



Banana Shire Council



Annual Report 2016/2017



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COUNCIL CONTACTS

Email: enquiries@banana.qld.gov.au

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

| Location | Telephone | Hours of Operation |
|------------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Administration Centre 62 Valentine Plains Road Biloela Qld 4715 | Telephone: 4992 9500 | 8.00 am – 5.00 pm Monday to Friday |
| ON CALL - (After Hours Only) | | |
| Works | | 0408 067 196 |
| Water & Sewerage | | |
| ➢ Baralaba, Biloela, Goovigen, Thangool, Wowan | | 0417 641 994 |
| ➢ Moura Banana | | 0417 641 994 |
| ➢ Theodore | | 0418 986 107 |
| ➢ Taroom | | 0409 376 344 |
| Dog Attacks | | 0448 701 140 |
| Stock Routes | | 0427 148 783 |
| Other Centres | | |
| Taroom Office 18 Yaldwyn Street Taroom Qld 4420 | Telephone: 4992 9500 | 8.00 am – 5.00 pm Monday to Friday |
| Moura Office 43 Gillespie Street Moura Qld 4718 | Telephone: 4992 9500 | 8.30 am – 12.00 noon & 1.00 pm – 4.30 pm Monday to Friday |
| Community Resource Centre 102 Rainbow Street Biloela Qld 4715 | Telephone: 4992 7360 Fax: 4992 9502 | 9.00 am – 5.00 pm Monday to Friday |
| Biloela Library Grevillea Street Biloela Qld 4715 | Telephone: 4992 7362 Fax: 4992 4725 | 9.00 am – 5.30 pm Monday to Wednesday 9.00 am – 7.00 pm Thursday 9.00 am – 5.30 pm Friday 9.15 am – 1.00 pm Saturday |
| Moura Library McArthur Street Moura Qld 4718 | Telephone: 4997 3197 | 1.00 pm – 6.00 pm Tuesday & Thursday 9.00 am – 12.00 pm Friday & Saturday |
| Taroom Library 24 Yaldwyn Street Taroom Qld 4420 | Telephone: 4627 3355 | 9.30 am – 1.00 pm & 2.00 pm – 5.00 pm Tuesday, Thursday & Friday |
| Theodore Library The Boulevard Theodore Qld 4719 | Telephone: 4993 1229 | 1.00 pm – 5.00 pm Thursday 9.00 am – 12.00 pm Saturday |

Mobile Library - The Banana Shire Mobile Library visits the townships of Banana, Baralaba, Cracow, Dululu, Goovigen, Jambin, Thangool & Wowan. It also visits several schools in the Banana Shire. The timetable is on a fortnightly basis. Copies are available at all Shire Libraries and on Council's website.

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 2017

Recognising our Achievers

Congratulations to the Baralaba community on hosting a great Australia Day for 2017 on the banks of the Dawson River. Good numbers turned out to support the community and to congratulate award winners and nominees for the Banana Shire Australia Day Awards.

| | |
|----------------------------------------------------|--------------------------------------------------------|
| Junior Sportsperson | Maddix Lovett (WINNER) |
| | Amelija Swaffer-Selff |
| | Breanna Heid |
| | Melanie Hamilton |
| | Sterling Edwards |
| | Samuel Cock |
| | Taylor Heid |
| Senior Sportsperson | Brian Argus (WINNER) |
| Sports Coach, Official and/or Administrator | Tony Gilligan (WINNER) |
| | Anthony Webb |
| | Brett Lee |
| | Helan Ambrey |
| Community Group or Team | JBOYS (WINNER) |
| | Biloela State High School |
| | Moura Community Kindergarten |
| | Town Shopping Volunteers |
| Junior Cultural Award | Emma Zillmann (WINNER) |
| | Karla Lovell |
| | Olivia Brewer |
| Cultural Award | Jeannie Bowtell |
| | Auda Maclean (Winner) |
| Community Event of the Year Award | Having a Ball in the Buffel (WINNER) |
| | Biloela Rugby Union – Rockhampton Regional Grand Final |
| | Classics by the Dawson |

| | |
|----------------------------------------|---------------------------------------|
| | Dawes Hall RCI Campdraft |
| | Day for Dan |
| | Lion King Junior – Theatre Production |
| | Pink Night in Baralaba |
| | Taroom Professional Rodeo |
| | Theodore State School P&C Trail Ride |
| Volunteer Award | Alva Collocott (WINNER) |
| | Des Howe |
| | Donna Reynolds |
| | Elinor Wright |
| | Jacob Bock |
| | Julie Watson |
| | Kristine Markey |
| Young Citizen of the Year Award | Emma Zillmann (WINNER) |
| | Annie Affleck |
| | Suzie Hutchings |
| Citizen of the Year Award | Donna Reynolds (WINNER) |
| | Jacob Bock |
| | Julie Watson |
| | Mina McGuire |
| | Nigel Krueger |
| | Richard Parks |



Citizen of the Year Winner – Donna Reynolds

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, two 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



Tourism

Numerous natural and man-made attractions make the Banana Shire and Sandstone Wonders region an ideal tourist destination. The Shire's well positioned location to the coast and the outback make it a destination not to be overlooked.

Sandstone Wonders is the Banana Shire Council tourism brand which has a strong following and online presence. Sandstone Wonders has almost 7,000 Facebook followers and 700 Instagram followers with our messaging and content resonating across the country.

For everything there is to do in the Banana Shire and Sandstone Wonders our website provides the full picture, www.sandstonewonders.com. Here you can download our detailed self-drive trails and town maps.

Council Offices, Visitor Information Centres and local businesses throughout the Shire display our Simple Pleasures tourism magazine.

History, 4WD adventures, camping, fishing, events and our many natural wonders ensure there is always more to explore, more to discover and more you'll want to remember!

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 210m high (nearly the length of two football fields). The chimney for the newer Callide 'C' Power Station is 20m 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 | 1,123 km |
| – Unsealed | 2,885 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(km²)
- **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 | Banana State School |
| Baralaba | Baralaba P-10 State School |
| Biloela | Biloela State School |
| | Biloela State High School |
| | Redeemer P-10 School |
| | St Joseph's Primary School |
| Goovigen | Goovigen State School |
| Jambin | Jambin State School |
| Moura | Moura State School |
| | Moura State High School |
| Taroom | Taroom P-10 State School |
| Thangool | Thangool State School |
| Theodore | Theodore P-10 State School |
| Wowan | Wowan State School |
| Rural | 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 13 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 3005 people [Source: National Institute of Statistics and Economic Studies France (web), Institute of Statistics and Economic Studies New Caledonia (web)].

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.

NATIVE TITLE and ABORIGINAL CULTURAL HERITAGE

NATIVE TITLE

Considerable progress has been made by the descendants of the original inhabitants of Banana Shire towards legal, cultural and community recognition.

A number of claims have been lodged with the National Native Title Tribunal and are in various stages of working towards full recognition.

The Wulli Wulli People claim originally filed on 17 July 2000 over an area which includes a section of Banana Shire including the towns of Cracow and Theodore has been successful with the consent determination registered through the Federal Court meeting in Theodore on 13 August 2015 and recorded in the NNTT register on 29 January 2016. The determination is a breakthrough achievement as it is the first self-funded native title claim in the region, and the culmination of over a decade of persistence and hard work. An Indigenous Land Use Agreement between the Wulli Wulli people was also negotiated and registered at these hearings.

The Iman People claim originally filed on 30 October 1997 over an area which includes a section of Banana Shire including the town of Taroom has been successful with the consent determination registered through the Federal Court meeting in Taroom on 23 June 2016 and registered on 11 November 2016. An Indigenous Land Use Agreement between Council and the Iman people has also been registered.

These Indigenous Land Use Agreements (ILUAs) with Council provides a strong foundation for future consultation with the Wulli Wulli and Iman People. The ILUAs give certainty on who Council has to consult with and set the guidelines for handling of any relevant issues that arise as well a regular future consultation. Regular meetings will be held with Consultative Committees and Capital Works Forums established under these ILUAs.

The Darumbal People claim lodged on 26 July 2012 over an area which includes a section in the north west of Banana Shire has been successful with the consent determination registered through the Federal Court meeting in Rockhampton on 21 June 2016. Council is not a party to any Indigenous Land Use Agreement associated with this claim as the area within Banana Shire is relatively small and the impact on Council activities is expected to be minor however Council will consult with the Darumbal People should the need arise.

The Gaangalu People lodged a claim on 20 August 2012 over an area which includes a section of Banana Shire including the towns of Banana, Baralaba, Biloela, Dululu, Goovigen, Jambin, Moura, Rannes, Thangool and Wowan. This claim has not been determined to date, and consequently an ILUA has not been negotiated.

Wadja People lodged a claim on 22 August 2012 over an area which includes a section of Banana Shire west of Theodore. This claim does not include any towns within Banana Shire. This claim has not been determined to date.

There are a number of other claims over relatively small areas on the perimeter of the Shire including the Bidjara People and a combined Wakka Wakka and Wulli Wulli claim. The extent of Council involvement in these claims is unclear at this stage.



ABORIGINAL CULTURAL HERITAGE

Council is very conscious of its obligations and responsibilities under the *Aboriginal Cultural Act 2003*. Depending on the level of impact, prior inspection with subsequent identification, clearance, relocation, monitoring or other outcome may be necessary for certain projects.

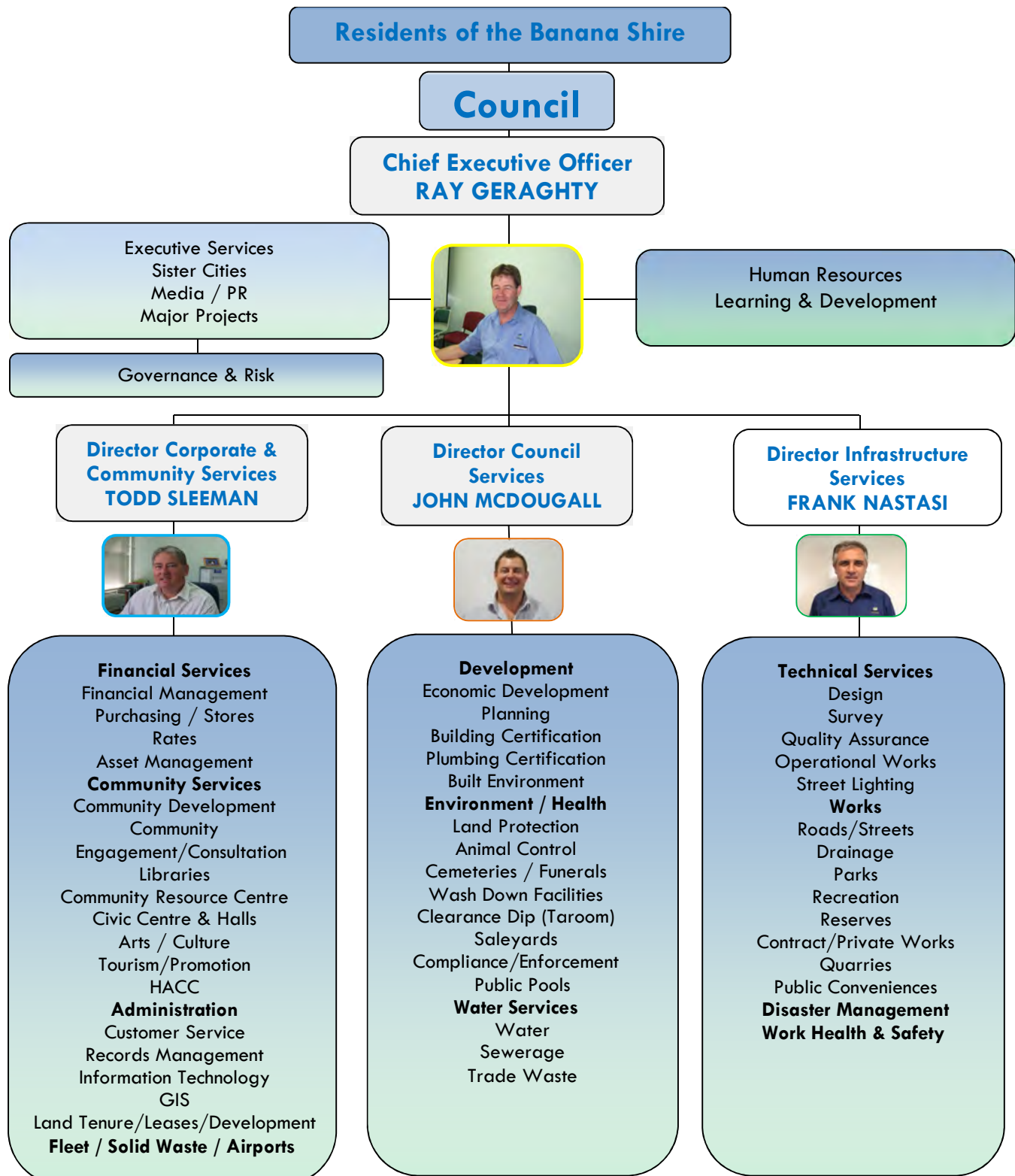
Whilst this is a completely separate matter to Native Title, the indigenous party to consult with on Aboriginal Cultural Heritage issues for a specific site is determined by the Native Title determination. Consequently Aboriginal Cultural heritage has been included in the ILUAs with the Iman and Wulli Wulli people with proposed capital projects to be presented to the relevant Capital Works Forums.

It is anticipated negotiations on the same or similar approach will apply to any future discussions on ILUAs.



Iman Groove Stone, Yaldwyn Street, Taroom

COUNCIL STRUCTURE AND LEADERSHIP GROUP



COUNCIL STRUCTURE

ELECTED MEMBERS

| Councillor | | Portfolio |
|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>MAYOR – CR NEV FERRIER</p> <p>Mobile: 0448 011 814</p> <p>Email: mayor@banana.qld.gov.au</p> | <p>Executive Management, Economic Development, Media/PR, LDMG, Assist all Portfolio Councillors</p> <p><u>After by-election</u> Executive Management, Economic Development, Media/PR, LDMG, Assist all Portfolio Councillors, Work Health & Safety</p> |
|  | <p>DIV 1 – CR DAVID SNELL</p> <p>Mobile: 0427 922 176</p> <p>Email: david.snell@banana.qld.gov.au</p> | <p>Water, Sewerage, Public Pools, Trade Waste, Solid Waste, Biloela Civic Centre, Land Tenure & Land Development, Public Conveniences, Fleet, Native Title</p> |
|  | <p>DIV 2 – DEPUTY MAYOR CR WARREN MIDDLETON</p> <p>Mobile: 0488 410 275</p> <p>Email: warren.middleton@banana.qld.gov.au</p> | <p>Development Services, Planning & Environment (includes Planning, Plumbing, Building, Animal control, Cemeteries/Funerals), Compliance Enforcement, Disaster Management (including SES), Sister City</p> <p><u>After by-election</u> Development Services, Planning & Environment (includes Planning, Plumbing, Building, Animal control, Cemeteries/Funerals), Compliance Enforcement, Disaster Management (including SES), Human Resources, Learning & Development, Governance & Risk</p> |

| | | |
|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>DIV 3 – CR PAT BRENNAN</p> <p>Mobile: 0419 156 958</p> <p>Email: pat.brennan@banana.qld.gov.au</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>DIV 4 – CR COL SEMPLE</p> <p>Mobile: 0437 740 189</p> <p>Email: colin.semple@banana.qld.gov.au</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>DIV 5 – CR BROOKE LEO</p> <p>Mobile: 0438 110 325</p> <p>Email: brooke.leo@banana.qld.gov.au</p> | <p>Administration & 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>DIV 6 – CR VAUGHN BECKER (resigned 14 December 2016)</p> <p>Mobile: 0427 582 221</p> <p>Email: vaughn.becker@banana.qld.gov.au</p> | <p><u>After by-election</u> Finance, Information Technology, Purchasing/Stores, Rates, Asset Management, GIS, Tourism/Promotion, Arts/Culture</p> <p><u>Before by-election</u> Corporate Services (includes Finance, Information Technology, Purchasing/Stores, Rates, Asset Management), Human Resources, Learning & Development, Governance & Risk, GIS, Work Health & Safety, HACC</p> |

Cr Vaughn Becker resigned on 14 December 2016 and a by-election was held for Division 6 on 25 February 2017.

Cr Terri Boyce was duly elected as Councillor for Division 6 on 8 March 2017.





DIV 6 – CR TERRI BOYCE

Mobile:
0427 283 202

Email:
terri.boyce@banana.qld.gov.au

From 08/03/2017

Libraries, CRC, HACC, Customer Service, Records Management, Halls (excluding Biloela Civic Centre), Community Development, Community Engagement, Community Consultation, Sister Cities



Councillor Representation on Committees

Advisory Committees

| Committee / Group | Councillor/s Prior to by-election | Councillor/s After by-election |
|------------------------------------------------------------------|----------------------------------------------|-------------------------------------------|
| Banana Shire Community Resource Centre Advisory Committee | Leo | Boyce |
| HACC - Banana Shire Home and Community Care Advisory Committee | Becker | Boyce |
| Banana Shire Tourism Advisory Committee | Mayor Leo | Mayor Leo |
| RADF - Banana Shire Regional Arts Development Fund | Becker Leo | Boyce 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 Prior to by-election | Councillor/s After by-election |
|-------------------------------------------------------------|------------------------------------------------|----------------------------------------------|-------------------------------------------|
| Banana Shire Council Local Disaster Management Group | <i>Disaster Management Act 2003</i> Section 29 | Mayor Leo Middleton | Mayor Leo Middleton |
| Banana Shire Council Audit Committee | <i>Local Government Act 2009</i> Section 105 | Becker (Chairperson) Leo | Leo (Chairperson) Boyce |

Council Portfolio Briefings / Working Groups / Workshops

| Group | Councillor/s Prior to by-election | Councillor/s After by-election |
|---------------------------------------------------------------------|----------------------------------------------|-------------------------------------------|
| Banana Shire Aerodromes Working Group | Brennan Semple | Brennan Semple |
| Banana Shire Industry Summit Working Group | Mayor Middleton (Chair) Leo | Mayor Middleton (Chair) Leo |
| Banana Shire Council Aboriginal Consultative Group | Mayor Snell | Mayor Snell |
| Cockatoo Coal Working Group (i.e. Transport Corridor Working Group) | Mayor (Chair) Semple | Mayor (Chair) Semple |
| Cockatoo Coal Baralaba Community Advisory Group | Semple (Chair) Leo | Semple (Chair) Leo |
| Road Safety Management Reference Group | Brennan | Brennan |

| | | |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| | Semple | Semple |
| Native Title & Cultural Heritage Representative | Snell | Snell |
| Wulli Wulli ILUA | Mayor (or delegate) Becker <u>Staff</u> • CEO (or delegate) • Manager Governance & Risk • Relevant Director | Mayor (or delegate) Boyce <u>Staff</u> • CEO (or delegate) • Manager Governance & Risk • Relevant Director |
| Gladstone Area Water Board Working Group | Snell (Chair) Mayor | Snell (Chair) Mayor |
| Leichhardt Centre Working Group | Becker | Boyce |
| Callide Dam Recreation Area Working Group | Mayor Brennan Middleton Snell Leo | 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

| Committee / Association / Group | Facilitator / Patron / Instigator / Controlling Body | Councillor/s Prior to by-election | Councillor/s After by-election |
|---------------------------------------------------------------------|-------------------------------------------------------------|------------------------------------------|---------------------------------------|
| ARTS and CULTURE | | | |
| Banana Shire Art Gallery Assn Inc | Community | Leo | Leo |
| Banana Shire Community Arts Assn | Community | Leo | Leo |
| COMMUNITY | | | |
| Callide Coalfields Community Liaison Forum | Environment | Mayor Middleton | Mayor Middleton |
| SunWater Community Liaison Group for Nathan Dam & Pipelines Project | SunWater | Becker | Boyce |
| DISASTER MANAGEMENT | | | |
| Recovery Sub Group - Economic | BSC Local Disaster Management Group | Leo | Leo |
| Recovery Sub Group – Environmental | BSC Local Disaster Management Group | Brennan | Brennan |
| Recovery Sub Group – Human Social | BSC Local Disaster Management Group | Becker | Snell |
| Recovery Sub Group – Infrastructure | BSC Local Disaster Management Group | Semple | Semple |
| Baralaba/Rannes LECC | BSC Local Disaster Management Group | Semple | Semple |

| Committee / Association / Group | Facilitator / Patron / Instigator / Controlling Body | Councillor/s Prior to by-election | Councillor/s After by-election |
|--------------------------------------------------------------------------------------|-------------------------------------------------------------|------------------------------------------|---------------------------------------|
| Jambin/Goovigen LECC | BSC Local Disaster Management Group | Semple | Semple |
| Moura/Banana LECC | BSC Local Disaster Management Group | Leo | Leo |
| Theodore/Cracow LECC | BSC Local Disaster Management Group | Becker | Ex Councillor Vaughn Becker |
| Taroom LECC | BSC Local Disaster Management Group | Becker | Ex Councillor Vaughn Becker |
| Wowan/Dululu LECC | BSC Local Disaster Management Group | Semple | Semple |
| Note: Appointment of Councillors to LECC groups is not a Council appointment. | | | |
| GOVERNANCE and PLANNING | | | |
| Bowen Basin Regional Road & Transport Group | Infrastructure | Mayor Crs Brennan and/or Semple | Mayor Crs Brennan and/or Semple |
| Central Queensland Regional Planning Committee | Dept of Infrastructure, Local Government & Planning | Mayor Brennan | Mayor Brennan |
| CQROC –Central Queensland Regional Organisation of Councils | Gladstone Regional Council | Mayor Middleton | Mayor Middleton |
| Native Title | Dept of Aboriginal and Torres Strait Islander Partnerships | Snell | Snell |
| Valuation Consultative Group | Queensland Valuer-General | Becker | Leo |
| LANDCARE and PEST MANAGEMENT | | | |
| Baralaba Landcare | Dept of Environment & Heritage Protection | Semple | Semple |
| CPMG - Capricorn Pest Management Group | Capricorn Pest Management Group | Brennan Semple | Brennan Semple |
| Dee River Restoration Committee (a sub-committee of the Wowan/Dululu Landcare Group) | Wowan/Dululu Landcare Group | Mayor Semple | Mayor Semple |
| Dululu/Wowan Landcare | Dept of Environment & Heritage Protection | Semple | Semple |
| Taroom Landcare | Dept of Environment & Heritage Protection | Becker | Boyce |
| RIVER CATCHMENT and WATER RESOURCES | | | |
| Callide Sub-catchment Community Reference Panel | Dept of Energy, Biofuels & Water Supply | Snell | Snell |
| Callide Valley Water Supply Scheme Customer Committee | Dept of Energy, Biofuels & Water Supply | Snell | Snell |

| Committee / Association / Group | Facilitator / Patron / Instigator / Controlling Body | Councillor/s Prior to by-election | Councillor/s After by-election |
|-------------------------------------------------------------|-------------------------------------------------------------|------------------------------------------|---------------------------------------|
| Central Queensland Regional Water Supply Strategy Committee | Dept of Energy, Biofuels & Water Supply | Mayor Snell | Mayor Snell |
| Dawson Catchment Co-ordinating Association Inc | Dept of Energy, Biofuels & Water Supply | Semple | Semple |
| Dawson Valley Water Supply Customer Committee | Dept of Energy, Biofuels & Water Supply | Snell | Snell |
| Don River, Dee River & Alma Creek Advisory Committee | Dept of Energy, Biofuels & Water Supply | Mayor Semple | Mayor Semple |
| SPORTS and RECREATION | | | |
| Magavalis Sports Club Committee | Community | Snell | Snell |
| Taroom Showgrounds Improvement Committee | Taroom Show Society | Becker | Boyce |
| TOURISM and PROMOTION | | | |
| Country Way Promotions Committee | Country Way Promotions Committee | Leo | Leo |
| Leichhardt Hwy Promotions Assn Inc Committee | Leichhardt Hwy Promotions Assn Inc Committee | Leo | 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 01/07/2016) |
|-----------------|----------------------|-------------------------------------------------------------------------|
| Mayor | 65 | \$99,638 |
| Deputy Mayor | 37.5 | \$57,483 |
| Councillor | 32.5 | \$49,819 |

