerodrome*



## **INFRASTRUCTURE SERVICES**

Infrastructure Services has two primary functions:

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

## **TECHNICAL SERVICES**

Technical Services provide Council with a strategic framework in relation to roads, drainage, parks, and associated public infrastructure. Technical guidance, with regard to roads and stormwater standards and quality assurance, is provided to the whole of Council.

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. Technical Services are also responsible for Operational Works assessment and compliance, and provide Development Engineering advise the Planning Section of Council.

2016 continued to be a challenging year in relation to the recruitment of suitably qualified people. Technical Services have continued to utilise consultants to build and improve internal design capacity and will continue to actively.

### **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. Although there have been no major Operational Works Applications this year, the team has been busy assessing a number of minor applications.

## **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 (Roadworks) 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 and completed a roadworks capital program in excess of \$10.1M for 2015/16. The highlights of which are:

- Quarrie Rd, Biloela – replace floodway, install small box culverts and reconstruct approaches; value \$300,000
- Valentine Plains Rd, Biloela - upgrade Browns Gully floodway and reconstruct approaches; value \$440,000
- Gibihi Rd – reconfigure intersection at Anglo mine accesses to improve safety and trafficability; value \$500,000
- Ghinghinda Rd – construct concrete floodway including approach works and erosion protection; value \$120 000
- Gilberts Lookout, Taroom – construct concrete footpath to disability standards and minor landscaping (partly funded by Taroom District Development association): value \$150 000
- Theodore-Moura Rd – bridge replacement at Lonesome Ck was started in 2015/16 and will be finished in 2016/17; value \$1.2M
- Defence Rd – bridge replacement at Castle Ck was started in 2015/16 and will be finished in 2016/17; value \$650 000

#### **Valentine Plains Rd, Browns Gully**

##### **Before**





During



Almost finished



Gilberts Lookout



Theodore-Moura Rd, Lonesome Creek Bridge  
Just started







Old and new



## **WASTE MANAGEMENT**

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

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

In 2015/16, Council completed upgrades to several transfer stations and landfills within the Shire:

### Jambin Transfer Station

- Gravel pad

### Moura Transfer Station

- Fencing upgrade

### Thangool Transfer Station

- Fencing upgrade
- Relocation of green waste area

### Theodore Transfer Station

- Relocation of green waste area

### Trap Gully Landfill, Biloela

- Completion of Stage 2 Leachate Trench & dam construction



## **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.

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 2015/16, Council undertook the following projects at aerodromes within the Shire:

### Taroom Aerodrome

- Fencing upgrade – Taroom Aerodrome is now fully fenced
- Runway repairs
- Installation of water tanks

### Thangool Aerodrome

- Purchase of Fuel Facility from Shell Aviation
- Installation of Avgas tank. Thangool Aerodrome now offers the sale of Avgas and Jet A-1 fuel.
- Lighting upgrades to taxiway and threshold.
- Terminal upgrade – extension and re-sheeting of terminal, together with new furniture and check-in kiosk.



## **AERODROMES**





## **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.

## **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) <b>List of Business Activities</b>	45 (b) <b>Significant Business Activity</b> (Sect 43)	45 (c) <b>** Competitive Neutrality Principle Applied</b> (Sect 43)	45 (d) <b>New Business Activity</b> (Sect 46)	<b>Code of Competitive Conduct Applied</b> (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 made the following changes to tender specifications during the last financial year:

<b>CHANGE</b>	<b>NUMBER</b>
Changed the specifications	3
Extended the closing date	1
Clarified queries	2
Attached plan inadvertently missed in original documents	1

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:

- Administrative Action Complaints
- Asset
- Conflict of Interest
- Contact with a Lobbyist
- Cost Recovery Fees
- Delegations
- Gifts and Sponsored Hospitality Benefits
- Instruments of Appointment
- Interests of a Councillor
- Interests of a Related Person of a Councillor
- Interests of the CEO
- Interests of a Related Person of a CEO
- Interests of a Senior Executive Employee
- Interests of a Related Person of a Senior Executive Employee
- Local Laws
- Material Personal Interest (at a Meeting of Council)
- Policies, Procedures and Protocols
- Pre Qualified Suppliers
- Public Interest Disclosures
- Rate Write-Offs
- Related Parties Declarations of an Employee
- Related Parties Declarations of a Councillor
- Right to Information and Information Privacy Applications
- Roads (Included in Asset Register)



## 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:

<b>Financial Assistance Grant</b>	<i>Reference</i>	<b>Grant</b>
General Purpose Grant	2200-1010-0000	\$5,444,253
Identified Road Grant	5050-1010-0000	\$2,218,523
<b>Total</b>		<b>\$7,662,776</b>

The Identified Road Grant component of \$2,218,523 has been utilised as a contribution to capital road works totalling in excess of \$10.1M on the following roads:

Aerodrome Rd, Thangool - School Safety	1,137	Callide Street, Biloela - UC	350,590
Alberta Road - Rural Reseal	56,208	Callistemon St, Biloela - Urban Reseal	64,885
All Towns - Town Streets - Urban Rd Safety	771	Callistemon Street, Biloela - UD	242,471
All Towns - Town Streets (Kerb & Channel) - UD	17,914	Chambers Road Rural Construction - Gravel Pvm	72,037
All Towns - Town Streets (Pit Upgrade) - UD	133,685	Charvel Road - Rural Reseal	5,774
Aqua Park Road Rural Construction - Gravel Pvm	39,513	Coolum Road - RC Gravel Pvm	180,392
Baileys Lane - RD	8,979	Crowsdale-Camboon Rd - LCS	2,827
Banana-Baralaba Rd - LCS	830,992	Crowsdale-Camboon Rd - Rural Rd Safety	4,293
Banana-Baralaba Rd - RD	1,548	Crowsdale-Camboon Road - RD	110,500
Baralaba Rannes Road - Footpath	55,371	Davey/Widt/Farmer Sts Roundabout - Lighting	11,919
Baralaba Town Streets - UD	58,332	Dawson Avenue, Theodore - UD	3,246
Baralaba-Kooemba Road - RRS	3,891	Dawson Hwy (Nth) - Kariboe St CBD Upgrade	1,759
Barfield Road - RC Gravel Pvm	82,039	Dawson Hwy Parking Lane (Nthn) - UC	3,092
Bauhinia Street, Biloela - Urban Reseal	35,845	Dawson Hwy Parking Lane (Sthn) - UC	831
Beckers Road - Rural Reseal	46,355	Dearne Road - RC Gravel Pvm	57,089
Brownlies Road - Rural Reseal	4,685	Dee River Road - Rural Rd Safety	2,013
Bundalba Road - Rural Reseal	11,574	Defence Rd (Castle Creek Bridge) - RD	240,282
Bundalba Road - Rural Reseal	18,483	Dixalea-Deeford Rd - LCS	384,409
Callide Creek Bridge, Goovigen - RD	644,675	Dixalea-Deeford Road - Rural Reseal	6,173
Callide Lane, Biloela - UC	3,306	Eric Hamilton Road - LCS	95,676

Exhibition Avenue, Biloela - UD	91,812	Nuga Nuga Road - RD (R2R) -	384,525
Flagstaff Road - RC Gravel Pvmt	63,910	Oakey Street, Biloela - UD	29,668
Flagstaff Road (Floodway) - RD	104,198	Oakey Street, Biloela - Urban Reseal	34,256
Ghinghinda Road (Floodway) - RD	112,987	Orange Creek Road - LCS	3,466
Gibihi Road (Roundabout) - RC	505,919	Power Street, Baralaba - Community Lighting	2,187
Glenmoral Roundstone Rd - Rural Reseal	61,491	Quarrie Road, Biloela (Floodway) - UD	297,534
Goovigen Showgrounds - Elect Upgrade	25,772	Railway Avenue, Wowan - UC	13,098
Greens Road Rural Construction - Gravel Pvmt	238,074	Ramsay Street, Thangool - UD	22,894
Herbert Street, Banana - Urban Reseal	6,152	Remfreys Road - RC Gravel Pvmt	53,458
Herbert Street, Banana - Urban Reseal	8,232	Rogers Street, Biloela - Urban Reseal	85,701
Hicks Street, Moura - Community Lighting	2,092	Russells Lane - RD	34,764
Hornet Bank Road (Floodway) - RD	75,532	Shawlands Road (Floodway) - RD	81,865
Hornet Bank Road Rural Construction - Gravel Pvmt	166,037	Thangool Lookerbie Road - RC Gravel Pvmt	29,239
Ian Healy Drive, Biloela - Urban Reseal	13,025	Thangool-Lookerbie Rd - LCS	2,420
Injune Road - Rural Rd Safety	21,455	Theodore- Moura Rd - Rural Construction	67,270
Jambin Dakenba - Callide Creek - RD	3,694	Theodore Moura Rd - Community Lighting	15,223
Jambin-Goovigen Rd - Rural Rd Safety	3,630	Theodore Moura Rd (Floodway) - RD	81,105
Kelman Street, Taroom - Footpath	46,355	Theodore Moura Rd (Lonesome Cr Bridge) - RD	825,560
Kelman Street, Taroom - Stage 1 - UC	167,394	Theodore-Moura Rd - LCS (R2R)	274,144
Kelman Street, Taroom - UD	61,572	Three Chain Road - RC Gravel Pvmt	217,826
Kokotungo Don River Rd - Rural Rd Safety	4,537	Tiamby Street, Biloela - Community Lighting	8,149
Lane 5 - Harris St to Hwy, Biloela - UC	8,146	Tomlins Road - LCS	340,417
Lookerbie Circle Road - RC Gravel Pvmt	27,257	Uncle Tom's Road - RC Gravel Pvmt	17,746
Major Bridge Upgrades Program - RD	45,780	Valentine Plains Rd - Open Drain (Stage 1) - UD	173,883
Malakoff Street, Biloela - UC	82,160	Valentine Plains Rd (Browns Gully Upgrade) - UD	375,629
Malakoff Street, Biloela - Urban Reseal	92,366	Wardles Road - RC Gravel Pvmt	13,141
McArthur Street, Moura - Urban Road Safety	6,017	Warren Street, Goovigen - UC	927
McLaughlin Drumberle Road - RC Gravel Pvmt	28,079	Winston Street, Thangool - Footpath	47,214
Melton Street, Biloela - Footpath	74,031	Winston Street, Thangool (Nine Mile) - UD	64,591
Mimosa Street, Baralaba - UD	10,413	Woodvale Road, Taroom - RD	81,685
Mimosa Street, Biloela - Urban Reseal	29,506	Wowan Primary School (opp. side) - SSP	9,959
Moore Shubert Road - RC Gravel Pvmt	24,060	Wowan Primary School (school side) - SSP	558
Moriarty Street, Banana - UC	51,701	Wowan Westwood Rd - Rural Rd Safety	3,905
Moura Bindaree Road - RC Gravel Pvmt	15,924	Yaldwyn Street - Footpath	1,320
Moura CBD & Dawson Hwy - Streetscaping	20,799	Yapabara School Road - RC Gravel Pvmt	18,383
Moura Stormwater (Stage 1) - UD	55,086	Young Street - Urban Reseal	50,322
Nathan Road - LCS	16,762	Young Street, Moura - UC	11,798
North Street / Kelman Street, Taroom - UD	28,523		
North Street, Banana - UD	37,475		
Nott Street, Moura - Urban Road Safety	2,260		

## **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:

<b>Function</b>	<b>Reference</b>	<b>Concessions</b>	
Retirement Homes	2010-1195-0000	\$111,865	Plus water consumption and general rates on applicable parcels
Council Pensioner Rebate	2010-1180-0000 2010-1181-0000 2010-1182-0000	\$179,106	
Rates Based Financial Assistance	2010-1194-0000	\$55,947	
<b>Total Council Concessions</b>		<b>\$346,918</b>	

State Government Pension Rebate	2010-1170-0000	\$120,182	
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## **INTERNAL AUDIT – Report for the Financial Year**

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

The Audit Charter from the previous year was carried forward into 2014-2015, reviewed and updated. Council's Internal Audit Committee met three times during the financial year to consider the status of items on this Audit Action Plan and to report to Council.