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 2016/17:

| Councillor | Remuneration | Superannuation | Total |
|-------------------|---------------------|-----------------------|--------------|
| VA Becker | 23,993 | 2,879 | 26,872 |
| PJ Brennan | 49,808 | 5,977 | 55,785 |
| NG Ferrier | 99,606 | 11,952 | 111,558 |
| B Leo | 49,808 | 5,977 | 55,785 |
| W Middleton | 57,464 | 6,895 | 64,359 |
| CG Sample | 49,808 | 5,977 | 55,785 |
| D Snell | 49,808 | 5,977 | 55,785 |
| TS Boyce | 14,869 | 1,784 | 16,653 |
| | 395,164 | 47,418 | 442,582 |

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 | 161 | 161 | | 115 | 34 | | 471 |
| T Boyce | 75 | 75 | | | 32 | | 182 |
| PJ Brennan | 300 | 300 | | 1366 | 43 | | 2009 |
| NG Ferrier | 300 | | | | 52 | | 352 |
| B Leo | 300 | 300 | | 4961 | 100 | | 5661 |
| W Middleton | 300 | 300 | | | | | 600 |
| C Semple | 300 | 300 | | 4492 | | | 5092 |
| D Snell | 300 | 300 | | | | | 600 |
| TOTAL | 2036 | 1736 | 0 | 10934 | 261 | 0 | 14967 |

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.

| Councillor | Facilities Provided |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| VA Becker | Vehicle (for Council use only) Accommodation (in Biloela for meetings) Tablet Computer |
| T Boyce | Vehicle (for Council use only) Accommodation (in Biloela for meetings) Tablet Computer |
| PJ Brennan | Tablet Computer |
| NG Ferrier | Office at Administration Centre Vehicle (for Council use only) Mobile Phone Tablet Computer Mayoral Corporate Credit Card |
| B Leo | Tablet Computer |
| W Middleton | Tablet Computer Deputy Mayoral Corporate Credit Card |
| C Semple | Tablet Computer |
| D Snell | Tablet Computer |

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 | 6 | n/a | 1 | 6 |
| T Boyce | 4 | n/a | 2 | 7 |
| PJ Brennan | 11 | n/a | 4 | 14 |
| NG Ferrier | 12 | n/a | 28 | 14 |
| B Leo | 12 | n/a | 12 | 14 |
| W Middleton | 12 | n/a | 17 | 14 |
| C Semple | 12 | n/a | 15 | 14 |
| D Snell | 10 | n/a | 0 | 13 |

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)

| | | | |
|------------------------------|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------|---|
| MISCONDUCT | 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 |
| INAPPROPRIATE CONDUCT | Local Government Regulation 2012(d)(ii) | Number of orders made under Section 181 of the <i>Local Government Act 2009</i> . | 0 |

Misconduct and Inappropriate Conduct Details

Local Government Regulation 2012 Section 186 (e)

| | (e) (i) | (e) (ii) | (e) (iii) |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | 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; | A description of the misconduct or inappropriate conduct engaged in by each of the councillors; | A summary of the order or recommendation made for each councillor; |
| 1 | Former Cr Ron Carige | Misconduct – three inappropriate orders made within one year | (a) That on balance of probabilities Mr Ron Carige engaged in repeated inappropriate conduct and therefore misconduct (b) No order for disciplinary action |

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

| | Subject Matter | Details | Number |
|--------|------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|---------------|
| (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) | 0 |
| (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; | 0 |
| (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.

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), 29 October 2013 (Minute Ref OM002550) and 23 November 2016 (Minute Ref OM003620).

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

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 |
|-----------------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| 14 | 12 | 2 | 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 | 93,036.73 | |
| 3190-2120-0002 | Community Development – In Kind Assistance | 5,557.55 | |
| 2010-1194-0000 | Rates Based Financial Assistance- Sports & Community Groups | 69,699.86 | |
| 2010-1195-0000 | Rates Based Financial Assistance- Retirement Homes | 90,781.51 | Plus General Rates and Water Consumption on applicable premises exempt from charging. |
| 3450-2380-0000 | Regional Arts Development Fund – Grants to Locals | 16,891.39 | |
| | TOTAL | \$275,967.04 | |

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

With the commitment and support of the Councillors and staff, this past year has been quite successful. We have seen many projects undertaken and as a result our twelve towns in the Shire are progressing.

During the financial year a number of key projects have been completed; Browns Gully Crossing, Baralaba Water Treatment Plant, Flood Study, Flood Gauges, and the Moura Water Treatment Plant Stage 2.

I would like to take this opportunity to thank Cr Vaughn Becker for his contributions during his nine years as a Councillor; Cr Becker resigned from Council in December 2016. I would also like to welcome Division 6 Councillor Terri Boyce who was elected in February 2017. Some of Terri's portfolio includes; Libraries, Customer Service, Community Development, Community Engagement, Community Consultation, and Sister Cities.

This past year has seen the Shire go from being drought declared to facing a significant weather event; the rain event in the aftermath of ex Tropical Cyclone Debbie. Despite this rain event the Shire remains drought declared.

As a Shire we fared reasonably well with the rain event in the aftermath of ex Tropical Cyclone Debbie, as opposed to other areas in the State which weren't so lucky.

Banana Shire Council is in a solid financial position, but, like all other Councils there are challenges ahead.

The next 12 months look to be promising. With the support of my fellow Councillors I look forward to Banana Shire Council continuing to grow and develop and take on further initiatives to allow improvement and economic growth within the Shire.

Tourism is becoming a major draw card for our region and we look forward to expanding into this area further. Lake Callide Retreat is progressing well and will no doubt draw visitors to our region.

I look forward to continuing to travel throughout the Shire to meet with local community members.

Cr Nev Ferrier
MAYOR



Chief Executive Officer's Annual Report 2016/2017

In December 2016 Cr Vaughn Becker submitted his resignation as Councillor for Division 6, which includes Theodore, Cracow and Taroom.

Vaughn has had a long and distinguished career in Local Government serving for many years as a CEO in regional Queensland. He successfully stood for election as the Division 6 Councillor in March 2008 and held that position until his resignation.

He was a strong advocate for his community and the greater Banana Shire area.

Cr Terri Boyce was subsequently elected as the Division 6 representative at the February By-Election. Terri was sworn into Office in March and has taken her place on Council, and has quickly settled into her role as a Councillor.

In January 2017 QantasLink flew their last service into Thangool, thus ending their services to the area stretching back many years.

Council was fortunate in securing the services of Fly Corporate to provide replacement services in what was a seamless transition for the area.

To date support of the service has been reasonable, however for the service to remain viable I would encourage the community to utilise this essential service to the area.

During the course of the year Council wound up the majority of flood works and now has only a limited number of projects, mostly associated with Cyclone Debbie, to complete. These works will be undertaken in the next 12 to 18 months.

In early 2017 the State Government announced the Works for Queensland Program. This program provided up to 100% funding on approved projects. Banana Shire Council was allocated \$1.79 million in this funding program and the following projects have been approved and are well underway –

- Biloela SES Headquarters
- Dust Seals – Beef Road
- Pest (Weed) Management – Willows Cactus, Parkinsonia & Harrisia Cactus
- Callide Dam Play Equipment
- Power Upgrade Biloela Library
- Demountable Skate Park
- Moura Water Treatment Plant Amenities Building
- Pathway/Bikeways – Biloela & Moura
- Moura Miners' Memorial Project

Council undertook a review of its Community Plan and Place Based Plans during the course of the year. Whilst it is not a statutory requirement to have these plans in place, they are useful planning tools for Council and will also be of assistance to Council in developing and finalising its Economic Development Plan during the next 12 months.

The positive and proactive approach of Councillors and staff has greatly assisted in 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 | 2 |
| \$200,000 to \$299,999 | 2 |

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

ASSESSMENT OF IMPLEMENTATION OF 5 YEAR CORPORATE PLAN and OPERATIONAL PLAN

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

Following a review 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 review of this Corporate Plan was conducted in November 2016 which resulted in an updated Corporate Plan being adopted to take effect from the 1 July 2017 until 30 June 2019.

Council's Annual Operational Plan and Budget for 2016/17 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 Cyclone Marcia flood event 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 affect 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 stabilised somewhat and it remains 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.



CORPORATE PLAN – Key Strategies

Following a review, a new Corporate Plan for 2014-2019 came into effect on 1 July 2014. This Corporate Plan continued to apply for the whole 2015-2016 & 2016/17 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.



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 2016/17 year continued with the same corporate structure.

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

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

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

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

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

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

Council has continued to 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 2017/18.

Council will also continue to focus on risk management in 2017/18 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. Due to the delay in finalising these changes, Council's 2012 Enterprise Bargaining Agreement remains in effect until such time as new certified agreement negotiations are commenced, completed and ratified.

Council staff continued to receive comprehensive training on the Drug and Alcohol Policy. Random drug and alcohol testing has been in place since May 2016 in Council.

The November 2016 bi-annual cycle of Performance Reviews were distributed from HR to business areas, with a high participation rate from employees. The November cycle included the "training needs assessment" (TNA) which is undertaken each year to establish learning and development's mandatory, professional development and overall training needs related to job roles and individual employees.

Leave accruals continued to be monitored and proactively managed on an ongoing basis. For example annual leave, long service leave and time in lieu balances.

The Human Resources Induction for new employees, as well as the WH&S Induction, has been increased in frequency. A high number of contractor inductions continue to be a key focus in ensuring safety requirements and obligations are clearly advised to contractors.



Workforce Statistics

Council's workforce at the end of the 2016/17 year consisted of **324** employees including full time, part time, fixed term and casual employees with an addition 38 positions vacant. The following tables provide a breakdown of the composition of Council's workforce and the number of employees in each Department as at 30 June 2017.

Full-time equivalent = 243

| Employment Status | Male | Female | Total |
|-------------------|------------|------------|------------|
| Full Time | 172 | 65 | 237 |
| Part Time | 1 | 19 | 20 |
| Fixed Term | 6 | 19 | 25 |
| Casual | 4 | 33 | 38 |
| Apprentice | 3 | 0 | 3 |
| Trainee | 0 | 2 | 3 |
| TOTAL | 186 | 138 | 324 |

| | |
|--------------------|----|
| Unfilled Vacancies | 38 |
|--------------------|----|

| Department | Number of Positions (Inclusive of Vacancies) |
|--------------------------------|-------------------------------------------------|
| Executive Services | 26 |
| Corporate & Community Services | 112 |
| Council Services | 79 |
| Infrastructure Services | 145 |
| TOTAL | 362 |

Learning and Development

Trainees, Apprentices and Cadets

Banana Shire Council was successful in obtaining two (2) Traineeships with the State Government's First Start Funding as part of the Skilling Queenslanders for Work initiative. Later in the year Council were successful in obtaining another two (2) positions with the Queensland Government's Community Recovery First Start Program – ex Tropical Cyclone Debbie.

Council is currently upskilling 14 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 has two (2) Civil Engineer Cadets 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.

This year, staff participated in the Ignite Programme and Propeller Programme conducted by the Local Government Managers Association. These programmes are employee development and recognition programmes for staff who are new Managers or Supervisors. Banana Shire Council also entered a team in the LGMA Rural Management Challenge which was held in Capella in November 2016.

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.

Mandatory Training

Completion of mandatory training by Banana Shire Council Staff, helps maintain a safe and healthy working environment, and supports Council in meeting its obligations under Queensland's Work Health and Safety Act 2011.

All Banana Shire Council staff must complete the core mandatory training modules with additional training requirements for specific staff, dependent on their occupation or responsibilities within their workplace. One of the key focus areas was on Work, Health and Safety training for Supervisors, providing participants with a better understanding of risk management. Regular training provides continuous improvement and allows Council supervisors to keep well-informed of legislative responsibilities and changes.

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 of a workplace", Council also holds a mock interview with students, to give them exposure and tips that may assist them in future.

Workloads and staff availability sometimes prevent a student being placed. Council does not place students in high risk work 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 pursuing an OP Score.

Disaster Management Training

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

A training needs analysis is conducted annually by Learning and Development in consultation with the Disaster Management Coordinator. Gap training and refresher courses are provided to staff for continuous improvement ensuring the Disaster Coordination Centre has the capability and capacity to respond should a disaster situation occur within the Banana Shire.

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 staff.

Training for specialist or high risk equipment is also outsourced to a "Registered Training Organisation".

Work Health and Safety (WH&S)

The primary function of the WH&S team is to provide WH&S advice, tools and assistance to all persons conducting work within the Banana Shire Council (BSC), in an effort to improve safety outcomes for all parties involved in BSC activities. The advice also extends to meeting all WH&S legislative responsibilities for the Person Conducting a Business or Undertaking (PCBU), its officers and workers.

Year in Review

Safety Management System Update

The “SafePlan” WH&S Management system has been endorsed as the model for continual improvement of safety within the Banana Shire Council. This system will bring;

- A structured approach to the holistic management of safety to the Council.
- A suite of documentation aligned to the current risk profile of local government entities.
- A safety model built on risk management, consultation and communication.
- The ability of the SafePlan Management System to align with the Myosh WHS tracking programme implemented in Council in the previous financial year.

Safety Management System Implementation

- An updated plan for the implementation of the document hierarchy has been established.
- This involves a three stage implementation process; this process is aligned to the WH&S Management Plan activities segregated in monthly actions (MAPs).
- A structured roll-out of internal audits to allow BSC to determine risk levels and monitor compliance performance.
- Implementing a series of lead and lag WH&S indicators that will define BSC WHS performance at a point in time and across defined time periods.

WHS Training

The WH&S training needs of Council staff are monitored on an annual basis to ensure that BSC Staff have the skills and competencies to fulfil their roles at council in a safe and professional manner. This is monitored related to position description and cross referenced to individual worker profile through the “TNA – training needs analysis conducted as part of bi-annual performance reviews.

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.

Banana Shire Council entered into its second year using the new Records Management Software system MagiQ. New employees received training in the use of MagiQ and refresher training was conducted for existing staff, as requested. This 12 month period saw an increase in licenced MagiQ users from 130 to 160.

As part of an ongoing project, more than a million documents from the previous Records Management software system were transferred into MagiQ in June 2017. Records staff are currently reviewing this transferred information and applying appropriate security to ensure strict confidentiality requirements are maintained. Following the completion of this review the transferred data will be released into MagiQ and available for end users to access as needed.

In September 2016 Council's archives were relocated from our Auburn Street archive facility to a third party storage company, Iron Mountain based in Brisbane. Iron Mountain are now responsible for the housing, maintenance and destruction of Council's archives on an as required basis. An online portal was also set up to allow Council to request retrievals of hardcopy documents and files, request electronic copies of documents to be emailed or to lodge newly archived documents and files.

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 utilised the services of JJ Richards to finalise the destruction process.

Last year's decrease in Right to Information applications has remained consistent throughout 2016/2017. No new applications were received during this period.



Information and Communication Technology

The Information and Communication Technology Section (ICT) completed numerous projects and upgrades throughout the year in an effort to meet the rapidly growing resource 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. 1,027 user support requests were completed during the year.

Some projects completed and made operational during the year included:

- Continual upgrades to network storage to provide increases required for both end-user resources and disaster recovery preparedness.
- Rollout of additional mobile devices for field use.
- Upgrade to records management system.
- Network upgrades completed allowing greater integration of remote sites into corporate network resources.
- Expansion of Council's wireless network.



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;
- Continued to work with the Department of National Parks, Sport & Racing to deliver Sport & Recreation workshops in the Banana Shire;
- Joined with the Community Development Officer – Recovery to deliver and promote the Grab & Go Campaign throughout all towns and communities in Banana Shire;
- Joined with the Community Development Officer – Recovery to deliver and promote the Bush Bible to all towns and communities in Banana Shire which was developed by the CDO-R;
- Participated in welcoming the first arrival flight by Fly Corporate into Thangool Airport. Banana Shire information bags were distributed to the passengers and crew to welcome the company to Banana Shire;
- Participated in the preparations, promotion and delivery of the ‘Dogs Day Out’ in Biloela;
- Participated in the preparations, promotion of the Dog High Jump competition which was held at the 2017 Callide Valley Show;
- Held information stands along with Community Development Officer – Recovery, and the Communications, Marketing and Media Officer, at local Markets in Biloela and Moura. These were held on a monthly basis;
- Held an information stand along with the Community Development Officer – Recovery, and the Communications, Marketing and Media Officer, at the Callide Valley Show held over 2 full days in May;
- Participated in a Community Networking Meeting hosted by Rev. Arthur Tutin – Remote Area Ministry Facilitator for the Central Qld area of the Uniting Church.
- Hosted weekly lunchtime ‘star weaving’ workshops as part of the ‘One Million Stars to End Violence’ project. These workshops were held at Moura State High School, Redeemer Lutheran Primary School & Biloela State High School. Workshops were held at Biloela State High School each day during Harmony Week celebrations;
- Hosted and co-hosted, with the Art and Cultural Officer, ‘star weaving’ workshops at the



Biloela Library and Banana Shire Art Gallery. This included an open and very well attended 'Wine and Weaving' night at the Banana Shire Art Gallery;

- Participated in community meetings and discussions hosted by Access Community Services Ltd regarding the potential resettlement of new immigrants in Biloela;
- Participated in community meetings regarding the proposal of a 'Community Garden';
- Attended Committee meetings of various community groups throughout the Shire;
- Participated in the International Women's Day Events held in Biloela, Moura and Theodore, where author and international speaker, Amanda Gore kept the audience captivated with her motivational presentation;
- Participated in the 'Strength of Mind' Tour with Craig Hamilton and Preston Campbell
- Hosted 2 'Heathy Body – Healthy Mind – Keeping the Balance' Events for Mens Health Week featuring Craig Hamilton.

Training

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

- Our Community Directory webinar
- Disaster Management – Recovery workshops

Community Contributions

Enquiries for the Community Grants Program continued to increase over the financial year.

Council contributed in excess of \$100,000.00 to the community across the Shire in the 2017-2018 financial year. Fifty-four applications were received under the program.

Community Project Support

Twenty-five 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 three new calendar entries per week and are encouraging groups where possible to add events themselves.

The Community Development Advisor is reviewing the efficiency of the My Community Directory and has requested support from My Community Directory. We will continue to engage with community groups and community members to utilise the service to its full potential. Listings which have noted as being based in the Banana Shire for 2017/18 has continued to remain steady at 365 organisations providing over 510 different services. 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

Australia Day

The 2017 Australia Day celebrations were held in Baralaba. Significant time is required from numerous staff in the Corporate & Community Services department in the planning for this event each year. This varies from organising the Citizenship Ceremony and official requirements, collating award nominations, planning the photo competition and generally making sure the celebrations comply with regulations. Planning commences in July/August and continues up until the 26th January. 5 staff members attended the Baralaba Celebrations and received positive feedback regarding their efforts and the efforts of the Australia Day Committee.

'Strength of Mind – Overcoming Adversity and Thriving Again' Tour

The Community Development Advisor assisted the Community Development Officer - Recovery in the delivery of the 'Strength of Mind' events which were conducted over 4 days in February. These were held in Taroom, Theodore, Moura and Biloela. Presenters Craig Hamilton and Preston Campbell's thought provoking presentations were very successful and well received by all who attended. The tour also included visiting 9 schools within the Shire. These events were funded through the Community Drought Support Program.

'Healthy Body – Healthy Mind – Keeping the Balance' Mens Health Week

The Community Development Advisor hosted 2 events in Biloela and Moura which was presented by Craig Hamilton following his very successful tour of Banana Shire in February 2017. These were held to coincide with Mens' Health week and was again very well received. A complimentary bus was made available for the Taroom and Theodore communities to attend the Moura event.

Dogs Day Out – Biloela

The Community Development Advisor assisted in the development, planning, promotion and delivery of the Dogs Day Out. This event was very well received and attended by the community



Customer Service

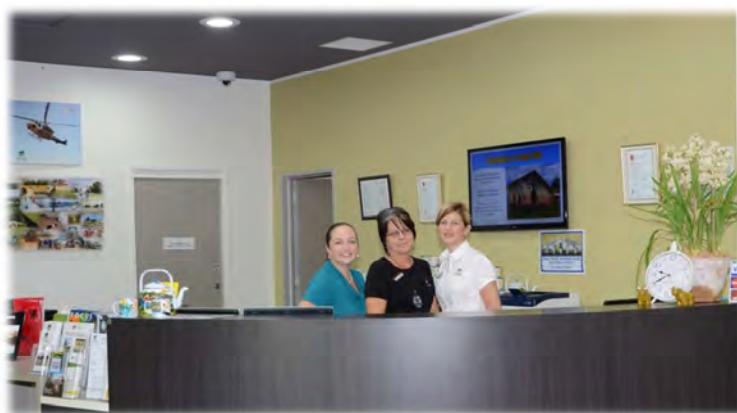
Customer Service Officers answered approximately 24,209 calls, which equates to approximately 98 calls per work day and approximately 3,458 calls per Customer Service Officer annually. There has been a 56% increase in calls through the phone system during this financial year. The large increase is due to phone stats system being down in the 2015/16 period. Biloela & Moura Customer services were continuing to experience some ongoing communication issues throughout the period.

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 Buildings has increased this financial year with 12,708 face to face customers attending our facilities to undertake their business; which equates to a 22% increase against the 2015/16 financial year. Biloela Office attended to 8,165, Moura 2,273 & Taroom 2,270.

Our teams issued 5,809 receipts this is a 29% increase from 2015/16 financial year the receipts from the Biloela Administration office, 4171 from the Moura Customer Service Centre 725 and from the Taroom Customer Service Office 913.

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 2016/2017 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. Staff regularly meet with the departments to discuss best practices and ways to meet our responsibilities to our suppliers.

Stock levels are maintained to ensure that all items are available for emergency and everyday tasks. Stocks are monitored to ensure that as needs change stock is updated to suit the demand. A safety audit was carried out in regards to unloading transport at the facilities. After investigating this practice it was decided to install a barrier to ensure the safety of the operators, delivery drivers and visitors to the area. This has met Council's compliance with our safety legislation.



Disaster Management

An LDMG Executive Management Team has been formed to oversee Council's disaster management programmes and responsibilities. The LDMG Executive Team comprises the Local Disaster Management Group Chairperson, Deputy Chairperson and Local Disaster Coordinator with each of these positions having legislated functions under the Disaster Management Act.

Rain and River Gauges

Council finalised the installation of a rain and river gauge network in early 2017 for Callide Valley to improve the Local Disaster Management Group access to "real time" rain and river height data and situational intelligence in relation to flood events. This network was funded by Council, State and Federal Governments. This network complements the Dawson River network previously installed by Council. These sites are also available on the Bureau of Meteorology website for public access to such data.



Public Engagement and Awareness Activities

Council is developing a detailed public awareness and educational strategy to ensure local communities have access to information and resources to ensure that they are able to take appropriate actions to prepare for, respond to and recover from disaster events. Significant work has already been undertaken on Council's Social media platform (Facebook) and updating of the disaster management website.

Other activities implemented include a "Grab N Go" video featuring local community members and emergency service agencies and a video encouraging support and recruitment for local State Emergency Service (SES) groups that are supported by Council.



Exercises

Exercises are an essential component of disaster preparedness and are used by the LDMG and member agencies to enhance capacity and contribute towards continuous improvement. Council has undertaken a number of exercises throughout 2016 and 2017.

Activations

Banana Shire LDMG and LDCC were activated on 28 March 2017 due to Ex TC Debbie low pressure system causing severe weather within the Shire, resulting in releases from Callide Dam and spills from Kroombit Dam.

Council continues to work with Sunwater as the owner of the dams to ensure continuous improvement of operations and processes involving dams. This includes legislated requirements for Council to assess Sunwater's Emergency Action Plans for their dams to ensure that they are consistent with Council's Local Disaster Management Plans.

Training

QFES Emergency Management maintains responsibility for ensuring persons involved in disaster management are appropriately trained.

As such, Council has, through liaison with the local QFES Emergency Management Area Coordinator, implemented continuing training as per the Queensland Disaster Management Training Framework.

Council ensures that other emergency service local disaster management stakeholders are also offered the opportunity to participate in any training coordinated by Banana Shire Council.

SES

Council continues to support local State Emergency Service (SES) groups through agreement with the State Government. Council is in the process of upgrading the former railway building in Biloela for use by the Biloela SES group. Funding for this project was provided under Work for Queensland Programme implemented by the State Government and is expected to be completed by November 2017.

Council is also in the process of providing an extension to existing Moura SES group facility to provide required space to maintain SES functions.



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 another busy year with a growth in exhibitions and attendance to programs. Despite a drop in the overall attendance, the gallery remains a valuable place for art enthusiasts, families and visitors to frequently attend and engage in creative activities. This drop could be attributed to human error in gathering data, a plateau of attendance, and a particularly popular show in the previous year which boosted the attendance significantly.

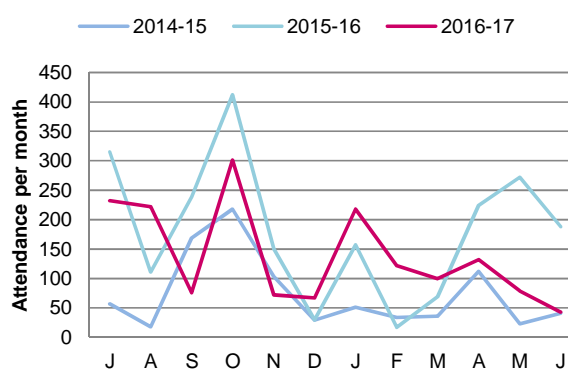
The volunteer base has allowed the gallery to continue with weekend opening hours once per month, with consistent attendance on these days.

Key exhibitions include *Art Mix*, and the *Brigalow Arts Festival* (BSRAG annual exhibitions). The gallery was able to bring 3 touring shows to the region and continued its support of Central Queensland artists with a number of group and solo shows.

Other key achievements for the gallery include introduction of branding and social media, commencing a curated project *A Tribute to Modern Pioneers* and participation in the *One Million Stars to End Violence* Project.

| | |
|---------------------------------------------|-------------|
| Total Attendance | 1664 |
| Adults | 1299 |
| Children (18 & U) | 365 |
| Total Number of Group Visits | 6 |
| Exhibition Openings Attendance | 423 |
| Total Number of Exhibition Openings | 9 |
| Total Number of Exhibitions | 14 |
| BSC Presented (collection, curated) | 2 |
| BSC Presented (touring) | 3 |
| External | 9 |
| Workshops/Public Programs Attendance | 251 |
| Total Number of Workshops/Public Programs | 16 |
| Weekend Attendance | 148 |
| Total Number of Weekends Open | 10 |

BSRAG Attendance Recent 3 Years (financial years)



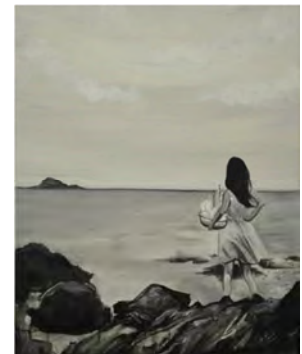


Images L to R: *Creative Connections* and *Caravan of Curiosities* exhibiting Artists | Visitors at the *Playtime* and *Not All Those Who Wander Are Lost* Opening | QAGOMA Kids Touring activities at Theodore Youth Centre| Star Weaving Workshop | Rachael Baskerville undertaking the *A Tribute to Modern Pioneers* Project

Banana Shire Art Collection

The Banana Shire Art Collection comprises of 332 pieces, an increase of 41 pieces predominately acquired through donations.

Image: Emma Ward *When* 2016, synthetic polymer paint on canvas | Purchased 2017 Banana Shire Council



Dust of Uruzgan

Council also facilitated other arts and cultural activity, such as bringing the touring production of *Dust of Uruzgan* to Biloela. *Dust of Uruzgan* is a collection of songs shedding light into the Australian Defence and civilian experience of living in the Uruzgan Province of Afghanistan.

Image: Fred Smith at Canberra Playhouse. Courtesy of Artour



Focus

Council's 'Focus on the Banana Shire' newsletter was circulated quarterly. The newsletter is one of the ways that Council shares news and information to the Shire.

The newsletter is mailed to all mailing addresses within the Banana Shire (approximately 6,850) and is also available from Shire Offices and Libraries (including the Mobile Library), as well as Visitor Information Centres and the Thangool Airport. It is also available to view on Council's website, along with past issues.

The newsletter can also be emailed. It will still arrive in the mailbox but an email can be forwarded to family and friends so it is a convenient way of sharing our Shire's news. To have an email address added to our newsletter sharing list you can email enquiries@banana.qld.gov.au.

The Focus on the Banana Shire newsletter always includes a Community Calendar of Events. Items from the Community Calendar can be viewed on Council's website by accessing the 'Community Calendar' 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, by email enquiries@banana.qld.gov.au, or in writing, to

The Focus Co-ordinator
PO Box 412
BILOELA QLD 4715



Library

Biloela Library operates 5.5 days/week, Mobile Library 3 days/week, Taroom Library 3 days/week, Moura Library 4 x 0.5 days/week and Theodore Library 2 x 0.5 days/week.

The Mobile Library services Banana, Baralaba, Goovigen, Jambin, Wowan, Dululu and Cracow on a rotating 2 week roster. The Home Library visits housebound community members and residents at Wahroonga fortnightly on a Tuesday delivering books and audio books.

All branches are encouraged to participate in promotional activities (eg Origin Fever), hold story telling sessions, lapsit for babies, and encourage the community to visit the libraries.



Highlights

- New front counter installed in May 2017 at the Biloela Library.
- Biloela Library hosted work experience students.
- Mobile shelving was installed in June 2017 at the Biloela Library.

Events

- August 2016 - Cooina Kindy displayed the children's art work in the Biloela Library
- September 2016, Book launch of "My Left Thong", by Julia Arno
- September 2016 school holidays – Ozobots sessions;
- December 2016 – January 2017– Summer Reading Club
- December 2016 - Xmas Craft sessions
- April and June 2017 School Holiday Craft sessions
- May 2017 - student volunteer assistance



- 12-18 June 2017 – visit from Craig Hamilton during Men's Health week



- NAIDOC display
- State of Origin Celebrations
- Statistics for the year:

| | Items Loaned | User visits | Membership |
|--------------|--------------|--------------|-------------|
| Biloela | 48532 | 49366 | 5789 |
| Mobile | 7105 | 2215 | 803 |
| Moura | 7941 | 4110 | 855 |
| Theodore | 1940 | 994 | 265 |
| Taroom | 4802 | 3317 | 485 |
| Total | 70320 | 60002 | 8197 |



Community Resource Centre 2016 / 2017

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 2016 / 2017 has continued to provide these in Banana Shire. This is achieved by:

Resource Library

The CRC Library currently holds 5284 catalogued resources, including 293 new resources accessioned during the 2016 / 2017 financial year. During this period, 2,966 items were lent 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 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 Program

Individual and group therapy services were provided by a Speech Language Pathologist, Occupational Therapists, Physiotherapist, Exercise Physiologist, Music Therapist, Educators and therapy assistants to schools in Biloela (4 schools), Moura (2 schools), Baralaba, Banana, Baralaba, Jambin, Goovigen, Mount Murchison, Prospect Creek and Thangool Theodore.

School Support Holiday Program

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, a homework support program, a music therapy program and a supported socialising 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 2016 / 2017 year have included communication devices, therapy assessments and a range of specialised desks to promote inclusion and participation in learning activities in classrooms.

COMMUNITY RESOURCE CENTRE



CRC – Fee for Service

This year has seen the significant growth of therapy services on a fee for service basis, including speech Language Pathology, Occupational Therapy, Physiotherapy and Early Childhood educator. With the introduction of the National Disability Insurance Scheme, fee for service will become 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 professional development workshops to upskill families, teachers, teacher aides and support workers in the local community. Although many participants have been local, others have travelled from Gladstone, Gayndah, Biggenden and Coalstoun Lakes to attend the training. Participants have

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, and exercise physiology services delivered by There4U, Lifestyle Therapies & Training Solutions and all Sorts Developmental. 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 and Psychology Services by Jaime Parnell, Psychologist.

Other services to utilise the CRC to provide services included employment agencies MAXX Employment and APM to support job seekers. Callide Valley Chaplaincy, Cancer Council and Sailability in the Bush CQ Inc. utilised the CRC facilities to hold meetings.

A number of organisations also used the CRC meeting rooms to run training sessions and workshops. These included Disability Services, Anglicare CQ, and CRU.

CRC Volunteers

Volunteer contributions to the CRC are priceless. This year saw the retirement of volunteer Mary Anderson after more than 30 years working in most aspects of the resource library management. We thank her sincerely for her dedication and ongoing assistance and her good humour always.

The 2016 / 2017 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.

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 funding has supported a wide variety of groups and projects, the 2016-17 year marks a new approach with Council undertaking a significant initiative for the community, *A Tribute to Modern Pioneers*. While this project is still in progress, community engagement and project outcomes to date mark this successful approach to utilising RADF funding. The RADF year now operates from September – September and is still in progress.



Images L-R: Collection Care workshop at Kilburnie Homestead
Rachael Baskerville and David Trevilyan for the A Tribute to Modern Pioneers Project

| RADF GRANTS (\$33614 total funding available) | | | |
|-----------------------------------------------|-----------------------------------------|---------------------------------------------|----------------|
| Round | Applicant | Project | Grant Amount |
| 1 | Sarah Larsen | Prismatic Pachyderms Exhibition Development | \$7252 |
| | Kilburnie Homestead | Kilburnie Collection | \$4265 |
| 3 | Taroom District Development Association | Taroom River Festival | \$2000 |
| | Banana Shire Art Gallery Association | Fun With Acrylics Workshop | \$2100 |
| | Lions Club of Taroom | Teddy Bear Workshop | \$1500 |
| | Melita Lyell | Attendance to McGregor School | \$1000 |
| | Banana Shire Council | Artiz PUBLIC Sponsorship for Youth | \$1500 |
| Individual Professional Development Grants | | | |
| Other | BSC Initiatives | A Tribute to Modern Pioneers Project | \$5446 |
| | | | \$25063 |

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.

PARKS AND OPEN SPACES

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

- Panorama Drive Park has been refurbished new retaining wall, plants, mulch and automatic irrigation; value \$20,000
- Thangool entrance has been filled with gardens – only native plants displayed for 600+mt; value \$30,000
- Melton Park public illumination has been refurbished with solar lights; value \$6000



Panorama Drive, Biloela



Melton Park, Biloela

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 various public toilets 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 March 2017, mosquito control activities were undertaken around the towns of Biloela, Thangool, Jambin, Goovigen, Dululu and Wowan. 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, sporting fields and day care centres, in an effort to reduce nuisances and the likelihood of mosquito borne disease.

Council were able to utilise social media to speedily disseminate information in relation to treatment times and locations and to provide general advice to the community on mosquito avoidance and breeding prevention.

Between February and April 2017, 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 of mosquitoes and 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 environmental 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.

Flying Fox Management

A population of Little Red flying foxes roosting within the Moura township at the start of the financial year rapidly grew in population and impacted heavily on the Moura Kindergarten and the surrounding community.

A Little Red flying fox colony, combined with Black and Grey-headed flying foxes, also rapidly grew in the Wowan township causing concern to the community.

Council continued providing coordination and support to manage these situations in consultation with the Department of Environment and Heritage, until the colonies dispersed naturally. Council assisted the Moura Kindergarten to temporarily relocate, held public meetings in both Moura and Wowan, and undertook training and vaccination of staff to better manage these and future flying fox issues.

A flying fox management plan was developed and adopted by Council in April 2017, and monitoring is ongoing.

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 2016/17 financial year was as follows:

| | |
|-----------------------------------------|-----|
| Food business license | 112 |
| Environmental registration | 0 |
| Share accommodation permit | 1 |
| Caravan park operator permit | 8 |
| 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 continued to provide access to a free online food safety training program called "I'm Alert" via Council's website, reaching a milestone of 800 users in May 2017.

CEMETERIES

Improvement works continued at Shire cemeteries, with the installation of a shade shelter and improvements to gardens and the irrigation system at the Biloela Lawn Cemetery; a new entrance sign, all weather entrance track, gates and entrance sign installed at the Baralaba Cemetery; a new feature entrance, sign and irrigation network extension at the Moura Cemetery; a new entrance sign at Wowan Cemetery; and new beams and markers for unmarked graves at the Jambin Cemetery.

Council undertook a total of 70 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:

- 2375 dogs registered;
- 3 Menacing dog declarations;
- 2 Dangerous dog declarations;

Of the animals that were impounded the following apply:

- 75 Animals destroyed;
- 140 Animals rehomed;
- 180 Animals released.

30 infringement notices were issued to dog owners for failing to comply with direction notices, which was twice the number issued the previous year.

This year again saw a significant decrease in animals destroyed thanks to the continued efforts of compliance officers and establishment of networks and relationships with local rescue organisations.

Compliance Officers continued to take the Petpep Program into local primary schools, with 4 visits during the year reaching 200 students. This program teaches children responsible pet ownership and dog bite prevention.

An approved inspection program commenced 1 March 2017, monitoring compliance with the *Animal Management (Cats and Dogs) Act 2008* and Council's Local Law No. 2 (Animal Management) 2011. In particular the program involved checks on registration, microchipping, number of animals and keeping conditions. Council resolved to continue the program into the 2017/18 financial year.

Dogs Day Out and High Jump

In April, Council hosted a Dogs Day Out at the Malcolm Husbands Dog Off Leash Area, Biloela. The event aimed to promote responsible dog ownership and provided information to residents about pet products and services in the local area. Free microchipping, a dog high jump demonstration, information stalls and a sausage sizzle, were key features of the event, which was well received by the public.

In May, Council hosted a dog high jump event at the Callide Valley Show. The event attracted 14 entries and drew a considerable audience to view the final competition.

The success of both events has meant that they are likely to become annual events.



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

Invasive Pest Control

The start of the financial year saw the introduction of the new *Biosecurity Act 2014* replacing the pest control directives of the *Land Protection (Pest and Stock Route Management) Act 2003*.

Council's Land Protection staff continued the fight against invasive 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.

Follow-up inspections of Giant Rats Tail Grass strategic control program were ongoing.

Council staff conducted 92 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.

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 4775 kg, which included the following break-up:-

| Properties | Type of bait | Amount |
|-------------------|---------------------|---------------|
| 42 properties | Dog meat | 2645 kg |
| 19 properties | Pig meat | 1570 kg |
| 6 properties | Pig grain | 560 kg |

There was a decrease in both the amount of 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 for control of rabbits.
- Council staff also undertook a number of trapping programs to reduce feral cat numbers within the Shire.

Stock and Stock Route Management

Despite some areas of the Shire experiencing flooding during the year, conditions continued to be mostly dry over an extensive area of the Shire, resulting in a large number of applications for stock route agistment, with 66 stock route agistment permits for drought purposes being issued and 1 travel permit, involving a total of 3662 head.

Council continued its improvement to water facilities on the Stock Routes, with the upgrading of Bungaban's facility being undertaken 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

Maintenance of the Taroom tick clearing yards and dip was ongoing.



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 minor increase on the previous financial year however it is well down on the number during the resources boom.

| Development Permit Type | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|--------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Material Change of Use | 32 | 34 | 23 | 9 | 12 | 13 |
| Reconfiguration of a Lot | 10 | 15 | 9 | 6 | 7 | 8 |
| Combined (i.e. both Material Change of Use and Reconfiguration of a Lot) | 0 | 0 | 2 | 3 | 1 | 0 |
| Total | 42 | 49 | 34 | 18 | 20 | 21 |

* 8 Concurrence Agency Responses were also issued in the 2016/17 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 underway and will align with the requirements and changes introduced by the commencement of the *Planning Act 2016* on 3 July 2017

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.