Council 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.

An Internal Audit Strategic Audit Plan 2015 - 2018 and the Internal Audit Annual Plan 2015 – 2016 was developed in cooperation with Council Staff and Council's Audit Committee. The Audit Committee Charter was revised and amended.

An internal audit was conducted on a number of functions within Council. Council is in the process of implementing the recommendations from this audit.



## COMPETITIVE NEUTRALITY COMPLAINTS

### Summary of Investigation Notices

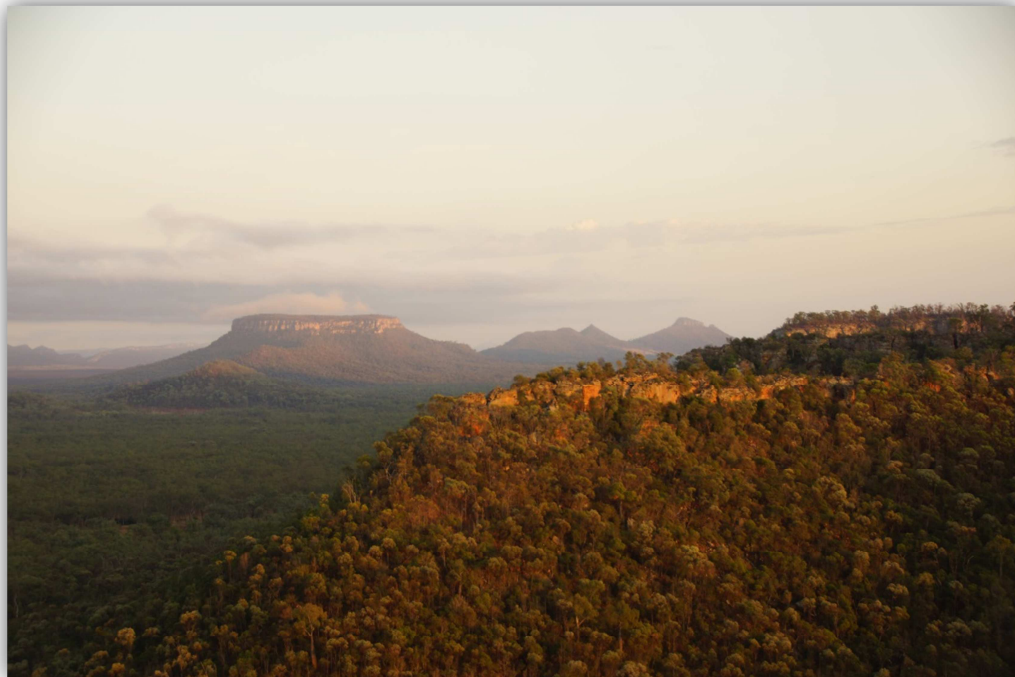
*Local Government Regulation 2012 Section 190 (1) (i)*

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

### 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.

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.

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 are readily available for those requiring this medium. Training sessions have been held for staff and the Code of Conduct is part of the induction process for all new employees.

Although not required under this *Public Sector Ethics Act 1994*, Council has completed and adopted a separate Code of Conduct for Councillors

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

Both Codes of Conduct are also readily available on Council's website for the general public.

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



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## FINANCIAL STATEMENTS

### **GENERAL PURPOSE FINANCIAL STATEMENT**

*Local Government Regulation 2012 Section 183 (a)*

See Attached Documents (*At end of Annual Report*)

### **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 2016.

#### **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 15/16 Financial Statements?**

A complete version of Council's Financial Statements for the 12 months to 30 June 2016 can be found in the 2015/16 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 2015/16**

Council's result for the 2015/16 year was a \$1,554,152 deficit. This includes capital income and expenses.

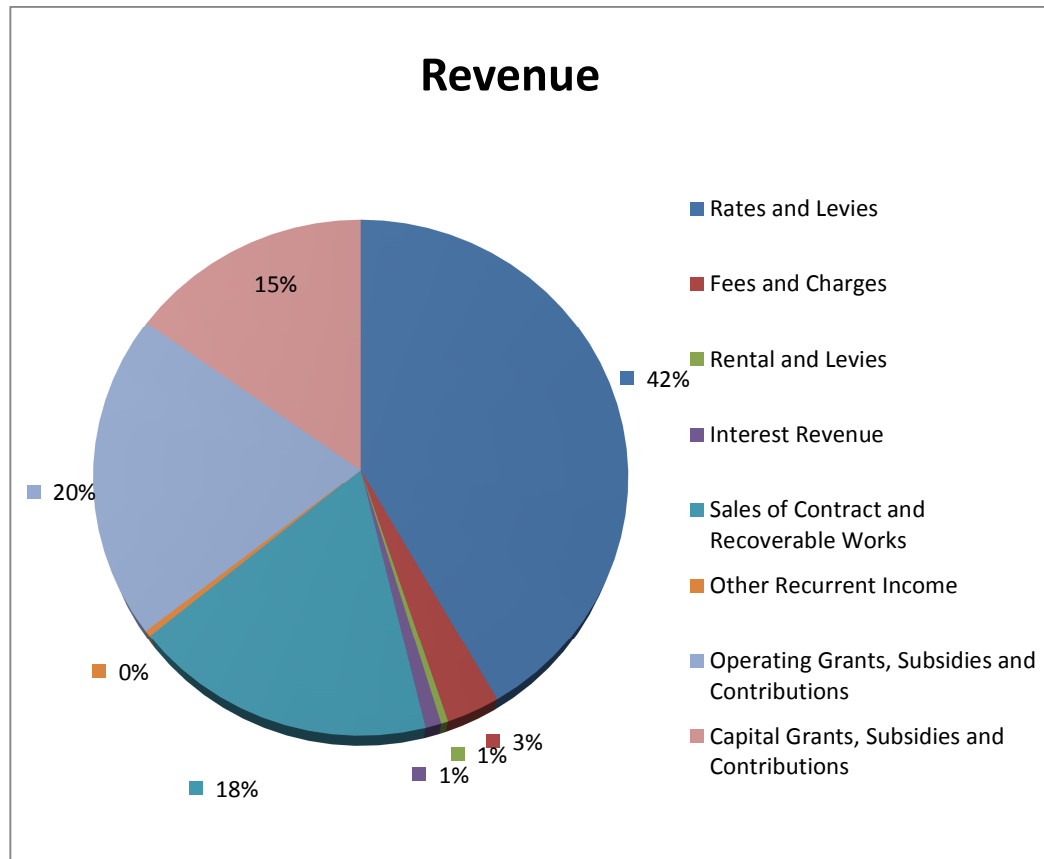
#### **Council's Operating Result**

<b>\$</b>	<b>Actual 2016</b>	<b>Budget 2016</b>	<b>Actual 2015</b>
Expenditure (excl. capital expenses)	<b>(67,348,963)</b>	(69,305,580)	<b>(75,723,642)</b>
Revenues (excl. capital income)	<b>64,856,439</b>	69,305,580	<b>73,019,232</b>
<b>Operating Surplus/(Deficit) for the period</b>	<b>(2,492,524)</b>	-	<b>(2,704,410)</b>

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 2015/16 year

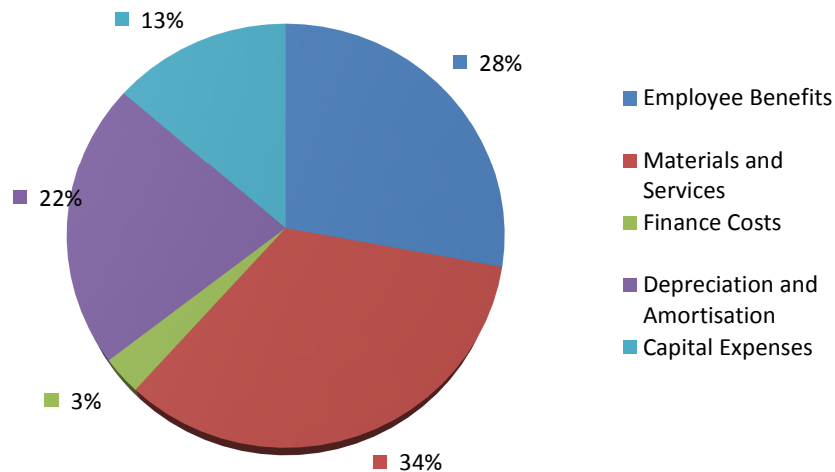
The chart below summarises where Council's revenue came from:



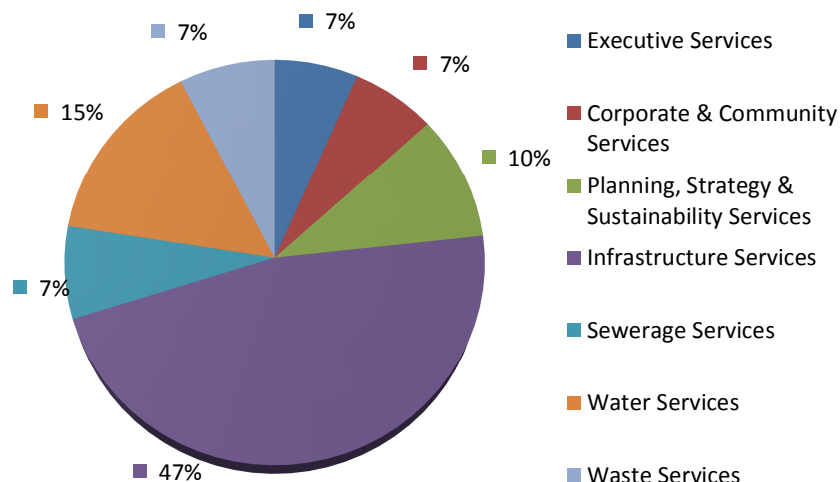
### **Council's Expenditure for the 2015/16 year**

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

#### **Expenses by Nature**



#### **Expenses by Function**





## 2.2 Councils Statement of Financial Position (Balance Sheet) for 2015/16

### Council's Net Wealth

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

#### Council's Wealth

	Actual 2016	Actual 2015
<b>The major items that make up Council's wealth include the following assets:</b>		
Available Cash & Investments	7,776,122	15,953,500
Cash & Investments "restricted" for future funding purposes	6,859,700	8,268,588
Debtors	6,140,694	2,658,854
Infrastructure, Property, Plant & Equipment	712,951,779	713,514,212
<b>Council has funded some of its operations and assets by the following liabilities:</b>		
Loans & Borrowings	10,400,733	11,396,897
Provisions for Restoration of Refuse Sites	20,298,490	17,479,428
<b>Net Community Equity</b>	<b>699,103,536</b>	<b>702,212,019</b>

### 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 104(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

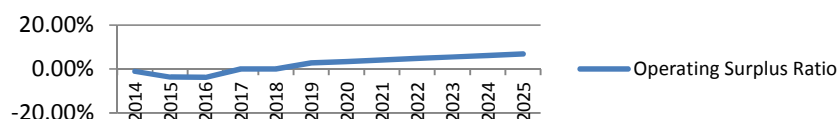
**Total Liabilities less Current Assets divided by Total Operating Revenue**