Amendments to the existing Banana Shire Planning Scheme, 2005 and Taroom Shire Planning Scheme, 2006 to transition them for operation under the *Planning Act 2016* have been completed and adopted and commenced with the commencement of the new Act on 3 July 2017.

PLUMBING

The number of Plumbing Approvals has decreased:

| Financial Year | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Plumbing Approvals | 136 | 142 | 42 | 53 | 63 | 50 |

BUILDING

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

| Financial Year | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Building Approvals | 269 | 216 | 171 | 155 | 175 | 138 |
| Council certified Approvals | 37 | 34 | 45 | 58 | 81 | 85 |
| Privately certified Approvals | 232 | 182 | 126 | 97 | 94 | 53 |

SWIMMING POOL SAFETY CERTIFICATION

| Financial Year | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Certificates Issued | 0 | 0 | 4 | 9 | 17 | 15 |

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. Council is seeking more effective ways to engage with tourism operators/community members who are highly focused on promoting our tourism message.

In July 2016 Banana Shire Council partnered with Outback Queensland Tourism Association (OQTA). This partnership has highlighted Council's brand, Sandstone Wonders, utilising OQTA marketing expertise and reach to drive more visitations and increase the length of stay thereby delivering greater economic benefit to local towns. Since partnering with OQTA, Sandstone Wonders has received excellent representation and exposure on the OQTA website and also at industry shows.

A number of digital marketing workshops have been held to assist the community and local businesses with tools capable of promoting their individual brands in a professional and social media driven environment. The workshops have been delivered by Outback Queensland and Tourism Tribe.

Statistical information is currently being collected via WiFi ports at Visitor Information Centres, Council Offices and Libraries as well as various camping locations throughout the Shire. This has been undertaken via both wireless and paper data collection. The use of postcode data will now enable targeted marketing. Council-supplied WiFi not only attracts visitors who wish to stay connected on their travels but also allows regional councils to utilise this faster and more efficient way of data collection.

The Banana Shire Council partnership with Hotels Combined has been discontinued.

Sandstone Wonders have partnered with the Outback Mates program; a member based reward program designed to encourage customer loyalty with local businesses. This in turn will promote tourism in the region and will aim to lengthen the average visitor stay and spend.

A further partnership that Banana Shire Council has developed is with Australian Tourism Data Warehouse (ATDW). ATDW is a national database which promotes regional events.

Council's participation in both the Leichhardt Highway Promotions Association (LHPA) and Australia's Country Way (ACW) Committee remains strong.

Installation of specific experience signage along both the Leichhardt Way and Australia's Country Way was completed by the end of July. This signage identified iconic internal destinations, such as Isla Gorge, Lake Murphy, Lake Victoria and Junction Park. This has delivered a fresh focus and message for our drive market and we plan to expand this throughout the coming two years. Transition to a unified Inland Highway Association was completed, with the formation of Drive Inland Promotions Association; incorporating both the Leichhardt and Burnett Highway (Australia's Country Way) Associations. This association is now positioned to promote other main drive highways and strategic routes throughout our space, such as the Dawson Highway, Theodore Eidsvold Road, Capricorn Highway, Matilda Way and Great Inland Way. This is an exciting development and will greatly benefit strategic route communities across greater Queensland and into New South Wales.



**sandstone
WONDERS**



TOURISM DEVELOPMENT

ECONOMIC DEVELOPMENT

Broad Direction

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

- Tourism
- Agriculture
- Resources
- 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 review of the Community Plan and associated Place Based Plans was undertaken which involved Community Engagement Meetings in townships throughout the Shire. The updated Plans were subsequently adopted by Council in May. The Community Plan and Place Based Plans will feed into the Economic Development Plan (EDP).

An 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 drafted and will be presented to Council for consideration.

Industry Summit

The 15th Banana Shire Industry Summit was held on the 11th October 2016 with the theme being “Capturing more of the Drive Market - How to get YOUR share”. Tourism is identified as one of the four pillars of the economy and all industry sectors are in some way touched by the “Drive Market”. With a steep downturn across the resources sector; the summit provided an opportunity to better understand and “tap into” this ever growing market.

This event was a great success with informative presentations by guest speakers -

- Dr Gabby Walters, Senior Lecturer – School of Tourism, University of Queensland
- Albert Stafford, Managing Director, Stafford Group
- Liz Ward, Managing Director, Digital Coaching International & Founder/CEO, Tourism Tribe
- Peter Homan, General Manager, Outback Queensland Tourism Association

Attendees were treated to a very tasty lunch catered by well-known Chef Matt Golinski utilising locally sourced produce. A number of local senior high school hospitality students were lucky enough to have the opportunity of assisting Matt.



Future Intentions and Projects

- Adopt an 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 \$206 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.



Moura Water Treatment Plant Upgrade (Stage 2)

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 the Moura Water Treatment Plant Upgrade (Stage 2) and completion of the Baralaba Water Supply Upgrade, both jointly funded by Council and the Queensland State Government under the Building Our Regions program.

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:-

- Goovigen Water Supply Upgrade (Reservoir, Booster Pump, Standby Generator, Chlorine Storage and Dosing, Communications Upgrade)
- Dee Street Sewage Pump Station, Biloela – Major upgrade including provision of emergency overflow storage.
- Malakoff Street Sewer Diversion, Biloela
- Ongoing Sewer pipeline Cleaning and CCTV inspection (various schemes)
- Sewer manhole refurbishment (various schemes)
- Filter Refurbishment and media upgrade (Filter 4, Biloela WTP)
- Installation of corrosion protection system, Dawson View Reservoir, Moura
- Unplanned Pump Replacement, Dawson River intake, Moura
- Commenced Reservoir Roof Replacement, Taroom
- Water Main replacement (various schemes)
- Biloela STP Trickling Filter Refurbishment
- Telemetry/SCADA equipment upgrades/replacements (various schemes)
- Replacement of damaged sewer property connections (various schemes)
- Programmed water meter replacement and large diameter meter upgrades (all schemes).
- Hydrant & Valve replacement program (all schemes - ongoing)

Operational efficiencies continue to be pursued for all water supply and sewerage schemes, and there is a continued focus on replacement of ageing infrastructure to assist in the reduction of maintenance costs and repair costs, particularly the replacement of old pipelines and infrastructure 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 throughout the Shire undertaking works under W4Q and State Government grants. Part of this work was a new toilet and shower facility at Junction Park, Theodore and a new SES facility in Biloela.

A number of capital projects were completed across the Shire, including Lake Callide Retreat and solar installation on a number of sites.

Works were conducted at the Taroom, Biloela and Moura Pools. Works at these facilities are ongoing.

Council is continuing to investigate energy management by utilising LED, energy efficient appliances and future solar projects.

Council continues a very proactive approach to maintaining a high standard of maintenance to Council facilities for the safety and enjoyment of users and the community, and to build relationships with the residents of the Shire.



Lake Callide Retreat

INFRASTRUCTURE SERVICES

Infrastructure Services has two primary functions:

1. Infrastructure Technology (Infrastructure planning and design)
2. Infrastructure Delivery (Project Delivery and Infrastructure Maintenance)

Infrastructure Technology

The Infrastructure Technology section provides Council with a strategic framework for roads, bridges, drainage, parks, and associated public infrastructure.

The Infrastructure Technology section's core functions are:

- Surveys and design for capital improvements to the Shire's road, stormwater and pathway networks;
- Strategic planning for parklands, road safety, urban parking, heavy vehicle management, development projects and street lighting;
- Operational works assessment and compliance, and development advice to the town planning section of Council;

The infrastructure technology team also perform other technical duties including rain/river gauge maintenance/monitoring, bridge inspection, flood modelling and National Heavy Vehicle Regulator road use consent.

In 2017 the Infrastructure Technology team has increased design and technical capacity through successful recruitment and training/mentoring thus reducing the reliance on external consultants. The technical team is currently consolidating existing technical functions, reviewing medium/long term strategic plans, along with providing a support function to Infrastructure Delivery.

Survey and Design

Survey and design is required to accurately and efficiently construct and maintain Council assets. Surveyors provide detailed measurements for civil engineers to design the most efficient structures to Council and Australian standards and guidelines. Surveyors and engineers then provide survey control and technical advice to infrastructure delivery crews.

In 2017 the survey team has increased the survey output by recommissioning older surveying equipment, improving field coding, and by upskilling other team members in basic survey techniques. Traffic counter measuring strategy has also been reviewed to enable efficient and appropriate traffic data capture.

Strategic Planning

Technical staff collate information including population growth predictions, traffic counts, future development opportunities and asset condition to develop strategic direction for maintenance and construction activities within the Shire.

In 2017 the Infrastructure technology team commenced the 10 year Infrastructure Development Plan review, the review includes assessing the existing Council infrastructure assets (predominantly the road network) and developing a 10 year schedule for asset maintenance and construction.

Operational Works

Operational Works assessment is a service undertaken by the technical team. Operational works vary from power pole replacement to shopping centre construction.

Major operational works assessment and monitoring in 2017 include the Moura Theodore road upgrade; Infrastructure Technology staff have conducted numerous pavement inspections of the Moura Theodore Road upgrade to ensure construction was completed to the agreed standard. The Biloela Shopping World extension operational works permit will be monitored throughout 2017.



Apex Park Camping Area Playground - Moura

INFRASTRUCTURE DELIVERY (ROADS)

Project Delivery and Infrastructure Maintenance

Capital Works

Council approved and completed a roadworks capital program in excess of \$11.5M for 2016/17. The highlights of which are:

- Goovigen Connection Rd – reconstruction of floodway and rehabilitation of road surface to allow for use by heavy vehicles; value \$634,000
- Theodore Moura Rd - rehabilitation and widening of 4km section of the road; value \$900,000
- Kelman St, Taroom – completion of stage 1 (started 2015/16) and stage 2 of the road widening and stormwater network upgrade; value \$465,000
- CBD Drainage, Biloela – upgrade the underground stormwater network of the Kariboe St and Melton St sections of the CBD and construct an open swale drain along the rail land was started in 2016/17 and will be finished in 2017/18; value \$1.4M
- Tognolini-Baldwin Rd, Biloela – completion of stage 1 of the upgrade of the pathway to concrete; value \$73 000
- Theodore-Moura Rd – bridge replacement at Lonesome Ck was started in 2015/16 and was finished in 2016/17; value \$2.1M
- Defence Rd – bridge replacement at Castle Ck was started in 2015/16 and was finished in 2016/17; value \$656 000
- Jambin Dakenba Road – bridge replacement at Callide Ck was started in 2016/17 and will be finished in 2017/18; value \$4.7M

Valentine Plains Rd, Browns Gully

Before



After



Goovigen Connection Road – T-Holes Floodway

Before



After



CBD Drainage, Biloela - During Construction





Kelman St, Taroom – During Construction



WASTE MANAGEMENT

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

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

In 2016/17 Council completed upgrades to several transfer stations and landfills within the Shire:

Jambin Transfer Station

- Gravel pad

Moura Transfer Station

- Installation of security cameras

Thangool Transfer Station

- Relocation of green waste area

Theodore Transfer Station

- Relocation of green waste area

Trap Gully Landfill, Biloela

- Completion of Stage 3A Leachate new cell and dam construction, access road
- Installation of security cameras



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.

In February 2017, Qantas discontinued their commercial domestic flight service between Thangool and Brisbane. This service was reinstated by Fly Corporate, who now offer eight (8) weekly flights between Thangool and Brisbane.

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.



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) List of Business Activities | 45 (b) Significant Business Activity (Sect 43) | 45 (c) ** Competitive Neutrality Principle Applied (Sect 43) | 45 (d) New Business Activity (Sect 46) | Code of Competitive Conduct Applied (Sect 47) |
|---------------------------------------|------------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------|--------------------------------------------------|
| Aerodromes | No | No | No | No |
| Building Certification | No | No | No | Yes |
| Cemeteries, Funerals & Undertaking | No | No | No | No |
| Land Development | No | No | No | No |
| Plant | No | No | No | Yes |
| 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 | No | No | No |
| 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:

| CHANGE | NUMBER |
|----------------------------------------------------------|---------------|
| Changed the specifications | 3 |
| Extended the closing date | 4 |
| Clarified queries | 5 |
| 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:

| Financial Assistance Grant | Reference | Grant |
|----------------------------|----------------|---------------------|
| General Purpose Grant | 2200-1010-0000 | \$8,005,167 |
| Identified Road Grant | 5050-1010-0000 | \$3,615,439 |
| Total | | \$11,620,606 |

The Identified Road Grant component of \$3,615,439 has been utilised as a contribution to capital road works totalling in excess of \$9.5M on the following roads:

| | | | |
|------------------------------|---------|-----------------------------|---------|
| Alma St - Urban Rsl | 2,523 | 17/18 | |
| Argoon Kilburnie-Rrl Rsl | 83,194 | Dawson St -Urban Rsl | 5,571 |
| Ashfield St -Urban Rsl | 8,141 | Dee River Rd - Urban Rsl | 3,443 |
| Banana-Mungi Rd-Grvl Pvmt | 70,329 | Defence Rd (Bridge) RD | 416,480 |
| Bauhinia St - Urban Rsl | 2,644 | Denby St - Urban Rsl | 5,376 |
| Bedford st - Urban Rsl | 3,567 | Dixalea-Deeford Rd - LCS | 323,605 |
| Bell St Biloela UC | 1,989 | Don St Wowan - Urban Rsl | 29,610 |
| Bells Ck Tennis Ct -Grv Pvmt | 7,242 | Don St Wowan - Urban Rsl | 11,886 |
| Benleith St - Urb Rsl | 2,194 | Don St Wowan - Urban Rsl | 6,583 |
| Bindaree Road-Grvl Pvmt | 39,637 | 16/18 | |
| Blanchs Rd, Thangool UC | 87,276 | Drumburle Road-Grvl Pvmt | 7,591 |
| Buneru Road-LCS | 170,008 | Dunstan St - Urban Rsl | 4,700 |
| Callide Dam Stage 2 | 159,000 | East St - Urban Rsl | 7,349 |
| Callide St - (Stage A) UD | 372,080 | Exhibition Avenue - UD | 29,255 |
| Callide St -Swale U/G-UD | 479,978 | F/Ways Mount Eugene-Grvl | 28,300 |
| Callistemon St - UD | 282 | George st - Urban Rsl | 5,602 |
| Caroline St - Urban Rsl | 7,799 | Gibihi Rd (Roundabout) RC | 211 |
| Clanfields Rd - Rural Rsl | 6,226 | Glenhaughton Road - RD | 126,778 |
| Cracow Rd (Floodway) - RD | 97,282 | Glenmoral R/stone- Grvl Pvt | 135,785 |
| Cracow Road-Rural Rsl | 42,433 | Glenmoral R/stone- Grvl Pvt | 286,125 |
| Cracow Road-Rural Rsl | 10,793 | Glenmoral R/stone- Rrl Rsl | 27,700 |
| Dawson Hwy Cycle Path FP | 1,257 | Goovigen Conn F/Way RD | 337,798 |

| | |
|--------------------------------|---------|
| Goovigen Conn H/V U/G LCS | 142,764 |
| Goovigen-Rannes Rd Rrl Rsl | 74,421 |
| Harcourt St - Urban Rsl | 4,126 |
| Harsants Road-Grvl Pvmt | 35,760 |
| Injune Road - Rural Rsl | 17,622 |
| Injune Road - Rural Rsl | 13,702 |
| Jambin Dakenba Rd - Betterment | 337,795 |
| Jambin-Daken Callide Ck - RD | 196,135 |
| Jamesons Lane - Rural Rsl | 5,808 |
| Kelman St - Stge 2 UC | 105,156 |
| Kelman St - UC | 157,536 |
| Kelman Street - Urban Rsl | 6,532 |
| Kelman Street-Urban Rsl | 2,703 |
| King St - Urban Rsl | 20,674 |
| Koko Don River Rd - Rrl Rsl | 49,154 |
| Koko Wandoo Rd - Rural Rsl | 42,659 |
| Leichhardt St - Urban Rsl | 2,966 |
| Lindleys Crossing - Betterment | 11,928 |
| Lindleys Rd Betterment RD | 1,645 |
| Lindleys Rd Crossing - REPA | 111,625 |
| Linkes Rd - Betterment | 324,678 |
| Linkes Rd - REPA | 9,164 |
| Linkes Road Betterment-RD | 122,127 |
| McLaughlins Rd-Rural Rsl | 10,428 |
| Mimosa St Baralaba - Urban Rsl | 17,197 |
| Minogue St, Moura F/Path | 48,969 |
| Morgan St - Urban Rsl | 5,670 |
| Moura Stormwater - UD | 181 |
| Nicklin St, Moura F/Path | 41,014 |
| North St (Taroom) UD | 155,904 |
| Old Injune Rd - Gravel Pmt | 224,955 |
| Orange Ck Rd-Rural Rsl | 33,274 |
| Peaceful Lane-Urban Rsl | 701 |
| Pocket Creek Rd-Rural Rsl | 11,563 |
| Power Street - Urban Rsl | 31,119 |
| Prosp Ck Goovigen Rd-R/Rsl | 41,281 |
| Prosp Ck Goovigen Rd-R/Rsl | 52,223 |
| Quarrie Rd - UC | 79,471 |

| | |
|-------------------------------------------|---------|
| Raedon St Biloela UD | 1,444 |
| Railway Ave - Urban Rsl | 20,102 |
| Railway Terrace - Urban Rsl | 3,905 |
| Red Range Road - RD | 128,394 |
| Rifle Range Rd Int -R/Rsl | 4,089 |
| Rifle Range Rd Int -R/Rsl | 5,190 |
| Roys Road - Grvl Pvmt | 32,861 |
| Sands Road-Grvl Pvmt | 124,537 |
| Short St - Urban Rsl | 2,563 |
| Stafford St - Ubn Rsl | 6,479 |
| Stanely Street-Urban Rsl | 24,671 |
| Stone Crescent-Urban Rsl | 6,214 |
| Stopford St - Urban Rsl | 7,045 |
| Tai Shue st - Taroom UC | 62,956 |
| Theodore Moura Rd - LCS | 569,058 |
| Theodore-Mra Rd (Bridge) RD | 397,102 |
| Theo-Mra-Brdg Approach -RD | 896,780 |
| Three Chain Rd Grvl Pvmt | 9,059 |
| Tognolini-Baldwin Rd - F/P | 72,524 |
| Tollemaches Rd - RD | 9,182 |
| Tollemaches Road - LCS | 254,553 |
| Town Sts - Baralaba - UD | 6,090 |
| Town Sts - Kerb&channel UD | 27,786 |
| Town Sts Road Safety - URS | 8,794 |
| Town Sts-Pit Upgrade UD | 33,808 |
| Uncle Toms Rd - F/Way RD | 60,687 |
| Upper Wolsey St-Urban Rsl | 11,687 |
| Valentine Pl Rd (F/way) UD - Browns gully | 382,487 |
| Valentine Plns Rd Stge 1 - UD - drain | 87,514 |
| Van Itallies Rd F/Way - RD | 1,471 |
| Wolsey Street-Urban Rsl | 2,897 |
| Wooroonah Rd -Urban Rsl | 15,701 |
| Wooroonah St -Urban Rsl | 12,787 |
| Yaldwyn st Pathway - F/P | 36,454 |
| Yaldwyn st Pathway - F/P | 69,682 |
| Yaldwyn St, Taroom UD | 113,046 |
| Yaparabah School Grvl Pvmt | 43,495 |



CONCESSIONS ON RATES AND CHARGES

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

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

| Function | Reference | Concessions | |
|----------------------------------|----------------------------------------------------|---------------------|----------------------------------------------------------------|
| Retirement Homes | 2010-1195-0000 | \$90,781.51 | Plus water consumption and general rates on applicable parcels |
| Council Pensioner Rebate | 2010-1180-0000 2010-1181-0000 2010-1182-0000 | \$178,088.21 | |
| Rates Based Financial Assistance | 2010-1194-0000 | \$69,699.86 | |
| Total Council Concessions | | \$338,569.58 | |
| | | | |
| State Government Pension Rebate | 2010-1170-0000 | \$119,870.41 | |

INTERNAL AUDIT – Report for the Financial Year

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

Council's Internal Audit Committee met two times during the financial year to consider the status of items on the Audit Action Plan and to report to Council.

The Internal Audit Strategic Audit Plan was updated for the period 1 July 2016 – 30 June 2019 and the Internal Audit Annual Plan for the period 1 July 2016 – 30 June 2017 was developed in cooperation with Council's appointed Internal Auditors, Council Staff and Council's Audit Committee. An internal audit was conducted on the following functions within Council:

1. Infrastructure Charges, Design and Application Process.
2. Financial Reporting and Performance – Fees and charges development.
3. IT Systems and Security
4. Crisis Management – Disaster Recovery Plan

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.



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 2017.

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

This statement represents 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

These provide 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 16/17 Financial Statements?