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

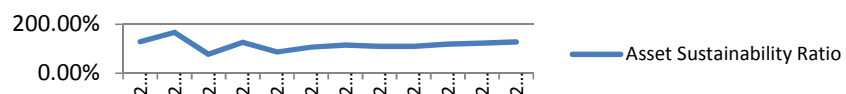
**Financial Sustainability Indicators**  
for the year ended 30 June 2016

			Budget			Long Term Financial Plan Projections								
	Target	Actual 2014	Actual 2015	Actual 2016	Yr 1 2017	Yr 2 2018	Yr 3 2019	Yr 4 2020	Yr 5 2021	Yr 6 2022	Yr 7 2023	Yr 8 2024	Yr 9 2025	
Ratio														
Operating Surplus Ratio	0 - 10%	-1.10%	-3.70%	-3.84%	0.00%	0.00%	2.80%	3.40%	4.10%	4.80%	5.50%	6.10%	6.80%	
Asset Sustainability Ratio	> 90%	129.14%	166.88%	77.03%	126.03%	86.82%	107.03%	114.71%	110.26%	110.00%	119.35%	122.81%	127.79%	
Net Financial Liabilities Ratio	< 60%	-1.73%	15.94%	21.91%	10.64%	9.03%	6.49%	3.92%	1.30%	-1.36%	-3.73%	-5.85%	-6.15%	

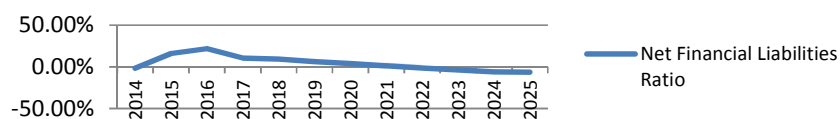
**Operating Surplus Ratio**



**Asset Sustainability Ratio**



**Net Financial Liabilities Ratio**



## **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.

<b>Council Meeting Date</b>	<b>Resolution Number</b>	<b>Resolution</b>
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 applied for the financial year:

- 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 2016**

Banana Shire Council's loan portfolio is raised solely with the Queensland Treasury Corporation. 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 30/06/15	QTC INTEREST ACCRUED	QTC LOAN CHARGES	QTC REPAYMENTS (BORROWINGS)	BOOK DEBT BALANCE 30/06/16
<b>GENERAL FUNCTIONS</b>					
Consolidated Account	\$10,742,389	\$674,968	\$13,130	\$1,625,999	\$9,804,488
<b>WATER FUNCTIONS</b>					
Baralaba WTP	\$654,508	\$19,456	\$717	\$78,436	\$596,245
<b>TOTAL</b>	<b>\$11,396,897</b>	<b>\$694,424</b>	<b>\$13,847</b>	<b>\$1,704,435</b>	<b>\$10,400,733</b>

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.



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

In the 2015/2016 financial year Council's Generic Debt Pool account changed to be now reported as a Generic Debt Pool – Fixed Rate Loan which going forward will provide improved certainty for financial forecasting and reporting purposes.

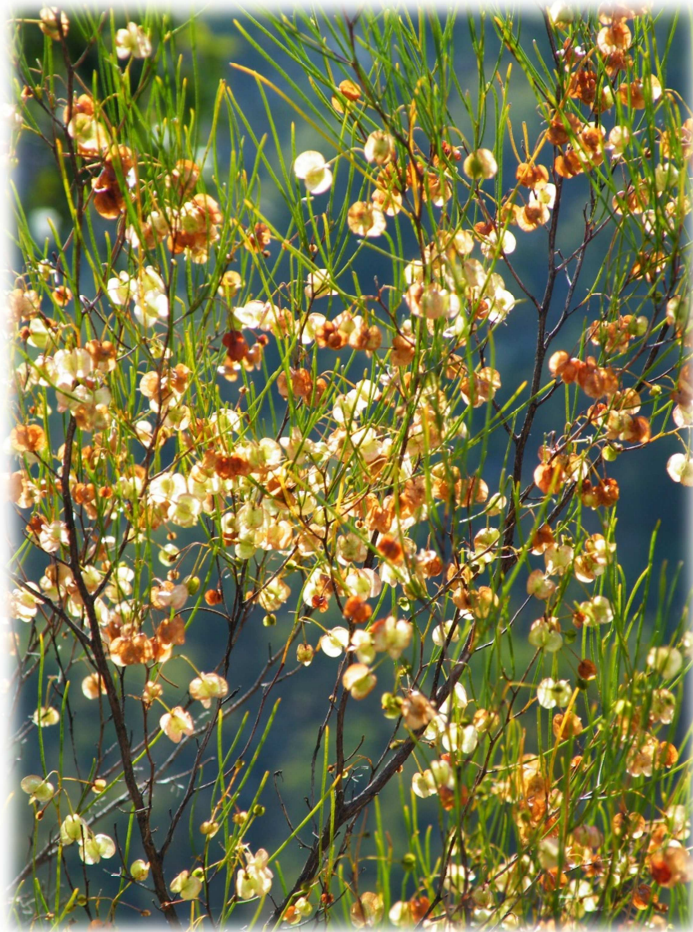
New borrowings will lengthen the term of each debt pool unless taken as a separate loan account. This will allow the term of the loan to better match the repayment structure of the asset being funded.

The total repayment amounts for the 2015/2016 financial year are indicated in the above table.





# BANANA SHIRE COUNCIL



## 2015/2016 FINANCIAL REPORT



# Banana Shire Council

## Financial Statements

For the year ended 30 June 2016

# BANANA SHIRE COUNCIL

## Financial Statements

For the year ended 30 June 2016

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	Management Certificate
	Independent Auditor's Report
	<b>Other financial statements</b>
	Current-year Financial Sustainability Statement
	Long-Term Financial Sustainability Statement

**Addendum to the financial statements**

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

Statement of Operating Performance

Statement of Appropriations

Movement in Council capital

Statement of Capital Funding

Financial indicators and ratios of the accounts

Statement of Actual Results compared to Budget by Program



**BANANA SHIRE COUNCIL**

**Statement of Comprehensive Income**

**For the year ended 30 June 2016**

		2016	2015
	Note	\$	\$
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent revenue</b>			
Rates and levies	3 (a)	31,889,187	31,779,505
Fees and charges	3 (b)	2,399,701	2,852,448
Rental and levies		317,422	348,063
Interest received	3 (c)	717,843	915,182
Sales of contract and recoverable works	3 (d)	13,666,380	13,395,334
Other recurrent income		302,107	1,002,692
Grants, subsidies and contributions	4 (i)	15,563,799	22,726,008
Total operating revenue		64,856,439	73,019,232
<b>Capital revenue</b>			
Grants, subsidies and contributions	4 (ii)	11,589,570	12,474,022
		11,589,570	12,474,022
<b>Total income</b>	2 (b)	76,446,009	85,493,254
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	6	(21,774,995)	(20,774,389)
Materials and services	7	(26,330,143)	(37,592,524)
Finance costs	8	(2,237,690)	(1,375,357)
Depreciation	16	(16,927,295)	(15,921,060)
Amortisation		(78,840)	(60,312)
Total operating expenses		(67,348,963)	(75,723,642)
<b>Capital expenses</b>			
Other capital expenses	9	(10,651,198)	(12,335,751)
<b>Total expenses</b>	2 (b)	(78,000,161)	(88,059,393)
<b>Net result</b>		(1,554,152)	(2,566,139)
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Increase / (decrease) in asset revaluation surplus	23	(1,496,987)	1,612,337
<b>Total other comprehensive income for the year</b>		(1,496,987)	1,612,337
<b>Total comprehensive income for the year</b>		(3,051,139)	(953,802)

*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 2016**

		2016	2015
	Note	\$	\$
<b>Current assets</b>			
Cash assets and cash equivalents	11	13,635,822	23,222,088
Cash investments	15	1,000,000	1,000,000
Trade and other receivables	12	9,315,708	5,627,532
Inventories	13	3,074,853	2,864,858
		<u>27,026,383</u>	<u>32,714,478</u>
Non-current assets held for sale		380,000	380,000
<b>Total current assets</b>		<u>27,406,383</u>	<u>33,094,478</u>
<b>Non-current assets</b>			
Property, plant and equipment	16	712,951,779	713,514,212
Intangible assets		364,057	333,710
<b>Total non-current assets</b>		<u>713,315,836</u>	<u>713,847,922</u>
<b>TOTAL ASSETS</b>		<u>740,722,219</u>	<u>746,942,400</u>
<b>Current liabilities</b>			
Trade and other payables	18	7,617,874	12,277,561
Provisions	19	2,564,722	2,868,425
Borrowings	20	1,051,675	1,001,432
Other	21	495,441	474,611
<b>Total current liabilities</b>		<u>11,729,712</u>	<u>16,622,029</u>
<b>Non-current liabilities</b>			
Provisions	19	20,539,913	17,712,887
Borrowings	20	9,349,058	10,395,465
<b>Total non-current liabilities</b>		<u>29,888,971</u>	<u>28,108,352</u>
<b>TOTAL LIABILITIES</b>		<u>41,618,683</u>	<u>44,730,381</u>
<b>NET COMMUNITY ASSETS</b>		<u>699,103,536</u>	<u>702,212,019</u>
<b>Community equity</b>			
Council capital -			
Investment in capital assets	22	197,935,876	198,190,652
Asset revaluation surplus	23	493,657,363	495,154,350
Retained surplus (deficiency)	24	650,597	598,430
Reserves	25	6,859,700	8,268,588
<b>TOTAL COMMUNITY EQUITY</b>		<u>699,103,536</u>	<u>702,212,019</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 2016**

	Note	Total		Retained surplus (deficit) Note 24		Reserves Note 25		Asset revaluation surplus Note 23		Council Capital Note 22	
		2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
<b>Balance at beginning of the year</b>		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
Corrections to opening balances	16	-57,344	-	-	-	-	-	-	-	(57,344)	-
Restated opening balances		702,154,675	703,165,821	598,430	8,775,111	8,268,588	10,351,877	495,154,350	493,542,013	198,133,308	190,496,820
Net result		-1,554,152	(2,566,139)	(1,554,152)	(2,566,139)	-	-	-	-	-	-
Other comprehensive income for the year											
Revaluations											
Property, plant & equipment	16	-1,496,987	1,612,337					(1,496,987)	1,612,337		
<b>Total comprehensive income for the year</b>		-3,051,139	(953,802)	(1,554,152)	(2,566,139)	-	-	(1,496,987)	1,612,337	-	-
Transfers (to) from retained earnings to capital	24		-	12,577,321	7,772,589					(12,577,321)	(7,772,589)
Transfers (to) from retained earnings and recurrent reserves	24		-	618,571	(909,110)	(618,571)	909,110				
Transfers (to) from capital reserves and capital	22		-	(11,589,572)	(12,474,022)	(790,317)	(2,992,399)			12,379,889	15,466,421
<b>Net transfers in year</b>			-	1,606,320	(5,610,543)	(1,408,888)	(2,083,289)	-	-	(197,432)	7,693,832
<b>Balance at end of the year</b>		699,103,536	702,212,019	650,597	598,430	6,859,700	8,268,588	493,657,363	495,154,350	197,935,876	198,190,652

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 2016**

	Note	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
General rates and utility charges		31,389,526	30,628,911
Rental and levies, fees and charges		2,717,123	3,200,511
Other income		10,436,927	21,705,772
GST received		4,590,175	7,302,652
Receipts from customers		49,133,751	62,837,846
Operating grants, subsidies and contributions		15,563,799	22,726,008
Interest received		720,923	922,240
<b>Payments</b>			
Payments for materials and services		(30,743,680)	(33,634,565)
Payment to employees		(22,088,652)	(20,858,591)
GST paid		(5,602,494)	(6,417,918)
Payments to suppliers and employees		(58,434,825)	(60,911,074)
Interest expense		(708,270)	(730,041)
<b>Net cash inflow (outflow) from operating activities</b>	30	6,275,377	24,844,979
<b>Cash flows from investing activities</b>			
Commonwealth government grants		3,663,005	829,405
State government subsidies and grants		7,153,188	8,509,037
Other non-government subsidies		758,258	-
Capital contributions		15,119	3,135,580
Payments for property, plant and equipment		(27,644,672)	(35,418,814)
Payments for intangible assets		(109,186)	(92,641)
Proceeds from sale of property, plant and equipment	5	1,298,809	564,972
<b>Net cash inflow (outflow) from investing activities</b>		(14,865,479)	(22,472,461)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	20	-	654,000
Repayment of borrowings	20	(996,164)	(916,166)
<b>Net cash inflow (outflow) from financing activities</b>		(996,164)	(262,166)
<b>Net increase (decrease) in cash and cash equivalents held</b>		(9,586,266)	2,110,352
Cash and cash equivalents at beginning of the financial year		23,222,088	21,111,736
<b>Cash and cash equivalents at end of the financial year</b>	11	13,635,822	23,222,088

*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 2016

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### 1 Significant accounting policies

#### 1.1 Basis of preparation

These general purpose financial statements are for the period 1 July 2015 to 30 June 2016 and have been prepared in compliance with the requirements of the Local Government Act 2009 and the Local Government Regulation 2012. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.

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

- 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.

#### Recurrent/capital classification

Revenue and expenditure are presented as "recurrent" or "capital" in the Statement of Comprehensive Income.

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, when reported in the Statement of Comprehensive Income, are classified as either "Capital Income" or "Capital Expenses" depending on whether they result in accounting gains or losses:

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

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

#### 1.2 Statement of compliance

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to Council's operations and effective for the current reporting period.

#### 1.3 Constitution

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

#### 1.4 Date of authorisation

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

#### 1.5 Currency

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

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

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



## BANANA SHIRE COUNCIL

### Notes to the Financial Statements For the year ended 30 June 2016

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

Banana Shire Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective with the exception of AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities. Generally council applies standards and interpretations in accordance with their respective commencement dates. The retrospective application of AASB 2015-7 has exempted council from the disclosure of quantitative information and sensitivity analysis for some valuations categorised within Level 3 of the fair value hierarchy.

At the date of authorisation of the financial report, AASB 9 Financial Instruments and AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities are the only new accounting standards with a future application date that are expected to have a material impact on council's financial statements.

From 1 July 2016 AASB 124 Related Party Disclosures will apply to council, which means that council will disclose more information about related parties and transactions with those related parties.

AASB 9, which replaces AASB 139 Financial Instruments: Recognition and Measurement, is effective for reporting periods beginning on or after 1 January 2018 and must be applied retrospectively. The main impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost and financial assets will only be able to be measured at amortised cost where very specific conditions are met.

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.

At the date of authorisation of the financial report, the new or amended Australian Accounting Standards with future commencement dates are not likely to have a material impact on the financial statements.

#### 1. 7 Critical accounting judgements and key sources of estimation uncertainty

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

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

- Valuation and depreciation of property, plant and equipment - note 1.14 and note 17
- Provisions for long service leave - note 1.16(d) and note 19
- Contingencies - note 27

#### 1. 8 Revenue

##### 1. 8 (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.

##### 1. 8 (b) Grants and subsidies

Grants, subsidies and contributions are recognised as revenue in the year in which Council obtains control over them. Council only receives grants, subsidies and contributions that are non-reciprocal in nature.

## BANANA SHIRE COUNCIL

### Notes to the Financial Statements For the year ended 30 June 2016

#### 1. 8 Revenue - continued

##### 1. 8 (d) Cash contributions

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

##### 1. 8 (e) 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 plant auctions 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.

##### 1. 8 (e) Fees and Charges

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

#### 1. 9 Financial assets and liabilities

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

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

##### Financial assets

Cash and cash equivalents (note 1.10)

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

##### Financial liabilities

Payables - measured at amortised cost (note 1.15)

Borrowings - measured at amortised cost (note 1.17)

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 32.

#### 1. 10 Cash and cash equivalents

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

#### 1. 11 Receivables

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

The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment. The loss is recognised in finance costs.

All known bad debts were written-off prior to 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

## BANANA SHIRE COUNCIL

### Notes to the Financial Statements For the year ended 30 June 2016

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#### 1. 11 Receivables - continued

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

#### 1. 12 Inventories

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

Inventories held for distribution (internal consumption) are:

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

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

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

#### 1. 13 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 2016 Council had one term deposit in excess of three months.

#### 1. 14 Property, plant and equipment

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

The classes of property plant and equipment recognised by the council are reported in note 16.

##### 1. 14 (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.

##### 1. 14 (b) Capital and operating expenditure

Direct labour, materials and 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.

##### 1. 14 (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.

## BANANA SHIRE COUNCIL

### Notes to the Financial Statements For the year ended 30 June 2016

#### 1. 14 (c) Valuation - continued

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 infrastructure assets, the results of which are considered in combination with an appropriate cost 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 17.

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.

#### 1. 14 (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.

#### 1. 14 (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.

## BANANA SHIRE COUNCIL

### Notes to the Financial Statements For the year ended 30 June 2016

#### 1. 14 (e) Depreciation - continued

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

Details of the range of estimated useful lives for each class of asset are shown in note 16.

#### 1. 14 (f) Land under roads

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

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

#### 1. 15 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. 16 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 18 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 28.

##### (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 19 as a provision.



## BANANA SHIRE COUNCIL

### Notes to the Financial Statements For the year ended 30 June 2016

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#### 1. 17 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, on average, within acceptable benchmarks over the medium to longer term.

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

#### 1. 18 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 sites will progressively close between 2029 and 2059. Restoration will occur 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. If there is no available revaluation surplus, increases in the provision are treated as an expense and recovered out of future decreases (if any).

#### 1. 19 Council capital

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

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

The maintenance of the Council's capital (physical operating capability) is fundamental to its long term sustainability to continue to deliver essential services to the community, it has therefore been separately identified and the change in value is reported in the Statement of Changes in Equity and note 22. The balance of the asset revaluation surplus also forms part of the physical operating capability that must be maintained.

#### 1. 20 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.

## BANANA SHIRE COUNCIL

### Notes to the Financial Statements For the year ended 30 June 2016

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**1. 20 Asset revaluation surplus - continued**

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. 21 Retained surplus (deficit)**

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

**1. 22 Reserves held for funding future capital expenditure**

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

**Future capital sustainability reserve**

Where the Council has depreciation recouped cash which has not been reinvested in capital assets at the reporting date, the Council restricts the future use of this cash to debt redemption and capital asset purchases only, to support delivery of future services (future sustainability).

Further details can be found in note 25(a)(i).

**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.

Further details can be found in note 25(a)(ii).

**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.

Further details can be found in note 25(a)(iii).

**(i) Grants, subsidies and contributions reimbursed reserve**

This reserve is credited with grants, subsidies and contributions of monetary revenue received during the reported period which the council has identified as being a reimbursement of capital funds expended in a prior period.

**(ii) Capital Aquisitions reserve**

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

**(iii) Plant reserve**

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

**(iv) Aerodrome reserve**

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

## BANANA SHIRE COUNCIL

### Notes to the Financial Statements For the year ended 30 June 2016

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**1. 23 Reserves held for funding future recurrent expenditure**

These are cash backed reserves and represent funds that are received by Council to meet operating project expenditures and were unexpended at the reporting date or are accumulated by Council to meet anticipated future operating events. In each case the amount relates to a future project requirement and is not currently a liability.

**(i) Special Projects reserve**

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

**1. 24 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 33.

**1. 25 Rounding and comparatives**

The financial statements have been rounded to the nearest \$1.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

**1. 26 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 2016

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#### 2 (a) Components of council functions

The activities relating to the Council's components reported on in Note 2 (b).

##### **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 2016**

**2 Analysis of results by program**

**(b) Income and expenses defined between recurring and capital, and assets are attributed to the following programs:-**

Programs	Gross program income				Total income	Gross program expenses		Total expenses	Operating surplus/(deficit) from recurrent operations	Net result for year	Assets
	Recurrent revenue		Capital revenue			Recurrent	Capital				
	Grants	Other	Grants	Other							
	2016 \$	2016 \$	2016 \$	2016 \$							
Executive Services	82,250	51,545	-	-	133,795	(5,130,762)	-	(5,130,762)	(4,996,967)	(4,996,967)	-
Corporate & Community Services	6,456,880	22,208,236	158,684	-	28,823,800	(4,434,144)	(787,173)	(5,221,317)	24,230,972	23,602,483	59,964,425
Planning, Strategy & Sustainability Services		714,879	167,132	-	882,011	(6,413,268)	(1,374,579)	(7,787,847)	(5,698,389)	(6,905,836)	91,783,957
Infrastructure Services	7,997,541	13,692,744	6,220,967	758,258	28,669,510	(33,799,437)	(2,775,711)	(36,575,148)	(12,109,152)	(7,905,638)	472,087,287
Sewerage Services		3,556,232	200,000	7,936	3,764,168	(4,996,972)	(747,746)	(5,744,718)	(1,440,740)	(1,980,550)	31,239,467
Water Services		6,899,830	4,069,410	7,183	10,976,423	(8,906,834)	(2,741,461)	(11,648,295)	(2,007,004)	(671,872)	82,218,951
Waste Services		3,196,302	-	-	3,196,302	(3,667,546)	(2,224,528)	(5,892,074)	(471,244)	(2,695,772)	3,428,132
Total	14,536,671	50,319,768	10,816,193	773,377	76,446,009	(67,348,963)	(10,651,198)	(78,000,161)	(2,492,524)	(1,554,152)	740,722,219

**For the year ended 30 June 2015**

Programs	Gross program income				Total income	Gross program expenses		Total expenses	Operating surplus/(deficit) from recurrent operations	Net result for year	Assets
	Recurrent revenue		Capital revenue			Recurrent	Capital				
	Grants	Other	Grants	Other							
	2015 \$	2015 \$	2015 \$	2015 \$							
Executive Services	16,250	32,492	-	-	48,742	(3,093,848)	-	(3,093,848)	(3,045,106)	(3,045,106)	-
Corporate & Community Services	6,433,728	21,467,661	-	300,000	28,201,389	(8,217,854)	(324,891)	(8,542,745)	19,683,535	19,658,644	67,563,449
Planning, Strategy & Sustainability Services		1,443,955	120,237	-	1,564,192	(6,409,482)	(3,608,842)	(10,018,324)	(4,965,527)	(8,454,132)	92,433,318
Infrastructure Services	11,191,760	18,580,454	6,425,920	2,791,990	38,990,124	(44,149,526)	(3,760,092)	(47,909,618)	(14,377,312)	(8,919,494)	476,268,537
Sewerage Services		3,432,153	1,600,000	13,965	5,046,118	(3,432,153)	(106,720)	(3,538,873)	-	1,507,245	32,052,371
Water Services		7,182,594	1,192,285	29,625	8,404,504	(7,182,594)	(996,248)	(8,178,842)	-	225,662	75,759,306
Waste Services		3,238,185	-	-	3,238,185	(3,238,185)	(3,538,958)	(6,777,143)	-	(3,538,958)	2,865,419
Total	17,641,738	55,377,494	9,338,442	3,135,580	85,493,254	(75,723,642)	(12,335,751)	(88,059,393)	(2,704,410)	(2,566,139)	746,942,400