A complete version of Council's Financial Statements for the 12 months to 30 June 2017 can be found in the 2016/17 Annual Report on our website:

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

or at Council's administration offices:

- 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 2016/17

Council's result for the 2016/17 year was a \$5,553,457 surplus. This includes capital income and expenses.

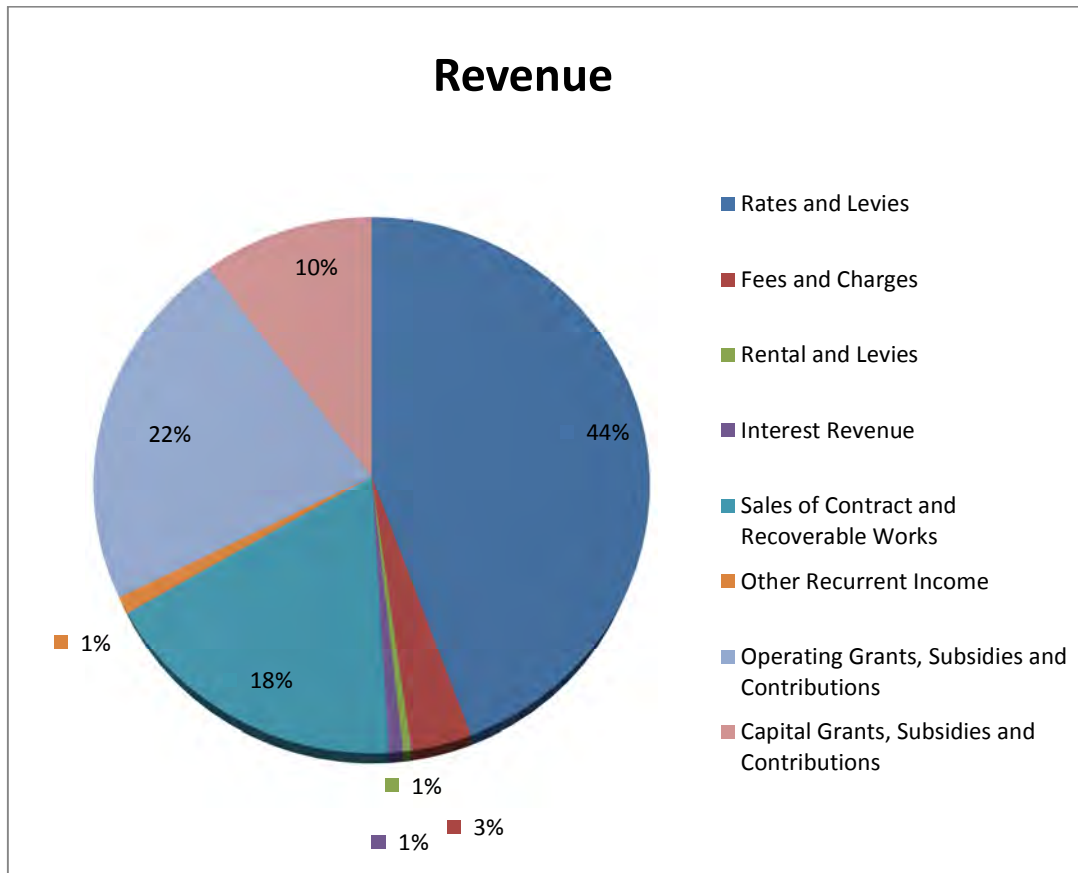
Council's Operating Result

| \$ | Actual 2017 | Budget 2017 | Actual 2016 |
|---------------------------------------------------|------------------------|------------------------|------------------------|
| Expenditure (excl. capital expenses) | (63,979,683) | (60,640,547) | (67,348,963) |
| Revenues (excl. capital income) | 66,344,823 | 60,638,657 | 64,856,439 |
| Operating Surplus/(Deficit) for the period | 2,365,140 | (1,890) | (2,492,524) |

The operational surplus for the year represents an excess of annual income after annual operating expenses have been met. The main reason for the difference between the actual result and the budgeted result was an increase in operational grants, subsidies and contributions.

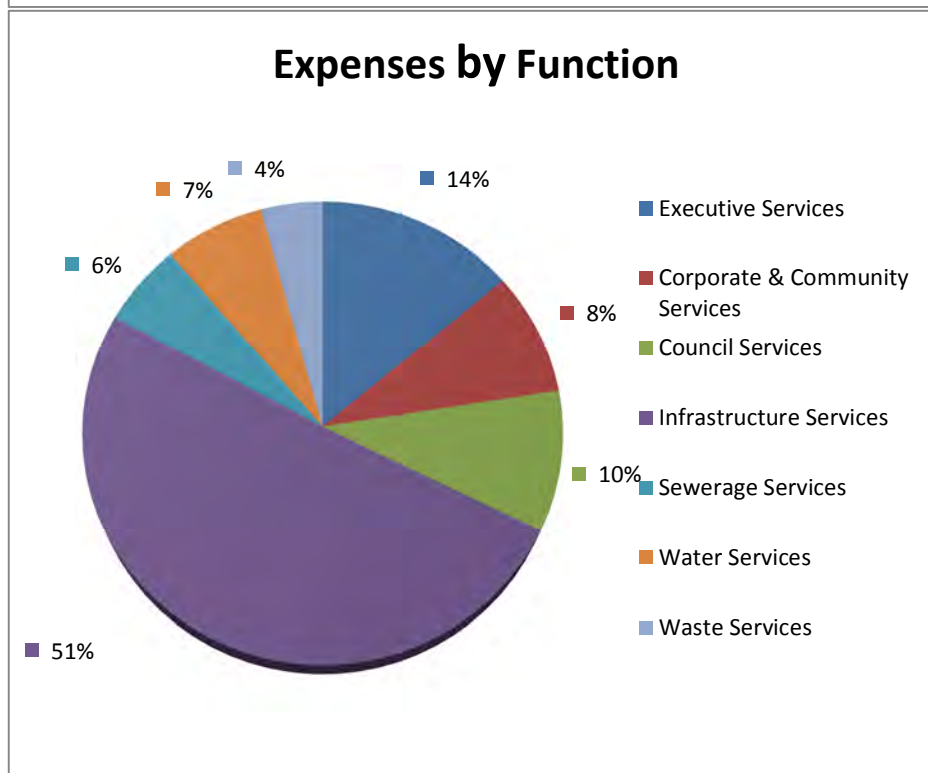
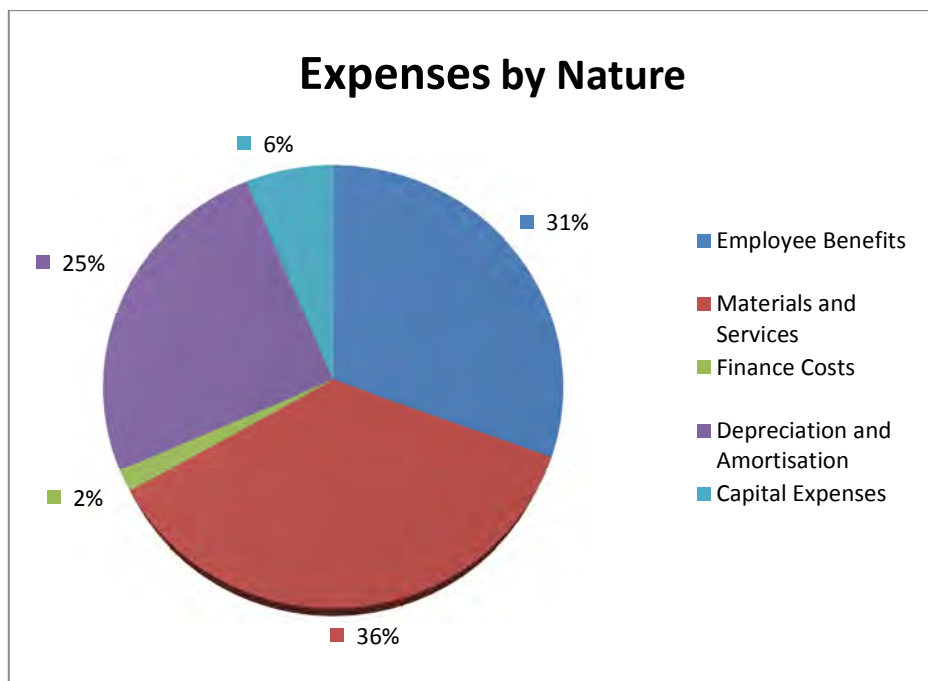
Council's Revenue Sources for the 2016/17 year

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



Council's Expenditure for the 2016/17 year

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



2.2 Councils Statement of Financial Position (Balance Sheet) for 2016/17

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 2017 | Actual 2016 |
|-------------------------------------------------------------------------------------------|------------------------|------------------------|
| The major items that make up Council's wealth include the following assets: | | |
| Available Cash & Investments | 7,021,613 | 7,776,122 |
| Cash & Investments "restricted" for future funding purposes | 16,974,636 | 6,859,700 |
| Debtors | 6,705,398 | 6,140,694 |
| Infrastructure, Property, Plant & Equipment | 699,013,290 | 712,951,779 |
| Council has funded some of its operations and assets by the following liabilities: | | |
| Loans & Borrowings | 11,198,133 | 10,400,733 |
| Provisions for Restoration of Refuse Sites | 20,026,703 | 20,298,490 |
| Net Community Equity | 694,768,726 | 699,103,536 |

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

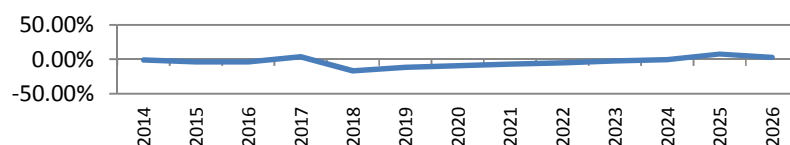
Total Liabilities less Current Assets divided by Total Operating Revenue

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

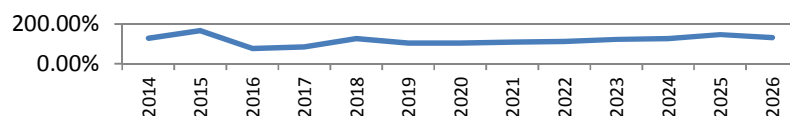
Financial Sustainability Indicators
for the year ended 30 June 2017

| | | Actual 2014 | Actual 2015 | Actual 2016 | Actual 2017 | Long Term Financial Plan Projections | | | | | | | | |
|---------------------------------|---------|----------------|----------------|----------------|----------------|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | | | | | BUDGET 2018 | Yr. 2 2019 | Yr. 3 2020 | Yr. 4 2021 | Yr. 5 2022 | Yr. 6 2023 | Yr. 7 2024 | Yr. 8 2025 | Yr. 9 2026 |
| Ratio | | | | | | | | | | | | | | |
| Operating Surplus Ratio | 0 - 10% | -1.10% | -3.70% | -3.84% | 3.56% | -17.00% | -11.40% | -9.30% | -7.10% | -5.00% | -2.60% | -0.50% | 7.40% | 2.90% |
| Asset Sustainability Ratio | > 90% | 129.14% | 166.88% | 77.03% | 84.28% | 126.90% | 104.90% | 104.60% | 109.20% | 112.40% | 121.90% | 127.20% | 147.00% | 132.20% |
| Net Financial Liabilities Ratio | < 60% | -1.73% | 15.94% | 21.91% | 6.74% | 41.20% | 40.10% | 36.40% | 32.60% | 28.20% | 24.70% | 19.40% | 11.40% | 5.40% |

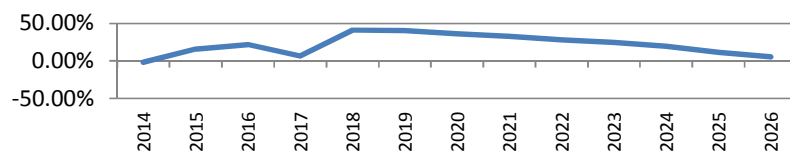
Operating Surplus Ratio



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.

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

The following policies of Council 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 2017

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 30/06/16 | QTC INTEREST ACCRUED | QTC LOAN CHARGES | QTC REPAYMENTS (BORROWINGS) | BOOK DEBT BALANCE 30/06/17 |
| GENERAL FUNCTIONS | | | | | |
| Consolidated Account | \$9,804,488 | \$625,102 | \$10,773 | \$1,632,547 | \$8,807,816 |
| Callide Creek Bridge, Biloela | \$0 | \$1,817 | \$87 | (\$1,850,000) | \$1,851,904 |
| WATER FUNCTIONS | | | | | |
| Baralaba WTP | \$596,245 | \$18,306 | \$657 | \$76,794 | \$538,414 |
| TOTAL | \$10,400,733 | \$645,225 | \$11,517 | (\$140,659) | \$11,198,134 |

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.

During the 2016/17 year, Council secured a loan for the Callide Creek Bridge, Biloela for \$1,850,000 which has not been consolidated in our portfolio.

| Loan Description | <u>Debt Pool</u> | <u>Approximate Remaining Term</u> |
|--------------------------------|-------------------------|------------------------------------------|
| Consolidated Account | 8 years | 7 years |
| Baralaba Water Treatment Plant | 9 years | 8 years |
| Callide Creek Bridge, Biloela | 7 years | 7 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 2016/2017 financial year are indicated in the above table.



BANANA SHIRE COUNCIL



2016/2017 FINANCIAL REPORT





Banana Shire Council

Financial Statements

For the year ended 30 June 2017

BANANA SHIRE COUNCIL

Financial Statements

For the year ended 30 June 2017

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Addendum to the financial statements

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

Statement of Operating Performance

Statement of Appropriations

Statement of Capital Funding

Financial indicators and ratios of the accounts

BANANA SHIRE COUNCIL

Statement of Comprehensive Income

For the year ended 30 June 2017

| | | 2017 | 2016 |
|----------------------------------------------------------|-------|---------------------|---------------------|
| | Note | \$ | \$ |
| Income | | | |
| Recurrent revenue | | | |
| Rates and levies | 3 (a) | 32,776,292 | 31,889,187 |
| Fees and charges | 3 (b) | 2,530,020 | 2,399,701 |
| Rental and levies | | 333,189 | 317,422 |
| Interest received | 3 (c) | 591,961 | 717,843 |
| Sales of contract and recoverable works | 3 (d) | 13,006,951 | 13,666,380 |
| Other recurrent income | | 750,306 | 302,107 |
| Grants, subsidies and contributions | 4 (a) | 16,356,104 | 15,563,799 |
| Total operating revenue | | <u>66,344,823</u> | <u>64,856,439</u> |
| Capital revenue | | | |
| Grants, subsidies and contributions | 4 (b) | 7,536,511 | 11,589,570 |
| | | <u>7,536,511</u> | <u>11,589,570</u> |
| Total income | | <u>73,881,334</u> | <u>76,446,009</u> |
| Expenses | | | |
| Recurrent expenses | | | |
| Employee benefits | 6 | (20,882,655) | (21,774,995) |
| Materials and services | 7 | (24,703,029) | (26,330,143) |
| Finance costs | 8 | (1,113,946) | (2,237,690) |
| Depreciation | 16 | (17,224,947) | (16,927,295) |
| Amortisation | | (55,106) | (78,840) |
| Total operating expenses | | <u>(63,979,683)</u> | <u>(67,348,963)</u> |
| Capital expenses | | | |
| Other capital expenses | 9 | (4,348,194) | (10,651,198) |
| Total expenses | | <u>(68,327,877)</u> | <u>(78,000,161)</u> |
| Net result | | <u>5,553,457</u> | <u>(1,554,152)</u> |
| Other comprehensive income | | | |
| Items that will not be reclassified to net result | | | |
| Decrease in asset revaluation surplus | 22 | (9,888,268) | (1,496,987) |
| Total other comprehensive income for the year | | <u>(9,888,268)</u> | <u>(1,496,987)</u> |
| Total comprehensive income for the year | | <u>(4,334,811)</u> | <u>(3,051,139)</u> |

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

BANANA SHIRE COUNCIL

Statement of Financial Position

As at 30 June 2017

| | Note | 2017 \$ | 2016 \$ |
|--------------------------------------|------|--------------------|--------------------|
| Current assets | | | |
| Cash and cash equivalents | 11 | 21,996,249 | 13,635,822 |
| Cash investments | 15 | 2,000,000 | 1,000,000 |
| Trade and other receivables | 12 | 10,438,777 | 9,315,708 |
| Inventories | 13 | 2,222,928 | 3,074,853 |
| | | <u>36,657,954</u> | <u>27,026,383</u> |
| Non-current assets held for sale | | 380,000 | 380,000 |
| Total current assets | | <u>37,037,954</u> | <u>27,406,383</u> |
| Non-current assets | | | |
| Property, plant and equipment | 16 | 699,013,290 | 712,951,779 |
| Intangible assets | | 224,760 | 364,057 |
| Total non-current assets | | <u>699,238,051</u> | <u>713,315,836</u> |
| TOTAL ASSETS | | <u>736,276,005</u> | <u>740,722,219</u> |
| Current liabilities | | | |
| Trade and other payables | 18 | 6,686,302 | 7,617,874 |
| Provisions | 19 | 2,760,870 | 2,564,722 |
| Borrowings | 20 | 1,367,573 | 1,051,675 |
| Other | | 648,983 | 495,441 |
| Total current liabilities | | <u>11,463,728</u> | <u>11,729,712</u> |
| Non-current liabilities | | | |
| Provisions | 19 | 20,212,991 | 20,539,913 |
| Borrowings | 20 | 9,830,560 | 9,349,058 |
| Total non-current liabilities | | <u>30,043,551</u> | <u>29,888,971</u> |
| TOTAL LIABILITIES | | <u>41,507,279</u> | <u>41,618,683</u> |
| NET COMMUNITY ASSETS | | <u>694,768,726</u> | <u>699,103,536</u> |
| Community equity | | | |
| Council capital - | | | |
| Investment in capital assets | 21 | 193,569,175 | 197,935,876 |
| Asset revaluation surplus | 22 | 483,769,095 | 493,657,363 |
| Retained surplus/ (deficiency) | 23 | 455,820 | 650,597 |
| Reserves | 24 | 16,974,636 | 6,859,700 |
| TOTAL COMMUNITY EQUITY | | <u>694,768,726</u> | <u>699,103,536</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 2017**

| | Note | Total | | Retained surplus (deficit) | | Reserves | | Asset revaluation surplus | | Council Capital | |
|--------------------------------------------------------------|------|--------------------|--------------------|-------------------------------|--------------------|-------------------|--------------------|---------------------------|--------------------|--------------------|--------------------|
| | | 2017 \$ | 2016 \$ | 2017 \$ | 2016 \$ | 2017 \$ | 2016 \$ | 2017 \$ | 2016 \$ | 2017 \$ | 2016 \$ |
| Balance at beginning of the year | | 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 |
| Corrections to opening balances | | - | (57,344) | - | - | - | - | - | - | - | (57,344) |
| Restated opening balances | | 699,103,537 | 702,154,675 | 650,597 | 598,430 | 6,859,700 | 8,268,588 | 493,657,363 | 495,154,350 | 197,935,876 | 198,133,308 |
| Net result | | 5,553,457 | (1,554,152) | 5,553,457 | (1,554,152) | - | - | - | - | - | - |
| Other comprehensive income for the year | | | | | | | | | | | |
| Revaluations | | | | | | | | | | | |
| Property, plant & equipment | 16 | (10,499,796) | (1,496,987) | | | | | (10,499,796) | (1,496,987) | | |
| Change in value of future rehabilitation costs | 22 | 611,528 | - | | | | | 611,528 | - | | |
| Total comprehensive income for the year | | (4,334,811) | (3,051,139) | 5,553,457 | (1,554,152) | - | - | (9,888,268) | (1,496,987) | - | - |
| Transfers (to) from retained earnings to capital | 23 | - | - | 6,740,861 | 12,577,321 | - | - | - | - | (6,740,861) | (12,577,321) |
| Transfers (to) from retained earnings and recurrent reserves | 23 | - | - | (4,952,584) | 618,571 | 4,952,584 | (618,571) | - | - | - | - |
| Transfers (to) from capital reserves and capital | 21 | - | - | (7,536,511) | (11,589,572) | 5,162,352 | (790,317) | - | - | 2,374,160 | 12,379,889 |
| Net transfers in year | | - | - | (5,748,234) | 1,606,320 | 10,114,936 | (1,408,888) | - | - | (4,366,701) | (197,432) |
| Balance at end of the year | | 694,768,726 | 699,103,536 | 455,820 | 650,597 | 16,974,636 | 6,859,700 | 483,769,095 | 493,657,363 | 193,569,175 | 197,935,876 |

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 2017

| | | 2017 | 2016 |
|------------------------------------------------------------------|------|--------------|--------------|
| | Note | \$ | \$ |
| Cash flows from operating activities | | | |
| Receipts | | | |
| General rates and utility charges | | 32,639,329 | 31,389,526 |
| Rental and levies, fees and charges | | 2,863,209 | 2,717,123 |
| Other income | | 12,674,826 | 10,436,927 |
| GST received | | 4,828,105 | 4,590,175 |
| Receipts from customers | | 53,005,469 | 49,133,751 |
| Operating grants, subsidies and contributions | | 16,356,104 | 15,563,799 |
| Interest received | | 573,892 | 720,923 |
| Payments | | | |
| Payments for materials and services | | (25,587,457) | (30,743,680) |
| Payment to employees | | (20,406,242) | (22,088,652) |
| GST paid | | (4,219,769) | (5,602,494) |
| Payments to suppliers and employees | | (50,213,468) | (58,434,826) |
| Interest expense | | (645,224) | (708,270) |
| Net cash inflow (outflow) from operating activities | 28 | 19,076,773 | 6,275,377 |
| Cash flows from investing activities | | | |
| Commonwealth government grants | | 2,668,371 | 3,663,005 |
| State government subsidies and grants | | 4,845,640 | 7,153,188 |
| Other non-government subsidies | | 22,500 | 758,258 |
| Capital contributions | | - | 15,119 |
| Payments for property, plant and equipment | | (18,857,042) | (27,644,672) |
| Payments for intangible assets | | (16,365) | (109,186) |
| Net transfer (to) from cash investments | 15 | (1,000,000) | - |
| Proceeds from sale of property, plant and equipment | 5 | 823,150 | 1,298,809 |
| Net cash inflow (outflow) from investing activities | | (11,513,746) | (14,865,479) |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | 20 | 1,850,000 | - |
| Repayment of borrowings | 20 | (1,052,600) | (996,164) |
| Net cash inflow (outflow) from financing activities | | 797,400 | (996,164) |
| Net increase (decrease) in cash and cash equivalents held | | 8,360,427 | (9,586,266) |
| Cash and cash equivalents at beginning of the financial year | | 13,635,822 | 23,222,088 |
| Cash and cash equivalents at end of the financial year | 11 | 21,996,249 | 13,635,822 |

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 2017

1 Significant accounting policies

1. 1 Basis of preparation

These general purpose financial statements are for the period 1 July 2016 to 30 June 2017 and have been prepared in compliance with the requirements of the Local Government Act 2009 and the Local Government Regulation 2012.

They comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS). Therefore in some instances these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

Except where stated, these financial statements have been prepared under the historical cost convention.

1. 2 Constitution

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

1. 3 Adoption of new and revised Accounting Standards

This year Council has applied AASB 124 Related Party Disclosures for the first time. As a result Council has disclosed more information about related parties and transactions with those related parties. This information is presented in note 32.

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective. The standards that are expected to have a material impact upon council's future financial statements are:

Standard and impact

Date Council will
apply the standard

AASB 9 Financial Instruments

1 July 2018

This replaces AASB 139 Financial Instruments: Recognition and Measurement, and will change the classification, measurement and disclosures of financial assets. Council is still reviewing these changes however it seems unlikely that there will be a material impact to Council's financial statements.

AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities

1 July 2019

AASB 15 will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 Contributions. Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

Council is still reviewing the way that income is measured and recognised to identify whether there will be any material impact arising from these standards.

AASB 16 Leases

1 July 2019

Council has some leases that are not on its balance sheet. These will need to be included on the balance sheet when this standard comes into effect. A lease liability will initially be measured at the present value of the lease payments to be made over the lease term. A corresponding right-of-use asset will also be recognised over the lease term. Council is reviewing this standard to determine the impact of these changes to the financial statements.

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2017

1. 4 Estimates and judgements

Where necessary judgements, estimates and assumptions have been used in preparing these financial statements. Those that have a significant effect, or risk of causing an adjustment to council's assets or liabilities relate to:

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 17

Provisions - note 19

Contingent liabilities - note 26

1. 5 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 31.

1. 6 Rounding and comparatives

The financial statements are in Australian dollars that 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. 7 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 also pays payroll tax to the Queensland Government on certain activities.

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2017

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 is 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, aerodrome planning and maintenance, asset management and geographic information systems and mapping.

Council 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 2017

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 | | | | | | | | | |
| | Grants | | | Other | | | | | | | | | |
| | 2017 | 2017 | 2017 | 2017 | 2017 | 2017 | | 2017 | 2017 | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Executive Services | 40,000 | 89,897 | - | - | - | - | 129,897 | (9,455,594) | - | (9,455,594) | (9,325,697) | (9,325,697) | - |
| Corporate & Community Services | 9,124,366 | 22,225,109 | 1,081,798 | - | - | - | 32,431,273 | (5,442,471) | (476,175) | (5,918,646) | 25,907,004 | 26,512,627 | 68,436,420 |
| Council Services | - | 1,165,785 | 36,404 | - | - | - | 1,202,189 | (6,549,871) | (145,046) | (6,694,917) | (5,384,086) | (5,492,728) | 92,297,326 |
| Infrastructure Services | 7,191,738 | 13,011,368 | 5,135,220 | 22,500 | - | - | 25,360,826 | (31,218,080) | (3,405,326) | (34,623,406) | (11,014,974) | (9,262,580) | 444,778,341 |
| Sewerage Services | - | 3,512,678 | - | - | - | - | 3,512,678 | (3,928,872) | (39,793) | (3,968,665) | (416,194) | (455,987) | 42,123,623 |
| Water Services | - | 6,741,443 | 1,260,589 | - | - | - | 8,002,032 | (4,473,569) | (281,854) | (4,755,423) | 2,267,874 | 3,246,609 | 84,765,031 |
| Waste Services | - | 3,242,439 | - | - | - | - | 3,242,439 | (2,911,226) | - | (2,911,226) | 331,213 | 331,213 | 3,875,265 |
| Total | 16,356,104 | 49,988,719 | 7,514,011 | 22,500 | - | - | 73,881,334 | (63,979,683) | (4,348,194) | (68,327,877) | 2,365,140 | 5,553,457 | 736,276,006 |

For the year ended 30 June 2016

| 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 | | | | | | | | | | |
| | Grants | Other | Grants | Capital revenue | | Capital | | | | | | | |
| | | | | 2016 | 2016 | | | 2016 | 2016 | | | | |
| | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 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 |
| Council 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 |

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2017

| | Note | 2017 \$ | 2016 \$ |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------------|-------------|
| 3 Revenue | | | |
| Revenue is recognised at the fair value of consideration received or receivable, on the basis it meets the recognition criteria set out below. | | | |
| (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. | | | |
| General rates | | 22,908,288 | 21,869,676 |
| Water | | 6,528,064 | 6,584,624 |
| Sewerage | | 3,670,407 | 3,709,981 |
| Waste management | | 696,099 | 688,229 |
| Garbage charges | | 2,370,171 | 2,313,752 |
| Rates and utility charge revenue | | 36,173,029 | 35,166,262 |
| Less: Discounts and Concessions | | (3,217,916) | (2,984,455) |
| Less: Pensioner remissions net of Government rebate | | (178,821) | (292,620) |
| Net rates and utility charges | | 32,776,292 | 31,889,187 |

(b) 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.

| | | | |
|------------------------------------|--|-----------|-----------|
| Statutory fees and charges include | | | |
| Town planning fees | | 82,464 | 71,608 |
| Building fees & charges | | 137,298 | 127,418 |
| Animal Registrations | | 70,044 | 75,615 |
| Licences and permits | | 48,011 | 55,512 |
| Fines and infringements | | 3,873 | 1,118 |
| Saleyard fees | | 119,829 | 163,213 |
| Disposal fees | | 397,793 | 423,451 |
| Other statutory fees | | 169,626 | 167,729 |
| User fees and charges | | 1,501,082 | 1,314,037 |
| | | 2,530,020 | 2,399,701 |

(c) Interest received

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

| | | |
|------------------------------------|---------|---------|
| Investments | 396,561 | 548,471 |
| Over due rates and utility charges | 195,400 | 169,372 |
| | 591,961 | 717,843 |

(d) Sales of contract and recoverable works

The council generates revenues from a number of services including 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. There are no contracts in progress at the year end. The contract work carried out is not subject to retentions.

| | | |
|--------------------------|------------|------------|
| Transport and Main Roads | 12,914,874 | 13,591,344 |
| Private works | 92,077 | 75,036 |
| | 13,006,951 | 13,666,380 |

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2017

4 Grants, subsidies and contributions

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.

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.

(a) Recurrent - grants, subsidies and contributions -

| | | |
|---------------------------------------------------|------------|------------|
| General purpose grants | 11,620,606 | 7,662,776 |
| State government subsidies and grants | 1,487,910 | 1,549,626 |
| NDRRA flood damage grants for operational repairs | 3,247,588 | 5,324,269 |
| Other non-government subsidies | - | 1,024,583 |
| Contributions | - | 2,545 |
| Total recurrent revenue | 16,356,104 | 15,563,799 |

The 1st and 2nd quarters of the 2017/18 Financial Assistance Grant in the amount of \$3,958,613 was paid to Council in June 2017.

(b) Capital - grants, subsidies, and contributions

| | | |
|---------------------------------------------------|-----------|------------|
| Monetary revenue designated for capital purposes | | |
| Commonwealth government grants | 2,668,371 | 3,663,005 |
| State government subsidies and grants | 4,845,640 | 5,590,942 |
| NDRRA flood damage grants for capitalised repairs | - | 1,562,246 |
| Other non-government subsidies | 22,500 | 758,258 |
| Contributions | - | 15,119 |
| Total capital revenue | 7,536,511 | 11,589,570 |

5 Gain (loss) on the disposal of capital assets

| | | |
|-----------------------------------------------------|-------------|-------------|
| (a) Proceeds from the sale of plant and equipment | 823,150 | 1,298,809 |
| Less book value of plant and equipment sold | (1,198,770) | (2,000,921) |
| | (375,620) | (702,112) |
| Less book value of land and buildings sold | - | (30,000) |
| | - | (30,000) |
| Total gain (loss) on the disposal of capital assets | 9 (375,620) | (732,112) |

6 Employee benefits

| | | |
|--------------------------------------------------|--------------|-------------|
| Total staff wages and salaries | 16,139,242 | 16,732,576 |
| Councillors' remuneration | 397,534 | 415,123 |
| Annual, sick and long service leave entitlements | 3,565,404 | 3,623,687 |
| Superannuation | 27 2,087,645 | 2,208,182 |
| Other employee related expenses | 22,189,825 | 22,979,568 |
| | 1,081,988 | 1,147,563 |
| Less capitalised employee expenses | 23,271,813 | 24,127,131 |
| | (2,389,158) | (2,352,136) |
| | 20,882,655 | 21,774,995 |

Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.

Total Council employees at 30 June

| | | |
|--------------------------------------|--------|--------|
| Elected members | 2017 7 | 2016 7 |
| Administration staff | 92 | 100 |
| Depot and outdoors staff | 152 | 147 |
| Total full time equivalent employees | 251 | 254 |

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2017

7 Materials and services

| | | |
|---------------------------------------------------------------------------|-------------------|-------------------|
| Audit of annual financial statements by the Auditor-General of Queensland | 105,546 | 90,233 |
| Internal Audit | 24,922 | 23,679 |
| Council Road Maintenance | 5,174,595 | 5,560,313 |
| Contractors and Private Works | 10,758,391 | 8,981,527 |
| Donations and Contributions Paid | 117,149 | 117,982 |
| Public Liability Insurance | 205,668 | 181,203 |
| Electricity | 1,627,817 | 1,153,511 |
| Counter Disaster Operations | 45,702 | 47,580 |
| Flood Restorations | 2,000,102 | 6,614,863 |
| Plant Operation and Maintenance | 3,432,539 | 3,301,981 |
| Impairment of land for sale (classified as inventory) | 681,500 | - |
| Other material and services | 529,098 | 257,271 |
| | <u>24,703,029</u> | <u>26,330,143</u> |

8 Finance costs

| | | |
|--------------------------------------------------------------|------------------|------------------|
| Finance costs charged by the Queensland Treasury Corporation | 645,224 | 708,270 |
| Bank charges | 83,317 | 64,874 |
| Impairment of receivables and bad debts written-off | (139,199) | 853,224 |
| Other finance costs | 100 | - |
| Refuse sites - change in present value over time | 524,504 | 611,322 |
| | <u>1,113,946</u> | <u>2,237,690</u> |

9 Capital expenses

| | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------|----|------------------|-------------------|
| Loss on the sale of capital assets | 5 | 375,620 | 732,112 |
| Loss on write-off of capital assets | 10 | 3,972,574 | 7,694,558 |
| Increase in rehabilitation provision relating to council controlled site, but no asset revaluation surplus available in the related asset | | - | 2,224,528 |
| Total capital expenses | | <u>4,348,194</u> | <u>10,651,198</u> |

10 Loss on write-off of capital assets

| | | |
|-----------------------------------|------------------|------------------|
| Buildings | 145,046 | 1,374,579 |
| Road, bridge and drainage network | 3,405,326 | 2,775,711 |
| Water | 281,854 | 2,741,461 |
| Sewerage | 39,793 | 747,746 |
| Other Assets NC | - | 55,061 |
| Computer software | 100,555 | - |
| | <u>3,972,574</u> | <u>7,694,558</u> |

11 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.

| | | |
|-------------------------------------------------------------|-------------------|-------------------|
| Cash at bank and on hand | 2,099,783 | 1,246,826 |
| Deposits at call | 18,896,466 | 8,388,996 |
| Term deposits | 1,000,000 | 4,000,000 |
| Total cash and cash equivalents per statement of cash flows | <u>21,996,249</u> | <u>13,635,822</u> |
| Cash investments | 2,000,000 | 1,000,000 |
| Total cash assets | <u>23,996,249</u> | <u>14,635,822</u> |

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2017

11 Cash and cash equivalents - continued

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 | 1,850,000 | - |
| Unspent government grants and subsidies | 390,270 | - |
| Unspent developer contributions | 3,212,761 | 3,377,457 |
| Total unspent external restricted cash held in reserves | 5,453,031 | 3,377,457 |
| 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 | 18,087,398 | 10,607,768 |
| Total cash held to contribute to identified funding commitments | 23,540,429 | 13,985,225 |

Operating cash accounts are held with the National Australia Bank (NAB). At call funds are held with Queensland Treasury Corporation (QTC).

Trust funds

In accordance with the Local Government Act 2009 and Local Government Regulation 2012, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages). The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements.

Trust funds held for outside parties

| | | |
|-------------------|---------|---------|
| Security deposits | 350,220 | 353,704 |
| | 350,220 | 353,704 |

12 Trade and other receivables

Receivables are amounts owed to council at year end. They are recognised at the amount due at the time of sale or service delivery. Settlement is required within 30 days after the invoice is issued.

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

As 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 rate receivables.

Current

| | | |
|--------------------------------------|------------|-----------|
| Rateable revenue and utility charges | 1,853,356 | 1,736,594 |
| Water charges yet to be levied | 1,628,404 | 1,470,669 |
| Accrued interest | 64,883 | 46,814 |
| GST recoverable | - | 382,819 |
| Other debtors | 6,705,398 | 6,140,694 |
| Less impairment provision | (170,461) | (843,395) |
| | 10,081,580 | 8,934,195 |
| Prepayments | 357,197 | 381,513 |
| | 10,438,777 | 9,315,708 |

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)

| | | |
|----------------------------------|-----------|---------|
| Balance at beginning of the year | 843,395 | 29,812 |
| Impairment adjustment in year | (672,934) | 813,583 |
| Balance at end of the year | 170,461 | 843,395 |

BANANA SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2017

12 Trade and other receivables - continued

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

| | | |
|--------------------------|------------|-----------|
| Not past due | 8,829,105 | 6,848,048 |
| Past due - 31 to 60 days | 25,145 | 179,649 |
| - 61 to 90 days | 3,954 | 1,564 |
| - Over 90 days | 1,393,837 | 2,748,328 |
| Less impaired | (170,461) | (843,395) |
| Total | 10,081,580 | 8,934,194 |

13 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.

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.

| | | |
|-------------------------------|-----------|-----------|
| Inventories for internal use- | | |
| Quarry and road materials | 253,425 | 253,425 |
| Stores and materials | 931,712 | 1,102,137 |
| | 1,185,137 | 1,355,562 |

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

| | | | |
|-----------------------------------------|----|-----------|-----------|
| Land purchased for development and sale | 14 | 1,037,791 | 1,719,291 |
| Total inventories | | 2,222,928 | 3,074,853 |

14 Land purchased for development and sale

| | | |
|------------------------------------------|-----------|-----------|
| Balance at beginning of the year | 1,719,291 | 1,719,291 |
| Impairment adjustment as at 30 June 2017 | (681,500) | - |
| Balance at end of the year | 1,037,791 | 1,719,291 |

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

15 Cash investments

Term deposits in excess of three months are reported as investments, with deposits of less than three months being reported as cash equivalents.

| | | |
|-------------------------------------------------------------------------------------------|-----------|-----------|
| Fixed term held with other institutions realisable between 3 and 12 months - unrestricted | 2,000,000 | 1,000,000 |
| | 2,000,000 | 1,000,000 |

Term deposits at fixed interest rates are held with the following financial institutions:

National Australia Bank. Maturity ranges from one to four months and bear interest

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2017

16 Property, plant and equipment

16 (a) Recognition

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.

16 (b) Acquisition of assets

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

Property, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

16 (c) 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.

16 (d) Valuation

Land and improvements, buildings, major plant and all infrastructure assets are measured at fair value in accordance with AASB 116 Property, Plant & Equipment and AASB 13 Fair Value Measurement. Other plant and equipment and work in progress are measured at cost.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every 3-5 years. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection.

In the intervening years, Council uses internal engineers, asset managers and other professionals 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.

Further information on the fair value measurement is contained in note 17

BANANA SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2017

16 (e) 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.

16 (f) Depreciation

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

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

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

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

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

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.

16 (g) Impairment

Property, plant and equipment is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

16 (h) 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 Council currently does not have any such land holdings.

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

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2017

16 Property, plant and equipment

Note

Basis of measurement

Asset Values

Opening gross value as at 1 July 2016
Minor correction to opening balance
Additions at cost
Internal transfers from work in progress
Disposals
Write-offs
Revaluation adjustment to other comprehensive income. (refer the ARS*)
Internal transfers between asset classes
Closing gross value as at 30 June 2017

29

5

9

22

Accumulated depreciation and impairment

Opening balance as at 1 July 2016
Depreciation provided in year
Depreciation on disposals
Depreciation on write-offs
Revaluation adjustment to other comprehensive income. (refer the ARS*)
Internal transfers between asset classes
Accumulated depreciation as at 30 June 2017

5

9

22

Total written down value as at 30 June 2017

Range of estimated useful life in years

Addition of renewal assets

Addition of other assets

Total additions in year

* ARS denotes - Asset Revaluation Surplus

| Land | Site improvements | Buildings | Plant and equipment | Road, bridge and drainage network | Water | Sewerage | Environmental Infrastructure Assets | Other Assets NC | Works in progress | Total |
|-----------------|-------------------|----------------|---------------------|-----------------------------------|----------------|----------------|-------------------------------------|-----------------|-------------------|--------------|
| Valuation 2017 | Valuation 2017 | Valuation 2017 | Cost 2017 | Valuation 2017 | Valuation 2017 | Valuation 2017 | Valuation 2017 | Valuation 2017 | Cost 2017 | |
| \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 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 |
| - | - | 1,103,978 | 2,220,706 | 5,281,384 | 2,255,454 | 117,586 | - | 344,377 | 7,549,923 | 18,873,408 |
| - | - | 783,619 | - | 4,795,210 | 5,731,336 | 504,837 | 24,108 | 446,593 | (12,362,068) | (16,365) |
| - | - | (804,361) | (2,088,294) | - | - | - | - | - | - | (2,088,294) |
| - | - | - | - | (6,100,616) | (1,273,220) | (212,960) | (24,108) | - | - | (8,415,265) |
| - | - | - | - | (40,217,335) | (7,884,655) | 2,140,184 | - | 2,477 | - | (45,959,329) |
| 11,290,598 | 3,325,680 | 99,782,839 | 24,598,670 | 532,112,381 | 129,274,166 | 76,804,092 | 5,952,813 | 13,578,556 | 9,101,619 | 905,821,614 |
| - | 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 |
| - | 8,688 | 1,604,885 | 1,898,582 | 8,501,468 | 3,007,489 | 1,692,739 | 169,941 | 341,155 | - | 17,224,947 |
| - | - | - | (889,524) | - | - | - | - | - | - | (889,524) |
| - | - | (659,315) | - | (2,695,290) | (991,366) | (173,167) | (24,108) | - | - | (4,543,246) |
| - | - | - | - | (15,512,810) | (10,012,747) | (9,934,232) | - | 256 | - | (35,459,533) |
| - | 2,152,038 | 13,707,650 | 12,340,500 | 92,354,458 | 46,643,538 | 35,362,343 | 1,679,367 | 2,568,430 | - | 206,808,323 |
| 11,290,598 | 1,173,642 | 86,075,189 | 12,258,170 | 439,758,123 | 82,630,628 | 41,441,749 | 4,273,446 | 11,010,126 | 9,101,619 | 699,013,290 |
| Not depreciated | 0 - 60 | 5 - 146 | 4 - 25 | 4 - 225 | 3 - 100 | 10 - 150 | 7 - 80 | 10 - 225 | - | - |
| - | - | 511,647 | 2,220,706 | 4,757,996 | - | 101,127 | - | 12,887 | 7,533,558 | 15,137,921 |
| - | - | 592,331 | - | 523,388 | 2,255,454 | 16,459 | - | 331,490 | - | 3,719,122 |
| - | - | 1,103,978 | 2,220,706 | 5,281,384 | 2,255,454 | 117,586 | - | 344,377 | 7,533,558 | 18,857,043 |

BANANA SHIRE COUNCIL

**Notes to the Financial Statements
For the year ended 30 June 2017**

16 Property, plant and equipment - prior year

Note

Basis of measurement

Asset Values

Opening gross value as at 1 July 2015
Minor correction to opening balance
Additions at cost
Internal transfers from work in progress
Disposals
Write-offs
Revaluation adjustment to other comprehensive income. (refer the ARS*)
Internal transfers between asset classes
Closing gross value as at 30 June 2016

Accumulated depreciation and impairment

Opening balance as at 1 July 2015
Depreciation provided in year
Depreciation on disposals
Depreciation on write-offs
Revaluation adjustment to other comprehensive income. (refer the ARS*)
Internal transfers between asset classes

Accumulated depreciation as at 30 June 2016

Total written down value as at 30 June 2016

Range of estimated useful life in years

* ARS denotes - Asset Revaluation Surplus

| Land | Site improvements | Buildings | Plant and equipment | Road, bridge and drainage network | Water | Sewerage | Environmental Infrastructure Assets | Other Assets NC | Works in progress | Total |
|-----------------|-------------------|----------------|---------------------|-----------------------------------|----------------|----------------|-------------------------------------|-----------------|-------------------|--------------|
| Valuation 2016 | Valuation 2016 | Valuation 2016 | Cost 2016 | Valuation 2016 | Valuation 2016 | Valuation 2016 | Valuation 2016 | Valuation 2016 | Cost 2016 | 2016 |
| \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 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 |
| - | 604,798 | 1,312,373 | 1,503,370 | 4,859,913 | 6,454,440 | 601,504 | 21,700 | - | (57,344) | (57,344) |
| (30,000) | - | 2,765,950 | - | 2,262,750 | 6,578,095 | 607,265 | - | 100,302 | 12,186,322 | 27,644,672 |
| - | - | (1,702,323) | (3,883,944) | - | - | - | - | - | (12,214,060) | - |
| - | - | 1,434,045 | - | (3,783,555) | (7,359,986) | (2,271,594) | - | (75,456) | - | (3,913,944) |
| - | 334,076 | (51,289) | - | (2,593,520) | 700,831 | 485,685 | - | 406,100 | - | (15,192,914) |
| 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 |
| - | 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 |
| - | 8,764 | 1,553,101 | 1,968,974 | 8,461,066 | 2,785,767 | 1,668,359 | 170,384 | 310,880 | - | 16,927,295 |
| - | - | - | (1,883,024) | - | - | - | - | - | - | (1,883,024) |
| - | - | (327,744) | - | (1,007,844) | (4,618,525) | (1,523,848) | - | (20,394) | - | (7,498,355) |
| - | 130,062 | 793,902 | - | 694,860 | 286,298 | 186,013 | - | (30,925) | - | 1,930,148 |
| - | - | (5,880) | - | - | - | - | (124,182) | - | - | - |
| - | 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 |
| 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 |
| Not depreciated | 0 - 60 | 5 - 146 | 4 - 25 | 4 - 225 | 3 - 100 | 10 - 150 | 7 - 80 | 10 - 225 | - | - |

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
- Wastewater
- 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 20 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 2017.