# BANANA SHIRE COUNCIL

## Notes to the Financial Statements For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>3 Revenue analysis</b>			
<b>(a) Rates and levies</b>			
General rates		21,869,676	21,739,204
Water		6,584,624	6,720,463
Sewerage		3,709,981	3,554,473
Waste management		688,229	696,494
Garbage charges		2,313,752	2,272,108
Rates and utility charge revenue		35,166,262	34,982,742
Less: Discounts		(2,984,455)	(2,918,948)
Less: Pensioner remissions		(292,620)	(284,289)
Net rates and utility charges		31,889,187	31,779,505
<b>(b) Fees and Charges</b>			
Statutory fees and charges include			
Town planning fees		71,608	97,648
Building fees & charges		127,418	130,182
Animal Registrations		75,615	65,910
Licences and permits		55,512	56,130
Fines and infringements		1,118	2,046
Saleyard fees		163,213	111,599
Disposal fees		423,451	501,427
Other statutory fees		167,729	176,507
User fees and charges		1,314,037	1,710,999
		2,399,701	2,852,448
<b>(c) Interest received</b>			
Investments		548,471	763,688
Over due rates and utility charges		169,372	151,494
		717,843	915,182
<b>(d) Sales of contract and recoverable works</b>			
Transport and Main Roads		13,591,344	11,737,682
Private works		75,036	1,657,652
		13,666,380	13,395,334
The amount recognised as revenue from contract works during the year is the amount receivable in respect of invoices issued during the year.			
There are no contracts in progress at the year end.			
The contract work carried out is not subject to retentions.			
<b>4 Grants, subsidies and contributions</b>			
<b>(i) Recurrent - grants, subsidies and contributions include</b>			
General purpose grants		7,662,776	7,945,401
State government subsidies and grants		1,549,626	868,901
NDRRA flood damage grants for operational repairs		5,324,269	8,827,436
Other non-government subsidies		1,024,583	-
Contributions		2,545	5,084,270
Total recurrent revenue		15,563,799	22,726,008
<b>(ii) Capital - grants, subsidies, and contributions are analysed as follows</b>			
Monetary revenue designated for capital purposes			
Commonwealth government grants		3,663,005	829,405
State government subsidies and grants		5,590,942	4,398,064
NDRRA flood damage grants for capitalised repairs		1,562,246	4,110,973
Other non-government subsidies		758,258	-
Contributions		15,119	3,135,580
Total capital revenue		11,589,570	12,474,022

# BANANA SHIRE COUNCIL

## Notes to the Financial Statements For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>5 Gain (loss) on the disposal of capital assets</b>			
(a) Proceeds from the sale of plant and equipment		1,298,809	559,962
Less book value of plant and equipment sold		(2,000,921)	(562,823)
		<u>(702,112)</u>	<u>(2,861)</u>
(b) Proceeds from the sale of land and buildings		-	5,010
Less book value of land and buildings sold		(30,000)	(281,287)
		<u>(30,000)</u>	<u>(276,277)</u>
 Total gain (loss) on the disposal of capital assets	9	<u>(732,112)</u>	<u>(279,138)</u>
<b>6 Employee benefits</b>			
Total staff wages and salaries		16,732,576	16,182,196
Councillors' remuneration		415,123	390,621
Annual, sick and long service leave entitlements		3,623,687	3,442,499
Superannuation	28	2,208,182	2,157,582
		<u>22,979,568</u>	<u>22,172,898</u>
Other employee related expenses		1,147,563	1,459,653
		<u>24,127,131</u>	<u>23,632,551</u>
Less capitalised employee expenses		(2,352,136)	(2,858,162)
		<u>21,774,995</u>	<u>20,774,389</u>
Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.			
 Total Council employees at 30 June		2016	2015
Elected members		7	7
Administration staff		100	93
Depot and outdoors staff		147	163
Total full time equivalent employees		<u>254</u>	<u>263</u>
<b>7 Materials and services</b>			
Audit of annual financial statements by the Auditor-General of Queensland		90,233	85,731
Internal Audit		23,679	4,644
Council Road Maintenance		5,560,313	3,526,852
Contractors and Private Works		8,981,527	4,210,608
Donations and Contributions Paid		117,982	160,521
Public Liability Insurance		181,203	183,414
Electricity		1,153,511	1,362,240
Counter Disaster Operations		47,580	140,119
Flood Restorations		6,614,863	10,953,409
Plant Operation and Maintenance		3,301,981	3,183,795
Other material and services		257,271	13,781,191
		<u>26,330,143</u>	<u>37,592,524</u>
<b>8 Finance costs</b>			
Finance costs charged by the Queensland Treasury Corporation		708,270	730,041
Bank charges		64,874	52,660
Impairment of receivables and bad debts written-off		853,224	-
Refuse sites - change in present value over time		611,322	592,656
		<u>2,237,690</u>	<u>1,375,357</u>
<b>9 Capital expenses</b>			
Loss on the sale of capital assets	5	732,112	279,138
Loss on write-off of capital assets	10	7,694,558	8,517,655
Increase in rehabilitation provision relating to council controlled site, but no asset revaluation surplus available in the related asset		2,224,528	3,538,958
Total capital expenses		<u>10,651,198</u>	<u>12,335,751</u>

# BANANA SHIRE COUNCIL

## Notes to the Financial Statements For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>10 Loss on write-off of capital assets</b>			
Land		-	157,158
Buildings		1,374,579	3,036,107
Road, bridge and drainage network		2,775,711	3,760,092
Water		2,741,461	996,248
Sewerage		747,746	106,720
Environmental Infrastructure Assets		-	296,458
Other Assets NC		55,061	164,872
	9	<u>7,694,558</u>	<u>8,517,655</u>
<b>11 Cash assets and cash equivalents</b>			
Cash at bank and on hand		1,246,826	1,014,394
Deposits at call		8,388,996	18,207,694
Term deposits		4,000,000	4,000,000
Total cash and cash equivalents per statement of cash flows		<u>13,635,822</u>	<u>23,222,088</u>
Cash investments	15	<u>1,000,000</u>	<u>1,000,000</u>
Total cash assets		<u>14,635,822</u>	<u>24,222,088</u>
Council's cash and cash equivalents are subject to a number of external restrictions that limit amounts available for discretionary or future use. These include externally imposed expenditure restrictions:			
Unspent loan monies	25 (a) (ii)	-	654,000
Unspent developer contributions	25 (a) (iii)	3,377,457	4,408,287
Total unspent external restricted cash held in reserves		<u>3,377,457</u>	<u>5,062,287</u>
Council has resolved to set aside revenue to provide funding for specific future projects that will be required to meet delivery of essential services and meet day to day operational requirements.			
Funds set aside by council to meet specific future funding requirements		10,607,768	18,561,372
Total cash held to contribute to identified funding commitments		<u>13,985,225</u>	<u>23,623,659</u>
Operating cash accounts are held with the National Australia Bank (NAB). At call funds are held with Queensland Treasury Corporation (QTC).			
<b>12 Trade and other receivables</b>			
<b>Current</b>			
Rateable revenue and utility charges		1,736,594	1,572,495
Water charges yet to be levied		1,470,669	1,104,198
Accrued interest		46,814	49,894
GST recoverable		382,819	-
Other debtors		6,140,694	2,658,854
Less impairment provision		<u>(843,395)</u>	<u>(29,812)</u>
		8,934,195	5,355,629
Prepayments		<u>381,513</u>	<u>271,903</u>
		<u>9,315,708</u>	<u>5,627,532</u>
Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.			
Movement in accumulated impairment losses (trade and other receivables)			
Opening balance at 1 July 2015		29,812	35,436
Impairment adjustment in year		<u>813,583</u>	<u>(5,624)</u>
Balance at end of year		<u>843,395</u>	<u>29,812</u>

# BANANA SHIRE COUNCIL

## Notes to the Financial Statements For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>12 Trade and other receivables - Continued</b>			
Ageing of past due receivables (excluding prepayments) and the amount of any impairment is disclosed in the following table:			
Not past due		6,848,048	2,355,314
Past due - 31 to 60 days		179,649	626,147
- 61 to 90 days		1,564	425,077
- Over 90 days		2,748,328	1,978,902
Less impaired		(843,395)	(29,812)
Total		<u>8,934,195</u>	<u>5,355,628</u>
<b>13 Inventories</b>			
Current			
Inventories for internal use-			
Quarry and road materials		253,425	69,940
Stores and materials		1,102,137	1,075,627
		<u>1,355,562</u>	<u>1,145,567</u>
Valued at cost, adjusted when applicable for any loss of service potential.			
Land purchased for development and sale	14	<u>1,719,291</u>	<u>1,719,291</u>
Total inventories		<u>3,074,853</u>	<u>2,864,858</u>
<b>14 Land purchased for development and sale</b>			
Balance at beginning of the year		1,719,291	1,719,291
Balance at end of the year		<u>1,719,291</u>	<u>1,719,291</u>
<b>15 Cash investments</b>			
Fixed term held with other institutions realisable between 3 and 12 months - unrestricted		1,000,000	1,000,000
		<u>1,000,000</u>	<u>1,000,000</u>

**BANANA SHIRE COUNCIL**

**Notes to the Financial Statements**  
**For the year ended 30 June 2016**

**16 Property, plant and equipment**

	Note	Land	Site improvements	Buildings	Plant and equipment	Road, bridge and drainage network	Water	Sewerage	Environmental Infrastructure Assets	Other Assets NC	Works in progress	Total
<b>Basis of measurement</b>		Valuation	Valuation	Valuation	Cost	Valuation	Valuation	Valuation	Valuation	Valuation	Cost	
<b>Asset Values</b>		2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening gross value as at 1 July 2015		11,320,598	2,386,807	94,940,847	26,846,882	567,608,350	124,071,851	74,771,585	6,213,899	12,354,163	13,998,846	934,513,828
Minor correction to opening balance	31	-	-	-	-	-	-	-	-	-	(57,344)	(57,344)
Additions at cost		-	604,798	1,312,373	1,503,320	4,859,913	6,454,440	601,504	21,700	100,302	12,186,322	27,644,672
Internal transfers from work in progress		-	-	2,765,950	-	2,262,750	6,578,095	607,265	-	-	(12,214,060)	-
Disposals	5	(30,000)	-	-	(3,883,944)	-	-	-	-	-	-	(3,913,944)
Write-offs	9	-	-	(1,702,323)	-	(3,783,555)	(7,359,986)	(2,271,594)	-	(75,456)	-	(15,192,914)
Revaluation adjust to other comprehensive income. (refer the ARS*)	23	-	-	1,434,045	-	(2,593,520)	700,851	485,685	-	406,100	-	433,161
Internal transfers between asset classes		-	334,076	(51,289)	-	-	-	-	(282,787)	-	-	-
Closing gross value as at 30 June 2016		11,290,598	3,325,680	98,699,603	24,466,258	568,353,938	130,445,251	74,194,445	5,952,813	12,785,109	13,913,764	943,427,459
<b>Accumulated depreciation and impairment</b>												
Opening balance as at 1 July 2015		-	2,004,524	10,748,701	11,245,492	93,913,008	56,186,622	43,446,479	1,487,332	1,967,458	-	220,999,616
Depreciation provided in year	5	-	8,764	1,553,101	1,968,974	8,461,066	2,785,767	1,668,359	170,384	310,880	-	16,927,295
Depreciation on disposals	9	-	-	-	(1,883,024)	-	-	-	-	-	-	(1,883,024)
Depreciation on write-offs	23	-	-	(327,744)	-	(1,007,844)	(4,618,525)	(1,523,848)	-	(20,394)	-	(7,498,355)
Revaluation adjust to other comprehensive income. (refer the ARS*)		-	-	793,902	-	694,860	286,298	186,013	-	(30,925)	-	1,930,148
Internal transfers between asset classes		-	130,062	(5,880)	-	-	-	-	(124,182)	-	-	-
Accumulated depreciation as at 30 June 2016		-	2,143,350	12,762,080	11,331,442	102,061,090	54,640,162	43,777,003	1,533,534	2,227,019	-	230,475,680
<b>Total written down value as at 30 June 2016</b>		11,290,598	1,182,330	85,937,523	13,134,815	466,292,848	75,805,090	30,417,443	4,419,279	10,558,090	13,913,764	712,951,779
<b>Range of estimated useful life in years</b>		Not depreciated	0 - 60	5 - 146	4 - 25	4 - 225	3 - 100	10 - 150	7 - 80	10 - 225		
Addition of renewal assets		-	-	170,862	1,503,320	3,422,896	2,674,056	577,955	-	100,302	4,589,317	13,038,707
Addition of other assets		-	604,798	1,141,511	-	1,437,017	3,780,385	23,550	21,700	-	7,539,662	14,548,621
Total additions in year		-	604,798	1,312,373	1,503,320	4,859,913	6,454,440	601,504	21,700	100,302	12,128,978	27,587,328