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2017

| Fair Value Measurements - continued | | | | | | | | | |
|------------------------------------------------|------|--------------------------------------------------|---------|----------------------------------------------|-------------|-------------|-------------|--|--|
| Recurring fair value measurement | | | | | | | | | |
| Category | Note | Level 2 (Significant other observable inputs) | | Level 3 (Significant unobservable inputs) | | Total | | | |
| | | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | | |
| \$ | | | | | | | | | |
| Recurring fair value measurements | | | | | | | | | |
| Land | 16 | - | - | 11,290,598 | 11,290,598 | 11,290,598 | 11,290,598 | | |
| Site Improvements | 16 | - | - | 1,173,642 | 1,182,330 | 1,173,642 | 1,182,330 | | |
| Buildings | 16 | - | - | 86,075,189 | 85,937,523 | 86,075,189 | 85,937,523 | | |
| Road, bridge and drainage network | 16 | - | - | 475,005,951 | 466,292,848 | 475,005,951 | 466,292,848 | | |
| Water | 16 | - | - | 82,630,629 | 75,805,090 | 82,630,629 | 75,805,090 | | |
| Wastewater | 16 | - | - | 41,411,750 | 30,417,443 | 41,411,750 | 30,417,443 | | |
| Environmental infrastructure assets | 16 | - | - | 4,273,446 | 4,419,279 | 4,273,446 | 4,419,279 | | |
| Other Assets NC | 16 | - | - | 11,010,126 | 10,558,090 | 11,010,126 | 10,558,090 | | |
| | | | | 712,871,331 | 685,903,201 | 712,871,331 | 685,903,201 | | |
| Non-recurring fair value | | | | | | | | | |
| Non-current assets classified as held for sale | 16 | 380,000 | 380,000 | - | - | 380,000 | 380,000 | | |
| There are no transfers between levels 2 and 3. | | | | | | | | | |

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

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's next land, site improvement and buildings valuation is programmed for the 2017/18 financial year.

Council has taken into account the following when making a determination on movements in fair value for the 2016/17 financial year:

- Department of Natural Resources and Mines information concerning an immaterial decrease in land valuations over the previous 36 months;
- Local observations; and
- Recent project costs and tender outcomes.

Council also considered the movement of the Housing Construction Industry Index (Brisbane) over the period. While this index shows an approximate increase of 8.5% from the June 2014 quarter to the March 2017 quarter, Council considers that this index does not reflect local market conditions which have been flat since the 2014/15 end of a "boom" phase driven by the construction of three natural gas pipelines.

Therefore, given these factors Council considers that it is reasonable not to apply indexation to land and building assets for the 2016/17 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 and 2015/16 financial years.

In the 2016/17 financial year Council completed two reviews of the Roads, Bridges and 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 2016/17 financial year:

- Estimated movement of 2.27% in the Road and Construction Cost Index for the period 1 July 2014 – 30 June 2017;
- An increase of 1.74% in the Council Cost Index to December 2016

Notes to the Financial Statements
For the year ended 30 June 2017

17 Fair Value Measurements – continued

- The movement in unit rates was unpredictable; however it was evident that there were material changes in the areas of Floodways, Rural Pavement Base – Sealed, and Urban Pavement Subbase. Given these changes it was decided to adopt the overall average unit rate of all construction jobs completed in these categories over the period since the last revaluation.

The indexation and new unit rates resulted in the following adjustments to the Current Replacement Cost and Accumulated Depreciation of Roads Infrastructure:

| | | |
|-----------------------------|-------------------|---------------|
| • Current replacement cost: | Indexation - | \$12,991,889 |
| | Unit Rates Adj. - | -\$53,209,224 |
| • Accumulated depreciation: | Indexation - | \$ 2,448,586 |
| | Unit Rates Adj. - | -\$17,991,397 |

Water and Wastewater Infrastructure

In the 2016 – 2017 financial year, Cardno (Qld) Pty Ltd revalued Council's Water and Wastewater infrastructure having regard to the following:

- AASB 116 – Property Plant and Equipment
- AASB 13 – Fair Value Measurement
- AASB 136 – Impairments
- IPWEA Water Supply and Sewerage Practise Note 7
- Financial and Performance Management Standard 2009

Council personnel were involved throughout the valuation process and reviewed and agreed that:

- Given the specified nature of the assets and the lack of an active market that depreciated replacement cost of a modern equivalent asset was the appropriate method to assess fair value;
- The five point scale for rating an assets condition and allocating the remaining useful life was appropriate;
- The updated cost models and revised unit rates were appropriate;
- Assessments of Fair Value, Depreciation, and Remaining Useful Life together with any associated assumptions were reasonable

Based on these interactions and other internal reviews Council has accepted the results of the valuation as an accurate reflection of the Fair Value of Council's Water and Wastewater Assets at 30 June 2017.

The valuation summary follows:

Valuation Summary

| | Replacement Cost (incl. OH) | Fair Value | Accumulated Depreciation | Future Annual Depreciation |
|----------------------------------------------------|--------------------------------|----------------------|-----------------------------|-------------------------------|
| Water | | | | |
| Treatment Plants | \$32,171,743 | \$24,163,578 | \$8,008,165 | \$922,557 |
| Pump Stations and bores | \$12,599,265 | \$7,750,763 | \$4,848,502 | \$341,722 |
| Reservoirs | \$11,199,195 | \$7,756,987 | \$3,442,208 | \$233,317 |
| Mains | \$64,019,789 | \$38,210,432 | \$25,809,357 | \$859,564 |
| Hydrants | \$2,290,574 | \$1,830,649 | \$459,925 | \$76,352 |
| Meters | \$5,526,632 | \$1,675,880 | \$3,850,751 | \$552,663 |
| Valves | \$1,090,879 | \$878,329 | \$212,550 | \$36,363 |
| Total Water Assets | \$128,898,077 | \$82,266,618 | \$46,631,458 | \$3,022,538 |
| Wastewater | | | | |
| Treatment Plants | \$24,938,267 | \$15,962,540 | \$8,975,726 | \$624,401 |
| Pump Stations | \$5,638,830 | \$3,705,141 | \$1,933,689 | \$190,578 |
| Rising Mains | \$2,290,314 | \$1,175,061 | \$1,115,253 | \$33,880 |
| Gravity Mains | \$35,532,158 | \$16,680,045 | \$18,852,112 | \$493,786 |
| Maintenance Holes | \$8,404,525 | \$3,923,023 | \$4,481,503 | \$140,075 |
| Total Wastewater Assets | \$76,804,094 | \$41,445,810 | \$35,358,283 | \$1,482,720 |
| Other Assets | | | | |
| Repeater Station | \$376,072 | \$372,311 | \$3,761 | \$10,796 |
| Total Other Assets | \$376,072 | \$372,311 | \$3,761 | \$10,796 |
| Total Water & Wastewater Assets | \$206,078,243 | \$124,084,739 | \$81,993,502 | \$4,516,054 |

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2017

| | Note | 2017 \$ | 2016 \$ |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------------|------------------|
| 18 Trade and other payables | | | |
| Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms. | | | |
| Liabilities are recognised for employee benefits such as wages and salaries, sick, annual and long service leave in respect of services provided by the employees up to the reporting date. The liability is calculated using the present value of remuneration rates that will be paid when the liability is expected to be settled and includes related on-costs. | | | |
| As Council does not have an unconditional right to defer settlement of the annual leave beyond twelve months after the reporting date, annual leave is classified as a current liability. | | | |
| Current | | | |
| Accruals | | 3,693,477 | 4,253,168 |
| Creditors | | 435,554 | 1,368,352 |
| Employee related accruals | | 352,343 | 6,893 |
| GST payable | | 225,517 | - |
| Annual leave | | 1,816,533 | 1,838,717 |
| Other entitlements | | 162,878 | 150,744 |
| | | <u>6,686,302</u> | <u>7,617,874</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.

19 Provisions

Long Service Leave

The provision for long service leave represents 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 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. Therefore long service leave in this category is classified as a current liability. Otherwise it is classified as non-current.

Property restoration

A provision is made for the cost of restoring where it is probable the Council will be liable, or required, to do this when the use of the facilities is complete.

The provision for refuse restoration is calculated as the present value of anticipated future costs associated with the closure of the dump 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 dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time.

| | | | |
|----------------------|--|-------------------|-------------------|
| Current | | | |
| Long service leave | | 2,760,870 | 2,564,722 |
| | | <u>2,760,870</u> | <u>2,564,722</u> |
| Non-Current | | | |
| Long service leave | | 186,288 | 241,423 |
| Property restoration | | | |
| Refuse sites | | 20,026,703 | 20,298,490 |
| | | <u>20,212,991</u> | <u>20,539,913</u> |

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2017

| | Note | 2017 \$ | 2016 \$ |
|-----------------------------------------------------------------------|------|------------|------------|
| 19 Provisions - continued | | | |
| Details of movements in provisions | | | |
| Long service leave | | | |
| Balance at beginning of the year | | 2,806,145 | 3,101,884 |
| Amount provided for in the year | | 421,032 | 447,275 |
| Amount paid in the year | | (280,019) | (743,014) |
| Balance at end of the year | | 2,947,158 | 2,806,145 |
| Current portion | | 2,760,870 | 2,564,722 |
| Non-current portion | | 186,288 | 241,423 |
| | | 2,947,158 | 2,806,145 |
| Refuse sites | | | |
| Balance at beginning of the year | | 20,298,490 | 17,479,428 |
| Increase due to change in time | | 524,504 | 611,322 |
| Increase (decrease) due to change in discount rate | | (611,528) | 2,224,528 |
| Amount expended in year | | (184,763) | (16,788) |
| Balance at end of the year | | 20,026,703 | 20,298,490 |
| Current portion | | - | - |
| Non-current portion | | 20,026,703 | 20,298,490 |
| | | 20,026,703 | 20,298,490 |
| Cash funds committed to meet this liability at the reporting date are | | 7,894,859 | 7,546,430 |

20 Borrowings

Unsecured borrowings are provided by the Queensland Treasury Corporation. 'All borrowings are in \$A denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 March 2024 to 15 June 2025.

Council adopts an annual debt policy that sets out council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

Principal and interest repayments are made quarterly in arrears.

Borrowings at balance date are

Current

| | | |
|---------------------------------|-----------|-----------|
| Queensland Treasury Corporation | 1,367,573 | 1,051,675 |
|---------------------------------|-----------|-----------|

Non-current

| | | |
|---------------------------------|-----------|-----------|
| Queensland Treasury Corporation | 9,830,560 | 9,349,058 |
|---------------------------------|-----------|-----------|

Movements in borrowings

Queensland Treasury Corporation

| | | |
|----------------------------------|-------------|------------|
| Balance at beginning of the year | 10,400,733 | 11,396,897 |
| Loans raised | 1,850,000 | - |
| Principal repayments | (1,052,600) | (996,164) |
| Balance at end of the year | 11,198,133 | 10,400,733 |

Classified as

| | | |
|-------------|------------|------------|
| Current | 1,367,573 | 1,051,675 |
| Non-current | 9,830,560 | 9,349,058 |
| | 11,198,133 | 10,400,733 |

The loan market value at the reporting date was \$12,528,520.23.

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.

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2017

| | Note | 2017 \$ | 2016 \$ |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------|------------|
| 20 Borrowings - continued | | | |
| No assets have been pledged as security by the Council for any liabilities, however all loans are guaranteed by the Queensland Government. | | | |
| 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 | | 1,998,502 | 1,709,341 |
| 1 to 5 years | | 7,994,007 | 6,837,364 |
| Over 5 years | | 3,665,667 | 4,826,391 |
| Total contractual outflows | | 13,658,176 | 13,373,096 |
| Carrying amount | | 11,198,133 | 10,400,733 |

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

21 Council capital

Calculation of capital value and retained surplus

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 .The balance of the asset revaluation surplus also forms part of the physical operating capability that must be maintained.

| | | | |
|--------------------------------------------------------|----|-------------|-------------|
| Cash and cash equivalents | | 23,996,249 | 14,635,823 |
| Less: restricted cash | | | |
| Reserves (excluding the asset revaluation) | | (9,594,038) | (4,453,413) |
| Capital sustainability reserve | | (5,530,598) | (2,406,287) |
| Unspent loan capital fund reserve | | (1,850,000) | - |
| Revenue received in advance | | (636,900) | (495,441) |
| Cash funds allocated for future rehabilitation costs | | (7,894,859) | (7,546,430) |
| Working capital cash (including employee entitlements) | | 1,965,966 | 916,345 |
| Retained surplus (deficit) available for distribution | 23 | 455,820 | 650,597 |
| Council capital value | | 193,569,175 | 197,935,876 |
| Total capital and retained surplus at end of year | | 194,024,995 | 198,586,473 |

The amount by which the Council has increased (decreased) its capital capacity to deliver future services to the community before inflation adjustments

(4,366,701) (254,776)

22 Asset revaluation surplus

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

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

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

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2017

| | Note | 2017 \$ | 2016 \$ |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|--------------|--------------|
| 22 Asset revaluation surplus - continued | | | |
| (i) Movements in the asset revaluation surplus | | | |
| Balance at beginning of the year | | 493,657,363 | 495,154,350 |
| Adjustments to the property, plant and equipment through revaluations | 16 | (10,499,796) | (1,496,987) |
| Adjustment to site improvements arising from change in rehabilitation costs | 19 | 611,528 | - |
| Balance at end of the year | | 483,769,095 | 493,657,363 |
| (ii) Asset revaluation surplus analysis | | | |
| The closing balance of the asset revaluation surplus is comprised of the following asset categories | | | |
| Site improvements | | 611,528 | - |
| Buildings | | 44,196,948 | 44,196,948 |
| Plant and equipment | | 569,574 | 569,574 |
| Road, bridge and drainage network | | 347,993,318 | 372,697,843 |
| Water | | 51,752,565 | 49,624,473 |
| Sewerage | | 30,557,404 | 18,482,988 |
| Environmental Infrastructure Assets | | 426,323 | 426,323 |
| Other Assets NC | | 7,661,435 | 7,659,214 |
| | | 483,769,095 | 493,657,363 |
| 23 Retained surplus | | | |
| Movement in retained surplus | | | |
| Balance at beginning of the year | | 198,841,249 | 198,789,081 |
| Net result | | 5,553,457 | (1,554,152) |
| | | 204,394,706 | 197,234,929 |
| Transfers (to) from capital account | | - | - |
| Transfer of capital expenses | 9 | 4,348,194 | 10,651,198 |
| General revenue used for capital funding purposes | | - | - |
| Unspent capital revenue transferred from capital | | - | - |
| Adjustment for unfunded depreciation | | 2,392,667 | 1,926,123 |
| Net capital account transfers | | 6,740,861 | 12,577,321 |
| Transfers (to)/ from capital reserves for future capital project funding, or from reserves funds that have been expended | | | |
| Constrained grants and subsidy contributions reserve | | (7,536,511) | (10,012,205) |
| Constrained NDRRA grants reserve | | - | (1,562,246) |
| Grants, subsidies and contributions reimbursed reserve | | - | (15,119) |
| Unspent loan fund reserve | | - | - |
| Capital Aquisitions reserve | | - | - |
| Plant reserve | | - | (2) |
| | | (7,536,511) | (11,589,572) |
| Transfers (to) recurrent reserves for future project funding, or from reserves funds that have been expended | | | |
| Operating Grants in advance reserve | | (3,958,613) | - |
| Special projects reserve | | (993,971) | 618,571 |
| | | (4,952,584) | 618,571 |
| Balance at end of the year | | 198,646,472 | 198,841,249 |
| 24 Reserves | | | |
| (a) Restricted capital reserves | | | |
| (i) Future capital sustainability reserve | | | |
| This cash forms part of council's capital value as the balance represents accumulated funded unspent depreciation cash plus additional cash funding, if required, to maintain the council's capital value under its' long term asset management plans. | | | |
| Balance at beginning of the year | | 2,406,287 | - |
| Funded depreciation on capital assets in year | | 14,878,698 | 15,071,324 |
| Less: Funds utilised in the year | | (11,754,387) | (12,665,037) |
| Balance at end of the year | | 5,530,598 | 2,406,287 |

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2017

| | Note | 2017 \$ | 2016 \$ |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------------|--------------|
| 24 Reserves - continued | | | |
| (ii) Unspent loan cash reserve | | | |
| This cash forms part of council's capital value as the balance represents loan cash drawn down but unspent at balance date. The cash is restricted to specific project funding. | | | |
| Balance at beginning of the year | | - | 654,000 |
| Loan funds drawn down in year | | 1,850,000 | - |
| Loan cash expended in year | | - | (654,000) |
| Balance at end of the year | | 1,850,000 | - |
| (iii) 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. | | | |
| Balance at beginning of the year | | 3,377,457 | 4,408,287 |
| Transfer from retained earnings non reciprocal grants, subsidies and contributions received and allocated to specific capital projects | | 7,536,511 | 10,012,205 |
| Transfers to the capital account funds expended in the year | | (7,310,937) | (11,043,035) |
| Balance at end of the year | | 3,603,031 | 3,377,457 |
| Total restricted capital reserves | | 10,983,629 | 5,783,744 |
| (b) Other reserves | | | |
| (1) Summary of capital reserves held for funding future projects | | | |
| 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. | | | |
| Council only includes reserve balances, in these financial statements, that are considered material in providing useful information to the reader. The total of all reserves and restricted cash held by council is reported in note 11. | | | |
| (ii) Capital Aquisitions reserve | | 509,109 | 546,642 |
| (iii) Plant reserve | | 21,930 | 21,930 |
| (iv) Aerodrome reserve | | 130,407 | 130,407 |
| | | 661,446 | 698,979 |
| (2) Summary of recurrent reserves held for funding future projects | | | |
| 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) Operating Grants in Advance reserve | | 3,958,613 | - |
| (ii) Special Projects reserve | | 1,370,948 | 376,977 |
| | | 5,329,561 | 376,977 |
| Total other reserves | | 5,991,007 | 1,075,956 |
| Total reserves | | 16,974,636 | 6,859,700 |