\* ARS denotes - Asset Revaluation Surplus



BANANA SHIRE COUNCIL

Notes to the Financial Statements  
For the year ended 30 June 2016

16 Property, plant and equipment - prior year

	Note	Land	Site improvements	Buildings	Plant and equipment	Road, bridge and drainage network	Water	Sewerage	Environmental Infrastructure Assets	Other Assets NC	Works in progress	Total
Basis of measurement		Valuation	Valuation	Valuation	Cost	Valuation	Valuation	Valuation	Valuation	Valuation	Cost	
Asset Values		2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening gross value as at 1 July 2014		11,669,002	2,386,807	94,570,838	25,938,615	557,837,395	118,347,913	69,557,417	6,467,350	11,403,974	14,359,439	912,538,750
Additions at cost		68,754	-	695,922	2,033,919	11,438,379	4,759,114	3,055,870	22,724	767,254	12,576,878	35,418,814
Internal transfers from work in progress		-	-	3,409,395	-	6,374,284	1,289,206	1,294,300	71,097	499,189	(12,937,471)	-
Disposals	5	-	-	(678,240)	(1,125,652)	-	-	-	-	-	-	(1,803,892)
Write-offs	9	(157,158)	-	(3,638,068)	-	(8,041,708)	(2,606,272)	(468,726)	(347,272)	(358,241)	-	(15,617,445)
Revaluation adjust to other comprehensive income. (refer the ARS*)	23	-	-	-	-	-	2,281,890	1,332,724	-	41,987	-	3,656,601
Internal transfers between asset classes		(260,000)	-	581,000	-	-	-	-	-	-	-	321,000
Closing gross value as at 30 June 2015		11,320,598	2,386,807	94,940,847	26,846,882	567,608,350	124,071,851	74,771,585	6,213,899	12,354,163	13,998,846	934,513,828
Accumulated depreciation and impairment												
Opening balance as at 1 July 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
Depreciation provided in year			802,306	991,948	1,771,497	7,464,947	2,793,913	1,629,967	187,822	278,660		15,921,060
Depreciation on disposals	5		-	(396,953)	(562,829)	-	-	-	-	-		(959,782)
Depreciation on write-offs	9		-	(601,961)	-	(4,281,616)	(1,610,024)	(362,006)	(50,814)	(193,369)		(7,099,790)
Revaluation adjust to other comprehensive income. (refer the ARS*)	23		-	-	-	-	1,082,784	961,480	-	-		2,044,264
Accumulated depreciation as at 30 June 2015			2,004,524	10,748,701	11,245,492	93,913,008	56,186,622	43,446,479	1,487,332	1,967,458		220,999,616
Total written down value as at 30 June 2015		11,320,598	382,283	84,192,146	15,601,390	473,695,342	67,885,229	31,325,106	4,726,567	10,386,705	13,998,846	713,514,212
Range of estimated useful life in years		Not depreciated	0 - 60	30 - 100	3 - 20	10 - 100	20 - 80	12 - 100	40 - 50	7 - 100		

\* ARS denotes - Asset Revaluation Surplus

**17. 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 23 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. 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 2016.

**BANANA SHIRE COUNCIL**

**Notes to the Financial Statements**

For the year ended 30 June 2016

**17 Fair Value Measurements - continued**

**Recurring fair value measurement**

Category	Note	Level 2 (Significant other observable inputs)		Level 3 (Significant unobservable inputs)		Total	
		\$	\$	\$	\$	\$	\$
		2016	2015	2016	2015	2016	2015
<b>Recurring fair value measurements</b>							
Land	16	-	-	11,290,598	11,320,598	11,290,598	11,320,598
Site Improvements	16	-	-	1,182,330	382,283	1,182,330	382,283
Buildings	16	-	-	85,937,523	84,192,146	85,937,523	84,192,146
Road, bridge and drainage network	16	-	-	466,292,848	473,695,432	466,292,848	473,695,432
Water	16	-	-	75,805,090	67,885,229	75,805,090	67,885,229
Sewerage	16	-	-	30,417,443	31,325,106	30,417,443	31,325,106
Environmental infrastructure assets	16	-	-	4,419,279	4,726,567	4,419,279	4,726,567
Other Assets NC	16	-	-	10,558,090	10,386,705	10,558,090	10,386,705
		<u>-</u>	<u>-</u>	<u>685,903,201</u>	<u>683,914,066</u>	<u>685,903,201</u>	<u>683,914,066</u>
<b>Non-recurring fair value</b>							
Non-current assets classified as held for sale	16	380,000	380,000	-	-	380,000	380,000
		<u>380,000</u>	<u>380,000</u>	<u>-</u>	<u>-</u>	<u>380,000</u>	<u>380,000</u>

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.

17 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 2015/16 financial year:

- Department of Natural Resources and Mines information concerning an immaterial decrease in land valuations over the previous 24 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 2015/16 financial year.

**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 was applied to road infrastructure assets for the 2014/15 financial years.

In the 2015/16 financial year Council completed two reviews of the Roads, Drainage and Aerodrome assets: a review of suitable indices from the Australian Bureau of Statistics; and a review of Council's past project expenditure and unit rates.

Council has taken into account the following when making a determination on movements in fair value for the 2015/16 financial year:

- Movement of -2.15% in the Road and Construction Cost Index for the period 1 July 2014 – 30 June 2016;
- An increase of 1.9% in the Council Cost Index to December 2015
- The movement in unit rates was unpredictable due to insufficient available construction data for some asset classes and asset components and projects variations in some areas that would skew valuations if applied to the whole asset class.

Council therefore considers that it is reasonable not to apply indexation to Roads Infrastructure for the period 1 July 2014 – 30 June 2016.

**17 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 and a further indexation of 3% has been applied for the 2014/15 financial year. The next full revaluation is not proposed until the 2016/17 financial year.

Council will not apply indexation to passive assets for the 2015/16 financial year. This approach 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 essentially a zero net increase in contract construction rates/costs for water main construction in Banana Shire between the 2014/15 year and 2015/16.

**(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 and no indexation was applied for the 2014/15 financial year. The next full revaluation is not proposed until the 2016/17 financial year.

For the 2015/16 financial year Council has applied and 1.75% indexation to active water and sewerage assets. Given the difficulty in comparing the construction costs of like for like active asset type infrastructure construction works in a regional area such as the Banana Shire, this recommended indexation was established having due regard to the following relevant construction indices:-

- 1.0% increase in Asset revaluation index: Machinery and Equipment, Queensland, Jun qtr. 2015 to Mar qtr. 2016;
- 2.3% increase in Asset revaluation index: Engineering construction, Queensland, Jun qtr. 2015 to Mar qtr. 2016;
- 0.7% increase in Consumer Price Index (a): All groups, Brisbane, June qtr. 2015 to March qtr. 2016;
- It is also noted that the LGAQ Council Cost Index 2016 has been calculated at +1.9%.

Therefore, having regard to the above, Council is satisfied that a 1.75% indexation applied to asset value of active water and sewerage assets is reasonable.

**(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 2016

	Note	2016 \$	2015 \$
<b>18 Trade and other payables</b>			
<b>Current</b>			
Accruals		4,253,168	7,905,971
Creditors		1,368,352	1,727,819
Employee related accruals		6,893	-
GST payable		-	629,499
Annual leave		1,838,717	1,849,581
Other entitlements		150,744	164,691
		<u>7,617,874</u>	<u>12,277,561</u>

Employee benefit expenses are calculated at current pay levels and adjusted for inflation and likely future changes in salary level.

The non-current portion of long service leave is then discounted to the present value. Further details on employee entitlements are reported in Note 1.16

## 19 Provisions

<b>Current</b>			
Long service leave		2,564,722	2,868,425
		<u>2,564,722</u>	<u>2,868,425</u>
<b>Non-Current</b>			
Long service leave		241,423	233,459
Property restoration			
Refuse sites		20,298,490	17,479,428
		<u>20,539,913</u>	<u>17,712,887</u>

### Details of movements in provisions

<b>Long service leave</b>			
Balance at beginning of the year		3,101,884	3,182,825
Amount provided for in the year		447,275	338,061
Amount paid in the year		(743,014)	(419,002)
Balance at end of the year		<u>2,806,145</u>	<u>3,101,884</u>
Current portion		2,564,722	2,868,425
Non-current portion		241,423	233,459
<b>Refuse sites</b>			
Balance at beginning of the year		17,479,428	13,409,495
Increase due to change in time		611,322	592,656
Increase (decrease) due to change in discount rate		2,224,528	3,538,958
Amount expended in year		(16,788)	(61,681)
Balance at end of the year		<u>20,298,490</u>	<u>17,479,428</u>
Non-current portion		<u>20,298,490</u>	<u>17,479,428</u>
		<u>20,298,490</u>	<u>17,479,428</u>
		<u>7,546,430</u>	<u>6,943,208</u>

Cash funds committed to meet this liability at the reporting date are

## 20 Borrowings

### Unsecured borrowings

Unsecured borrowings are provided by the Queensland Treasury Corporation.

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

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

Principal and interest repayments are made quarterly in arrears.

# BANANA SHIRE COUNCIL

## Notes to the Financial Statements For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>20 Borrowings - continued</b>			
<b>Borrowings at balance date are</b>			
<b>Queensland Treasury Corporation</b>			
Balance at beginning of the year		11,396,897	11,659,063
Loans raised		-	654,000
Principal repayments		(996,164)	(916,166)
Balance at end of the year		10,400,733	11,396,897
<b>Classified as</b>			
Current		1,051,675	1,001,432
Non-current		9,349,058	10,395,465
		10,400,733	11,396,897

The loan market value at the reporting date was \$12,191,446.89.

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

No assets have been pledged as security by the council for any liabilities.

Borrowings are all in SA and are underwritten by the Queensland State

The following sets out the liquidity risk in relation to the above borrowings and represents the remaining contractual cash flows (principal and interest) at the end of the reporting period.

0 to 1 year	1,709,341	1,704,435
1 to 5 years	6,837,364	6,810,171
Over 5 years	4,826,391	6,322,856
Total contractual outflows	13,373,096	14,837,462
Carrying amount	10,400,733	11,396,897

The contractual outflows are not expected to occur significantly earlier and are not expected to be for significantly different amounts than indicated.

## 21 Other liabilities

### Current

Unearned revenue	61,000	71,079
Rates received in advance	434,441	403,532
	495,441	474,611

## 22 Council capital

### (i) Calculation of capital value and retained surplus

Cash and cash equivalents	14,635,822	24,222,088
Less: restricted cash		
Reserves (excluding the asset revaluation)	(4,453,413)	(7,614,588)
Capital sustainability reserve	(2,406,287)	-
Unspent loan capital fund reserve	-	(654,000)
Revenue received in advance	(495,441)	(474,611)
Cash funds allocated for future rehabilitation costs	(7,546,430)	(6,943,208)
Working capital cash (including employee entitlements)	916,346	(7,937,252)
Retained surplus (deficit) available for distribution	24 650,597	598,430
Council capital value	22 (ii) 197,935,876	198,190,652
Total capital and retained surplus at end of year	198,586,473	198,789,081

### (ii)(a) Movement in council capital account

Balance at beginning of the financial year	198,190,652	190,496,820
Error correction to capital assets	(57,344)	-
<b>Adjustments from (to) retained surplus</b>		
Transfer of capital expenses in the year	(10,651,198)	(12,335,751)
Transfer of revenue expended on capital assets	-	4,563,162
Transfer of unspent capital revenue	(0)	-
Transfer of unfunded depreciation	(1,926,123)	-
Total transfers (to) from retained surplus	(12,577,321)	(7,772,589)

# BANANA SHIRE COUNCIL

## Notes to the Financial Statements For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>22 Council capital - continued</b>			
<b>Transfer (to) from restricted reserves</b>			
Net transfer (to) from Future capital sustainability reserve	25 (a)(i)	(2,406,287)	4,568,884
Net transfer (to) from Unspent loan cash reserve	25 (a)(ii)	654,000	(654,000)
Constrained grants and subsidy reserve	25 (a)(iii)	12,605,281	11,393,485
<b>Transfer (to) from general reserves</b>			
Grants, subsidies and contributions reimbursed reserve		15,119	-
Capital Aquisitions reserve		1,511,776	158,052
Total transfers (to) from reserves		12,379,889	15,466,421
Total council capital at end of the financial year		197,935,876	198,190,652
The amount by which the Council has increased (decreased) its capital capacity to deliver future services to the community before inflation adjustments		(254,776)	7,693,832
<b>23 Asset revaluation surplus</b>			
The closing balance of the asset revaluation surplus is comprised of the following asset categories			
Buildings		44,196,948	43,556,805
Plant and equipment		569,574	569,574
Road, bridge and drainage network		372,697,843	375,986,223
Water		49,624,473	49,209,920
Sewerage		18,482,988	18,183,316
Environmental Infrastructure Assets		426,323	426,323
Other Assets NC		7,659,214	7,222,189
		493,657,363	495,154,350
<b>24 Retained surplus</b>			
<b>Movement in retained surplus</b>			
Balance at beginning of the year		598,430	8,775,111
Net result		(1,554,152)	(2,566,139)
		(955,722)	6,208,973
Transfers (to) from capital account		-	-
Transfer of capital expenses	9	10,651,198	12,335,751
General revenue used for capital funding purposes		-	(4,563,162)
Adjustment for unfunded depreciation		1,926,123	-
Net capital account transfers		12,577,321	7,772,589
Transfers (to)/ from capital reserves for future capital project funding, or from reserves funds that have been expended			
Constrained grants and subsidy contributions reserve		(10,012,205)	(12,474,022)
Constrained NDRRA grants reserve		(1,562,246)	-
Grants, subsidies and contributions reimbursed reserve		(15,119)	-
Plant reserve		(2)	-
		(11,589,572)	(12,474,022)
Transfers (to) recurrent reserves for future project funding, or from reserves funds that have been expended			
Special projects reserve		618,571	(909,110)
		618,571	(909,110)
Balance at end of the year		650,597	598,430
<b>25 Reserves</b>			
<b>(a) Restricted capital reserves</b>			
<b>(i) Future capital sustainability reserve</b>			
This cash forms part of council's capital value as the balance represents accumulated funded unspent depreciation cash plus additional cash funding, if required, to maintain the council's capital value under its' long term asset management plans.			
Balance at beginning of the year		-	4,568,884
Funded depreciation on capital assets in year		15,071,324	15,179,066
Less: Funds utilised in the year		(12,665,037)	(19,747,950)
Balance at end of the year		2,406,287	-

# BANANA SHIRE COUNCIL

## Notes to the Financial Statements For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>25 Reserves - continued</b>			
<b>(ii) Unspent loan cash reserve</b>			
This cash forms part of council's capital value as the balance represents loan cash drawn down but unspent at balance date. The cash is restricted to specific project funding.			
Balance at beginning of the year		654,000	-
Loan funds drawn down in year.		-	654,000
Loan cash expended in year.		(654,000)	-
Balance at end of the year		-	654,000
<b>(iii) Constrained grants and subsidy contributions reserve</b>			
Balance at beginning of the year		4,408,287	3,327,750
Transfer from retained earnings non reciprocal grants, subsidies and contributions received and allocated to specific capital projects		10,012,205	12,474,022
Transfers to the capital account funds expended in the year		(11,043,035)	(11,393,485)
Balance at end of the year		3,377,457	4,408,287
<b>(b) Other reserves</b>			
<b>(1) Summary of capital reserves held for funding future projects</b>			
(i) Capital Aquisitions reserve		546,642	2,058,418
(ii) Plant reserve		21,930	21,928
(iii) Aerodrome reserve		130,407	130,407
		698,979	2,210,753
<b>(2) Summary of recurrent reserves held for funding future projects</b>			
(i) Special Projects reserve		376,977	995,548
		376,977	995,548
Total other reserves		1,075,956	3,206,301
Total reserves		6,859,700	8,268,588
<b>26 Commitments for expenditure</b>			
<b>Contractual commitments</b>			
Contractual commitments at balance date but not recognised in the financial statements			
Biloela Civic Centre - per year		69,013	68,000
Biloela Pool - per year		31,629	31,164
Moura Pool - per year		37,089	36,544
Taroom Pool - per year		30,907	30,452
Magavalis Sports Complex - per year		13,700	13,700
		182,338	179,860
<b>Capital commitments</b>			
Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities			
Various Plant Items		2,066	59,107
Infrastructure Services (Roads, Bridges, Drainage, Streetscaping ...)		1,257,487	148,620
Water & Sewerage Infrastructure		2,175,244	2,147,408
Buildings, Parks, Pools and Other		238,506	320,670
		3,673,303	2,675,805
These expenditures are payable			
Within one year		3,673,303	2,675,805
<b>27 Contingent liabilities</b>			
<b>Local government workcare</b>			
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:		341,826	389,709

## BANANA SHIRE COUNCIL

### Notes to the Financial Statements For the year ended 30 June 2016

	Note	2016 \$	2015 \$
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#### 27 Contingent liabilities - continued

##### Local Government Mutual

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

As at 30 June 2015 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

#### 28 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.

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

Any amount by which the fund is over or under funded would only affect future benefits and contributions to the Regional DBF, and is not an asset or liability of the Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.

As at the reporting date, the assets of the scheme are sufficient to meet the vested

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2015. The actuary indicated that "At the valuation date of 1 July 2015, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date."

In the 2015 actuarial report the actuary has recommended no change to the employer contribution levels at this time.

Under the Local Government Act 2009 the trustee of the scheme has the power to levy additional contributions on councils which have employees in the Regional DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.



# BANANA SHIRE COUNCIL

## Notes to the Financial Statements

For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>28 Superannuation - continued</b>			
There are currently 69 entities contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 69 entities. Banana Shire Council made less than 4% of the total contributions to the plan in the 2015-16 financial year.			
The next actuarial investigation will be conducted as at 1 July 2018.			
The amount of superannuation contributions paid by Banana Shire Council to the scheme in this year for the benefit of employees was.			
		2,208,182	2,157,582
<b>29 Trust funds</b>			
Trust funds held for outside parties			
Security deposits		353,704	422,675
Unclaimed monies		-	63,827
		353,704	486,502
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.			
<b>30 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities</b>			
Net result		(1,554,152)	(2,566,139)
Non-cash operating items			
Impairment of receivables and bad debts written-off	8	853,224	-
Depreciation and amortisation	16	17,006,135	15,981,372
Change in restoration provisions expensed to finance costs		611,322	592,656
		18,470,681	16,574,028
Investing and development activities			
Capital grants, subsidies and contributions	4	(11,589,570)	(12,474,022)
Capital expenses	9	10,651,198	12,335,751
		(938,372)	(138,271)
Changes in operating assets and liabilities			
(Increase) decrease in receivables		(5,061,289)	6,652,848
(Increase) decrease in inventories (excluding land)		(209,995)	(269,267)
Increase (decrease) in payables		(4,139,798)	4,338,306
Increase (decrease) in provisions		(312,527)	(142,622)
Increase (decrease) in other liabilities		20,830	396,096
		(9,702,780)	10,975,361
Net cash inflow from operating activities		6,275,377	24,844,979
<b>31 Minor correction for assets not previously recognised</b>			
During the financial year Council became aware of some assets in property plant and equipment that were not previously recognised as well as some assets previously recognised that should not have been recognised.			
The asset classes affected are disclosed in notes indicated			
Summary details of assets previously recognised incorrectly are as follows			
Gross value of property, plant and equipment	16	57,344	-
Loss on assets previously recognised incorrectly		57,344	-
Net result of recognised/derecognised assets		(57,344)	-

## BANANA SHIRE COUNCIL

### Notes to the Financial Statements For the year ended 30 June 2016

#### 32 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.

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	2016 \$	2015 \$
<b>Financial assets</b>			
Cash at bank and on hand	11	1,246,826	1,014,394
Cash investments held with - QTC	11	8,388,996	18,207,694
Cash investments held with other approved deposit taking institutions	11&15	5,000,000	5,000,000
Receivables - rates	12	3,207,263	2,676,693
Receivables - other	12	5,726,932	2,678,936
<b>Other credit exposure</b>			
Guarantee	27	341,826	389,709
<b>Total</b>		<b>23,911,843</b>	<b>29,967,426</b>

#### Cash and cash equivalents

The Council may be exposed to credit risk through its investments in the QTC Cash Fund and QTC Working Capital Facility.

The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties.

Deposits with the QTC Cash Fund are capital guaranteed. Working Capital Facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

#### Other financial assets

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

#### Trade and other receivables

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

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

## BANANA SHIRE COUNCIL

### Notes to the Financial Statements For the year ended 30 June 2016

#### 32 Financial instruments - continued

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

##### Liquidity risk

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

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

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

These facilities are disclosed in note 20.

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

##### Market risk

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

##### Interest rate risk

Banana Shire Council is exposed to interest rate risk through investments 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.

#### 2016

Financial assets and liabilities that are

held at variable interest rates total

QTC cash funds

Other investments

Loans - QTC at fixed and generic \*

Net total

Net carrying amount	Change in profit & (loss) from		Change in equity from	
	1% increase	1% decrease	1% increase	1% decrease
\$	\$	\$	\$	\$
8,388,996	83,890	(83,890)	83,890	(83,890)
1,000,000	10,000	(10,000)	10,000	(10,000)
(10,400,733)				
(1,011,737)	93,890	(93,890)	93,890	(93,890)

#### 2015

QTC cash funds

Other investments

Loans - QTC at fixed and generic \*

Net total

18,207,694	182,077	(182,077)	182,077	(182,077)
1,000,000	10,000	(10,000)	10,000	(10,000)
(11,396,897)				
7,810,797	192,077	(192,077)	192,077	(192,077)

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

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 20.