25 Commitments for expenditure

Contractual commitments

Contractual commitments at end of financial year but not recognised in the financial statements

| | | |
|-------------------------------------|---------|---------|
| Biloela Civic Centre - per year | 77,894 | 69,013 |
| Biloela Pool - per year | 32,209 | 31,629 |
| Moura Pool - per year | 37,769 | 37,089 |
| Taroom Pool - per year | 31,474 | 30,907 |
| Magavalis Sports Complex - per year | 14,200 | 13,700 |
| | 193,546 | 182,338 |

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2017

| | Note | 2017 \$ | 2016 \$ |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------------|------------------|
| 25 Commitments for expenditure - continued | | | |
| Capital commitments | | | |
| Commitment for the construction of the following assets contracted for at end of financial year but not recognised as liabilities | | | |
| Various Plant Items | | - | 2,066 |
| Infrastructure Services (Roads, Bridges, Drainage, Streetscaping ...) | | 2,596,024 | 1,257,487 |
| Water & Sewerage Infrastructure | | 335,120 | 2,175,244 |
| Buildings, Parks, Pools and Other | | 455,582 | 238,506 |
| | | <u>3,386,726</u> | <u>3,673,303</u> |
| These expenditures are payable | | | |
| Within one year | | <u>3,386,726</u> | <u>3,673,303</u> |
| 26 Contingent liabilities | | | |
| Local government workcare | | | |
| The Banana Shire Council is a member of the Queensland local government workers compensation self-insurance scheme, Local Government Workcare. | | | |
| Under this scheme the Council has provided a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. | | | |
| Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. | | | |
| The Council's maximum exposure to the bank guarantee is | | <u>341,826</u> | <u>341,826</u> |
| Local Government Mutual | | | |
| The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit | | | |
| As at 30 June 2015 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise. | | | |
| 27 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. | | | |

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2017

| | Note | 2017 \$ | 2016 \$ |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------------------|------------------|
| 27 Superannuation - continued | | | |
| 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 benefits. | | | |
| 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. | | | |
| There are currently 72 entities contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 72 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. | | | |
| | | 2,087,645 | 2,208,182 |
| 28 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities | | | |
| Net result | | 5,553,457 | (1,554,152) |
| Non-cash operating items | | | |
| Impairment of receivables and bad debts written-off | 8 | (139,199) | 853,224 |
| Depreciation and amortisation | 16 | 17,280,053 | 17,006,135 |
| Change in restoration provisions expensed to finance costs | | 524,504 | 611,322 |
| Revaluation of inventory land expensed to materials and services | | 681,500 | - |
| | | 18,346,858 | 18,470,681 |
| Investing and development activities | | | |
| Capital grants, subsidies and contributions | 4 | (7,536,511) | (11,589,570) |
| Capital expenses | 9 | 4,348,194 | 10,651,198 |
| | | (3,188,317) | (938,372) |
| Changes in operating assets and liabilities | | | |
| (Increase) decrease in receivables | | (782,669) | (5,061,289) |
| (Increase) decrease in inventories (excluding land) | | 170,425 | (209,995) |
| Increase (decrease) in payables | | (1,132,773) | (4,139,798) |
| Increase (decrease) in provisions | | (43,750) | (312,527) |
| Increase (decrease) in other liabilities | | 153,542 | 20,830 |
| | | (1,635,225) | (9,702,780) |
| Net cash inflow from operating activities | | 19,076,773 | 6,275,377 |

BANANA SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2017

| | Note | 2017 \$ | 2016 \$ |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------|------------|
| 29 Minor correction for assets not previously recognised | | | |
| During the previous 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 2017

30 Financial instruments

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

- credit risk
- liquidity risk
- market risk

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

Financial risk management

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

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

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

Banana Shire Council does not enter into derivatives.

Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from the Council's investments and receivables from customers.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

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

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

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

| | Note | 2017 \$ | 2016 \$ |
|-----------------------------------------------------------------------|-------|-------------------|-------------------|
| Financial assets | | | |
| Cash at bank and on hand | 11 | 2,099,783 | 1,246,826 |
| Cash investments held with - QTC | 11 | 18,896,466 | 8,388,996 |
| Cash investments held with other approved deposit taking institutions | 11&15 | 3,000,000 | 5,000,000 |
| Receivables - rates | 12 | 3,481,760 | 3,207,263 |
| Receivables - other | 12 | 6,599,820 | 5,726,932 |
| Other credit exposure | | | |
| Guarantee | 26 | 341,826 | 341,826 |
| Total | | 34,419,655 | 23,911,843 |

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.

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.

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2017

30 Financial instruments - continued

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.

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.

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 2017

31 National competition policy

Business activities to which the code of competitive conduct is applied

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 CSO value is determined by Council, and represents an activities cost(s) which would not be incurred if the primary objective of the activity was to make a profit. The Council provides funding from general revenue to the business activity to cover the cost activities of providing non-commercial community services or costs deemed to be CSO's by the Council.

The Banana Shire Council applies the competitive code of conduct to the following activities

Plant Operations
Roads
Water Services
Sewerage Services

The following activity statements are for activities subject to the competitive code of conduct:

| | Plant Operations | Roads | Water Services | Sewerage Services |
|---------------------------------------------------|------------------|------------|----------------|-------------------|
| | 2017 | 2017 | 2017 | 2017 |
| | \$ | \$ | \$ | \$ |
| Revenue for services provided to the Council | 8,047,826 | - | - | - |
| Revenue for services provided to external clients | - | 12,882,079 | 8,596,735 | 3,627,034 |
| * Community service obligations | - | - | 6,560,000 | 1,810,000 |
| | 8,047,826 | 12,882,079 | 15,156,735 | 5,437,034 |
| Less: Expenditure | 7,172,529 | 11,965,198 | 15,160,328 | 5,437,195 |
| Surplus (deficiency) | 875,297 | 916,881 | (3,593) | (161) |

31 National competition policy - continued

(c) Description of CSO's provided to business activities during the reporting year.

| Activities | CSO description | Actual |
|-------------------|-----------------|-----------|
| Water Services | Financial | 6,560,000 |
| Sewerage Services | Financial | 1,810,000 |

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2017

32 Transactions with related parties

(a) Subsidiaries

Council does not have any subsidiaries and therefore is not required to disclose matters on subsidiary related parties.

(b) Transactions with key management personnel (KMP)

KMP include the Mayor, councillors, Council's Chief Executive Officer and some executive management. The compensation paid to KMP for 2016/17 comprises:

| | 2017 |
|------------------------------|------------------|
| | \$ |
| Short-term employee benefits | 1,866,101 |
| Post-employment benefits | - |
| Long-term benefits | 25,518 |
| Termination benefits | - |
| Total | 1,891,619 |

(c) Transactions with other related parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, child and dependent of a KMP or their spouse.

Details of transactions between council and other related parties are disclosed below:

| Details of Transaction | Additional information | 2017 |
|----------------------------------------------------------------------------------------------------------|------------------------|---------|
| | | \$ |
| Employee expenses for close family members of key management personnel | 32(c)(i) | 290,823 |
| Purchase of materials and services from entities controlled by key management personnel or their related | 32(c)(ii) | 547,248 |
| Key management personnel services provided by a related entity | 32(c)(iii) | 32,095 |

(i) All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform.

(ii) This disclose includes \$547,248 paid to M & M Electrics an entity controlled by a close family member of Councilor Middleton. All purchases were at arms length and were in the normal course of Council's operation.

(iii) These payments represent a range of activities, including:

- reimbursement of monies paid by key management personnel and related parties for legitimate Council expenditure.
- allowances payable to Councillors under Council Policy.
- payment of \$17,412 to Councillor Brennan for items of personal plant that were sold at an auction run by Council. These auctions are conducted periodically as a means of selling surplus plant. They are however open to the public and other interested entities with Council charging commission on external sales.

(d) Outstanding balances

There were no outstanding balances at the end of the reporting period in relation to transactions with related parties.

(e) Loans and guarantees to/from related parties

Council is prohibited by the Local Government Act 2009 from making loans or guarantees to related parties. No loans or guarantees have been made.

(f) Commitments to/from other related parties

Council does not have any current material commitments to/from related parties.

BANANA SHIRE COUNCIL

FINANCIAL STATEMENTS

For the year ended 30 June 2017


MANAGEMENT CERTIFICATE

For the year ended 30 June 2017

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

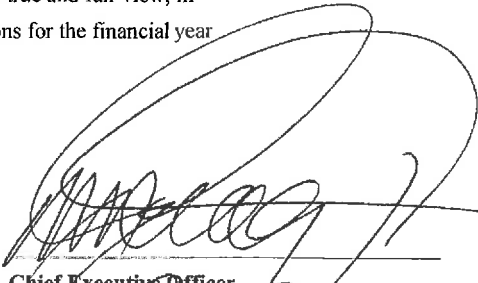
- (i) the prescribed requirements of the Local Government Act 2009 and Local Government Regulation 2012 for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 3 to 36, present a true and 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: NEVILLE FERRIER

Date: 27/9/17



Chief Executive Officer

Name: Ray GORALITY

Date: 27.9.17

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Banana Shire Council

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Banana Shire Council.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2017, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2017, 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 the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Other information

Other information comprises the information included in Banana Shire Council's annual report for the year ended 30 June 2017, but does not include the financial report and my auditor's report thereon. At the date of this auditor's report, the other information prepared and approved by the Councillors was the Current Year Financial Sustainability Statement and Long-Term Financial Sustainability Statement.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the Current Year Financial Sustainability Statement.

In connection with my audit of the financial report, my responsibility is to read the other information approved by the Councillors and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the council 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 the *Local Government Act 2009*, the *Local Government Regulation 2012* and Australian Accounting Standards, and for such internal control as the council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The council is also responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Conclude on the appropriateness of the council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2017:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.


D A STOLZ
as Delegate of the Auditor-General



Queensland Audit Office
Brisbane

BANANA SHIRE COUNCIL

Current-year Financial Sustainability Statement

For the year ended 30 June 2017

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 2017 against key financial ratios

Target

Actual

| Operating surplus ratio | Asset sustainability ratio | Net financial liabilities ratio |
|-------------------------|----------------------------|---------------------------------|
| between 0% and 10% | greater than 90% | not greater than 60% |
| 3.56% | 84.28% | 6.74% |

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 2017.

Certificate of Accuracy For the year ended 30 June 2017

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: NEVILLE FERRIER

Date: 27/9/17

Chief Executive Officer

Name: Ray GORMAGNY

Date: 27/9/17

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Banana Shire Council

Report on the Current-Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Banana Shire Council for the year ended 30 June 2017, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 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 2017 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Emphasis of matter – basis of accounting

I draw attention 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. My opinion is not modified in respect of this matter.

Other information

Other information comprises the information included in Banana Shire Council's annual report for the year ended 30 June 2017, but does not include the Current Year Financial Sustainability Statement and my auditor's response thereon. At the date of this auditor's report, the other information prepared and approved by the Councillors was the General Purpose Financial Report and Long-Term Financial Sustainability Statement.

My opinion on the Current Year Financial Sustainability Statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government regulation 2012, I have expressed a separate opinion on the General Purpose Financial Report.

In connection with my audit of the financial report, my responsibility is to read the other information approved by the Councillors and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information; I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the council 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 responsibilities for the audit of the current year financial sustainability statement

My objectives are to obtain reasonable assurance about whether the current year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

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.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

D A Stolz

D A STOLZ
as Delegate of the Auditor-General



Queensland Audit Office
Brisbane

BANANA SHIRE COUNCIL

Long-Term Financial Sustainability Statement

Prepared as at 30 June 2017

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 2017 against key financial ratios

| | Operating surplus ratio | Asset sustainability ratio | Net financial liabilities ratio |
|-------------------------------|-------------------------|----------------------------|---------------------------------|
| Target | between 0% and 10% | greater than 90% | not greater than 60% |
| Actuals at 30 June 2017 | 3.56% | 84.28% | 6.74% |
| Projected for the years ended | | | |
| 30 June 2018 | -17.00% | 126.90% | 41.20% |
| 30 June 2019 | -11.40% | 104.90% | 40.10% |
| 30 June 2020 | -9.30% | 104.60% | 36.40% |
| 30 June 2021 | -7.10% | 109.20% | 32.60% |
| 30 June 2022 | -5.00% | 112.40% | 28.20% |
| 30 June 2023 | -2.60% | 121.90% | 24.70% |
| 30 June 2024 | -0.50% | 127.20% | 19.40% |
| 30 June 2025 | 7.40% | 147.00% | 11.40% |
| 30 June 2026 | 2.90% | 132.20% | 5.40% |

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.

Certificate of Accuracy

For the long-term financial sustainability statement prepared as at 30 June 2017

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: NEVILLE FERRIER

Date: 27/9/17


Chief Executive Officer

Name: RAY GORDON

Date: 27/9/17

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

Statement of Operating Performance

For the year ended 30 June 2017

| | Note | \$ | \$ |
|----------------------------------------------------------------------------------------------------------------------------------------------|--------|---------------------|---------------------|
| Operating Income | | | |
| Rates and utility charge revenue | 3 (a) | 36,173,029 | 35,166,262 |
| Less: Discounts and Concessions | | (3,217,916) | (2,984,455) |
| Less: Pensioner remissions net of Government rebate | | (178,821) | (292,620) |
| Net rates and utility charges | | 32,776,292 | 31,889,187 |
| Fees and charges | 3 (b) | 2,530,020 | 2,399,701 |
| Rental and levies | | 333,189 | 317,422 |
| Interest received | 3 (c) | 591,961 | 717,843 |
| Sales of contract and recoverable works | 3 (d) | 13,006,951 | 13,666,380 |
| Other recurrent income | | 750,306 | 302,107 |
| Grants, subsidies and contributions | 4 (i) | 16,356,104 | 15,563,799 |
| Total operating revenue | | 66,344,823 | 64,856,439 |
| Operating Expenses | | | |
| Employee benefits | 6 | (20,882,655) | (21,774,995) |
| Materials and services | 7 | (24,703,029) | (26,330,143) |
| Finance costs | 8 | (1,113,946) | (2,237,690) |
| Depreciation | 16 | (17,224,947) | (16,927,295) |
| Amortisation | | (55,106) | (78,840) |
| Total operating expenses | | (63,979,683) | (67,348,963) |
| Operating surplus (deficit) for the year | | 2,365,140 | (2,492,524) |
| Capital revenue | | | |
| Grants, subsidies and contributions | 4 (ii) | 7,536,511 | 11,589,570 |
| Capital income | | | |
| Total capital revenue and income | | 7,536,511 | 11,589,570 |
| Capital expenses | | | |
| Loss on the sale of capital assets | 5 | (375,620) | (732,112) |
| Loss on write-off of capital assets | 10 | (3,972,574) | (7,694,558) |
| Increase in rehabilitation provision relating to council controlled site, but no asset revaluation surplus available in the related asset | | - | (2,224,528) |
| Total capital expenses | | (4,348,194) | (10,651,198) |
| Net result | | 5,553,457 | (1,554,152) |

BANANA SHIRE COUNCIL
Statement of Appropriations

UNAUDITED

For the year ended 30 June 2017

| | | 2017 | 2016 |
|-------------------------------------------------------------------------|------------|-------------|--------------|
| | Note | \$ | \$ |
| Retained surplus (deficiency) from prior years | | 650,597 | 598,430 |
| Net result for the year | | 5,553,457 | (1,554,152) |
| | | 6,204,055 | (955,722) |
| Transfers (to) from capital account | | | |
| Transfer of capital expenses | 9 | 4,348,194 | 10,651,198 |
| General revenue used for capital funding purposes | CFS* | - | - |
| Unspent capital revenue transferred from capital | CFS* | - | - |
| Adjustment for unfunded depreciation | | 2,392,667 | 1,926,123 |
| Net capital account transfers | | 6,740,861 | 12,577,321 |
| Transfers (to) from restricted reserves | | | |
| Constrained grants and subsidy contributions reserve | 24 | (7,536,511) | (10,012,205) |
| Constrained NDRRA grants reserve | 24 | - | (1,562,246) |
| Retained surplus (deficiency) available for transfer to reserves | | 5,408,404 | 47,147 |
| Transfers (to) from reserves for future capital funding: | | | |
| Grants, subsidies and contributions reimbursed reserve | 24 | - | (15,119) |
| Plant reserve | 24 (iii) | - | (2) |
| Transfers (to) from reserves for future recurrent funding purposes: | | | |
| Operating Grants in advance reserve | 24 (2)(i) | (3,958,613) | - |
| Special projects reserve | 24 (2)(ii) | (993,971) | 618,571 |
| | | - | - |
| Retained surplus (deficit) at end of year | | 455,820 | 650,597 |

*CFS - Denotes Capital Funding Statement

BANANA SHIRE COUNCIL

Statement of Capital Funding

For the year ended 30 June 2017

UNAUDITED

| | Note | 2017 \$ | 2016 \$ |
|--------------------------------------------------------|------|-------------------|-------------------|
| Sources of capital funding | | | |
| General revenue used for capital purposes | | - | - |
| Excess capital revenue provided in year | | - | - |
| Loan monies expended | | - | 654,000 |
| Funded depreciation and amortisation | | 11,754,387 | 12,665,037 |
| Proceeds from the sale of capital assets | 5 | 823,150 | 1,298,809 |
| Constrained grants, subsidies and contributions | | 7,310,937 | 11,043,035 |
| Grants, subsidies and contributions reimbursed reserve | | - | 15,119 |
| Capital Aquisitions reserve | | 37,533 | 1,511,776 |
| Constrained NDRRA grants reserve | | - | 1,562,246 |
| | | <u>19,926,008</u> | <u>28,750,023</u> |
| Application of capital funding | | | |
| Non-current capital assets | | | |
| Site improvements | | - | 604,798 |
| Buildings | | 1,887,597 | 4,078,323 |
| Plant and equipment | | 2,220,706 | 1,503,320 |
| Road, bridge and drainage network | | 10,076,594 | 7,122,663 |
| Water | | 7,986,790 | 13,032,535 |
| Sewerage | | 682,423 | 1,208,770 |
| Environmental Infrastructure Assets | | 24,108 | 21,700 |
| Other Assets NC | | 790,970 | 100,302 |
| Movement in capital work in progress | | (4,812,145) | (27,737) |
| Intangible assets | | 16,365 | 109,186 |
| | | <u>18,873,408</u> | <u>27,753,858</u> |
| Principal loan redemptions | | | |
| Queensland Treasury Corporation | | <u>1,052,600</u> | <u>996,164</u> |
| | | <u>1,052,600</u> | <u>996,164</u> |
| | | <u>19,926,008</u> | <u>28,750,022</u> |

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

BANANA SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2017

UNAUDITED

| | 2017 | 2016 |
|--------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| Financial indicators and ratios of the accounts | \$ | \$ |
| Maintenance of council's physical operating capability | | |
| This indicates whether the opening capital value of the council has been 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 | 684,718,868 | 693,999,526 |
| Operating surplus/(deficit) in year | 2,365,140 | (2,492,524) |
| Transfers from operating reserves to retained earnings in year | (4,952,584) | 618,571 |
| Retained surplus/(deficit) brought forward from prior year | 650,597 | 598,430 |
| Closing balance of the opening capital value | 682,782,021 | 692,724,003 |
| Change in the opening capital value | (1,936,847) | (1,275,523) |
| | % | % |
| Asset sustainability ratio | | |
| Expenditure on replacement assets divided by depreciation expense | 84.3% | 77.0% |
| Target range >90% | | |
| Operating surplus ratio | | |
| Net operating surplus/(deficit) divided by total operating revenue | 3.6% | -3.8% |
| Guidance range is between 0% and 10% | | |
| Net financial liability | | |
| Total liabilities less current assets divided by total operating revenue | 6.7% | 21.9% |
| Guidance range is not greater than 60% | | |
| Asset consumption ratio | | |
| Book value of infrastructure assets divided by there gross value | | |
| Target range is between 40% and 80% | 76.3% | 74.1% |
| Interest cover ratio | | |
| Net interest expense divided by total operating revenue | 0.1% | 0.0% |
| Target range is between 0% and 5% | | |
| A negative percentage indicates that interest income exceeds the interest expense. | | |
| Working capital ratio | | |
| Unrestricted current assets available to meet current liabilities | 2.7 : 1 | 2.0 : 1 |
| Guidance range 1:1 to 4:1 | | |
| Change in community equity ratio | | |
| The percentage change in the net wealth of the Council. | -0.6% | -0.4% |
| Debt servicing ratio | | |
| The percentage that the Council's total recurrent revenue that is used to service loan interest and principal repayments | 2.6% | 2.6% |
| General rate revenue ratio | | |
| The Council's dependence on general rate revenue as a percentage of total recurrent revenue | 34.5% | 33.7% |
| Revenue ratio | | |
| The Council's dependence on net rates and utility charges as a percentage of total recurrent revenue | 49.4% | 49.2% |
| Debt exposure ratio: | | |
| The percentage of Council's capital debt to total community equity | 1.6% | 1.5% |
| Unfunded depreciation ratio | | |
| The percentage of unfunded depreciation to the total depreciation expense | 13.9% | 11.4% |
| Capital expenditure ratio | | |
| The ratio of capital expenditure to depreciation | 109.6% | 164.0% |
| Rate arrears ratio | | |
| The percentage of rates and charges receivable to net rate and charges revenue | 5.7% | 5.4% |
| The effectiveness of Council's collection of rates and charges | | |