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 2016

**33. 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	8,937,977
Revenues from services provided to external customers	31,812,085
Community service obligations	7,330,000
<b>Total revenues</b>	<b>48,080,062</b>
Expenditures	40,960,680
<b>Surplus</b>	<b>7,119,382</b>

## BANANA SHIRE COUNCIL

### Notes to the Financial Statements

For the year ended 30 June 2016

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#### 33. 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* \$30,000

- Provide adequate landfill and refuse disposal in the Shire.

##### *Water and Sewerage Services* \$7,300,000

- 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 \$7,330,000**



**BANANA SHIRE COUNCIL**

**FINANCIAL STATEMENTS**

**For the year ended 30 June 2016**

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**MANAGEMENT CERTIFICATE**

For the year ended 30 June 2016

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 37, 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: KEV FERRIER

Date: 13/10/2016

  
\_\_\_\_\_  
Chief Executive Officer

Name: Roy CONAGHY

Date: 16/10/16

## 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 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including 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 2015 to 30 June 2016 and of the financial position as at the end of that year.

## **Other Matters - Electronic Presentation of the Audited Financial Report**

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



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

Queensland Audit Office  
Brisbane

## BANANA SHIRE COUNCIL

### Current-year Financial Sustainability Statement For the year ended 30 June 2016

#### 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 2016 against key financial ratios

Operating surplus ratio	Asset sustainability ratio	Net financial liabilities ratio
between 0% and 10%	greater than 90%	not greater than 60%
-3.84%	77.03%	21.91%

Target

Actual

#### 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 2016.

#### Certificate of Accuracy For the year ended 30 June 2016

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: NEV FERRIER

Date: 13/10/2016

Chief Executive Officer

Name: Ray CORRAGHY

Date: 16/10/16

## 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 2016, 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 2016, has been accurately calculated.

### *Emphasis of Matter – Basis of Accounting*

Without modifying my opinion, attention is drawn to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the *Financial Management (Sustainability) Guideline 2013* for the purpose of fulfilling the Council's reporting responsibilities under the *Local Government Regulation 2012*. As a result, the statement may not be suitable for another purpose.

### **Other Matters - Electronic Presentation of the Audited Statement**

Those viewing an electronic presentation of this special purpose financial report should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



*D. Stolz*  
D A STOLZ FCPA  
As Delegate of the Auditor-General of Queensland

Queensland Audit Office  
Brisbane

## BANANA SHIRE COUNCIL

### Long-Term Financial Sustainability Statement

Prepared as at 30 June 2016

#### 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 2016 against key financial ratios

#### Target

Actuals at 30 June 2016

Projected for the years ended

30 June 2017  
30 June 2018  
30 June 2019  
30 June 2020  
30 June 2021  
30 June 2022  
30 June 2023  
30 June 2024  
30 June 2025

Operating surplus ratio	Asset sustainability ratio	Net financial liabilities ratio
between 0% and 10%	greater than 90%	not greater than 60%
-3.84%	77.03%	21.91%
0.00%	126.03%	10.64%
0.00%	86.82%	9.03%
2.80%	107.03%	6.49%
3.40%	114.71%	3.92%
4.10%	110.26%	1.30%
4.80%	110.00%	-1.36%
5.50%	119.35%	-3.73%
6.10%	122.81%	-5.85%
6.80%	127.79%	-6.15%

#### 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 2016

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

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

  
Mayor

Name: NEV FERRIER

Date: 13/10/2016

  
Chief Executive Officer

Name: JOY CORAGHY

Date: 16/10/16

**BANANA SHIRE COUNCIL**

For the year ended 30 June 2016

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**THE FOLLOWING REPORTS DO NOT FORM PART OF THE  
AUDITED FINANCIAL STATEMENTS. THEY HAVE BEEN PROVIDED  
AS ADDITIONAL MANAGEMENT INFORMATION TO ASSIST THE  
READER IN THEIR ANALYSIS OF THE FINANCIAL STATEMENTS**

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

For the year ended 30 June 2016

**UNAUDITED**

	2016	2015
<b>Financial indicators and ratios of the accounts</b>	\$	\$
<b>Maintenance of council's physical operating capability</b>		
This indicates whether the opening capital value of the council has been maintained by operational activities during the year.		
A continual decline in capital value will lead ultimately to a decline in services to the provided to the community.		
Opening capital value	693,999,526	198,844,652
Operating surplus/(deficit) in year	(2,492,524)	(2,704,410)
Transfers from operating reserves to retained earnings in year	618,571	(909,110)
Retained surplus/(deficit) brought forward from prior year	598,430	8,775,111
Closing balance of the opening capital value	692,724,003	204,006,243
Change in the opening capital value	(1,275,523)	5,161,592
	%	%
<b>Asset sustainability ratio</b>		
Expenditure on replacement assets divided by depreciation expense	51.0%	236.8%
Target range >90%		
<b>Operating surplus ratio</b>		
Net operating surplus/(deficit) divided by total operating revenue	-3.8%	-3.7%
Guidance range is between 0% and 10%		
<b>Net financial liability</b>		
Total liabilities less current assets divided by total operating revenue	22.5%	16.5%
Guidance range is not greater than 60%		
<b>Asset consumption ratio</b>		
Book value of infrastructure assets divided by there gross value		
Target range is between 40% and 80%	74.1%	74.8%
<b>Interest cover ratio</b>		
Net interest expense divided by total operating revenue	0.0%	-0.3%
Target range is between 0% and 5%		
A negative percentage indicates that interest income exceeds the interest expense.		
<b>Working capital ratio</b>		
Unrestricted current assets available to meet current liabilities	2.0 : 1	1.7 : 1
Guidance range 1:1 to 4:1		
<b>Change in community equity ratio</b>		
The percentage change in the net wealth of the Council.	-0.4%	-0.1%
<b>Debt servicing ratio</b>		
The percentage that the Council's total recurrent revenue that is used to service loan interest and principal repayments	2.6%	2.3%
<b>General rate revenue ratio</b>		
The Council's dependence on general rate revenue as a percentage of total recurrent revenue	33.7%	29.8%
<b>Revenue ratio</b>		
The Council's dependence on net rates and utility charges as a percentage of total recurrent revenue	49.2%	43.5%
<b>Debt exposure ratio:</b>		
The percentage of Council's capital debt to total community equity	1.5%	1.6%
<b>Unfunded depreciation ratio</b>		
The percentage of unfunded depreciation to the total depreciation expense	11.4%	0.0%
<b>Capital expenditure ratio</b>		
The ratio of capital expenditure to depreciation	164.0%	223.0%

**BANANA SHIRE COUNCIL**

**Statement of Operating Performance**  
**For the year ended 30 June 2016**

	Note	2016	2015
<b>Operating Income</b>			
Rates and utility charge revenue	3 (a)	35,166,262	34,982,742
Less: Discounts		(2,984,455)	(2,918,948)
Less: Pensioner remissions		(292,620)	(284,289)
Net rates and utility charges		31,889,187	31,779,505
Fees and charges	3 (b)	2,399,701	2,852,448
Rental and levies		317,422	348,063
Interest received	3 (c)	717,843	915,182
Sales of contract and recoverable works	3 (d)	13,666,380	13,395,334
Other recurrent income		302,107	1,002,692
Grants, subsidies and contributions	4 (i)	15,563,799	22,726,008
<b>Total operating revenue</b>		<b>64,856,439</b>	<b>73,019,232</b>
<b>Operating Expenses</b>			
Employee benefits	6	(21,774,995)	(20,774,389)
Materials and services	7	(26,330,143)	(37,592,524)
Finance costs	8	(2,237,690)	(1,375,357)
Depreciation	16	(16,927,295)	(15,921,060)
Amortisation		(78,840)	(60,312)
<b>Total operating expenses</b>		<b>(67,348,963)</b>	<b>(75,723,642)</b>
<b>Operating surplus (deficit) for the year</b>		<b>(2,492,524)</b>	<b>(2,704,410)</b>
<b>Capital revenue</b>			
Grants, subsidies and contributions	4 (ii)	11,589,570	12,474,022
<b>Capital income</b>			
<b>Total capital revenue and income</b>		<b>11,589,570</b>	<b>12,474,022</b>
<b>Capital expenses</b>			
Loss on the sale of capital assets	5	(732,112)	(279,138)
Loss on write-off of capital assets	10	(7,694,558)	(8,517,655)
Increase in rehabilitation provision relating to council controlled site, but no asset revaluation surplus available in the related asset		(2,224,528)	(3,538,958)
<b>Total capital expenses</b>		<b>(10,651,198)</b>	<b>(12,335,751)</b>
<b>Net result</b>		<b>(1,554,152)</b>	<b>(2,566,139)</b>



**BANANA SHIRE COUNCIL**

**Statement of Appropriations**

For the year ended 30 June 2016

		2016	2015
	Note	\$	\$
Retained surplus (deficiency) from prior years		598,430	8,775,111
Net result for the year		<u>(1,554,152)</u>	<u>(2,566,139)</u>
		<u>(955,722)</u>	<u>6,208,972</u>
<b>Transfers (to) from capital account</b>			
Transfer of capital expenses	9	10,651,198	12,335,751
General revenue used for capital funding purposes	CFS*	-	(4,563,162)
Unspent capital revenue transferred from capital	CFS*	-	-
Adjustment for unfunded depreciation		<u>1,926,123</u>	<u>-</u>
Net capital account transfers		<u>12,577,321</u>	<u>7,772,589</u>
<b>Transfers (to) from restricted reserves</b>			
Constrained grants and subsidy contributions reserve	25 (iii)	(10,012,205)	(12,474,022)
Constrained NDRRA grants reserve	25	<u>(1,562,246)</u>	<u>-</u>
<b>Retained surplus (deficiency) available for transfer to reserves</b>		<u>47,147</u>	<u>1,507,540</u>
<b>Transfers (to) from reserves for future capital funding:</b>			
Grants, subsidies and contributions reimbursed reserve	25 (i)	(15,119)	-
Plant reserve	25 (iii)	(2)	-
<b>Transfers (to) from reserves for future recurrent funding purposes:</b>			
Special projects reserve	25 (2)(i)	618,571	(909,110)
		<u>-</u>	<u>-</u>
<b>Retained surplus (deficit) at end of year</b>		<u><u>650,597</u></u>	<u><u>598,430</u></u>

\*CFS - Denotes Capital Funding Statement

**BANANA SHIRE COUNCIL**

**Statement of Capital Funding**

For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>Sources of capital funding</b>			
General revenue used for capital purposes		-	4,563,162
Excess capital revenue provided in year		-	-
Loan monies expended		654,000	-
Funded depreciation and amortisation		12,665,037	19,747,950
Proceeds from the sale of capital assets	5	1,298,809	564,972
Constrained grants, subsidies and contributions		11,043,035	11,393,485
Grants, subsidies and contributions reimbursed reserve		15,119	-
Capital Aquisitions reserve		1,511,776	158,052
Constrained NDRRA grants reserve		1,562,246	-
		<u>28,750,022</u>	<u>36,427,621</u>
<b>Application of capital funding</b>			
Non-current capital assets			
Site improvements		604,798	68,754
Buildings		4,078,323	4,105,317
Plant and equipment		1,503,320	2,033,919
Road, bridge and drainage network		7,122,663	17,812,663
Water		13,032,535	6,048,320
Sewerage		1,208,770	4,350,170
Environmental Infrastructure Assets		21,700	93,821
Other Assets NC		100,302	1,266,443
Movement in capital work in progress		(27,737)	(360,593)
Intangible assets		109,186	92,641
		<u>27,753,860</u>	<u>35,511,455</u>
Principal loan redemptions			
Queensland Treasury Corporation		996,164	916,166
		<u>996,164</u>	<u>916,166</u>
		<u>28,750,022</u>	<u>36,427,621</u>

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