



2017/18 ANNUAL REPORT

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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 Fax: 4992 3493 | 8.00 am – 5.00 pm Monday to Friday |
| ON CALL - (After Hours Only) | | |
| Works | | 0408 067 196 |
| Water & Sewerage | | |
| ➤ Maintenance: All reticulated sites excl Taroom, Theodore & Cracow | | 0417 641 994 |
| ➤ Water Quality: Biloela, Callide Dam, Goovigen, Thangool & Wowan | | 0418 787 033 |
| ➤ Water Quality: Banana, Baralaba & Moura | | 0419 021 584 |
| ➤ Water Quality & Maintenance: Taroom | | 0409 376 344 |
| ➤ Water Quality & Maintenance: Cracow & Theodore | | 0418 986 107 |
| ➤ Sewer Maintenance: Biloela & Moura | | 0417 641 994 |
| 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 & Melton Streets 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 | 9.30 am – 12 noon & 1.00 pm – 5.30 pm Tuesday & Thursday 9.30 am – 12.30 pm Saturday |
| Taroom Library 24 Yaldwyn Street Taroom Qld 4420 | Telephone: 4627 3355 | 9.30 am – 1.00 pm & 2.00 pm – 5.00 pm Tuesday, Thursday & Friday |
| Theodore Library The Boulevard Theodore Qld 4719 | Telephone: 4993 1229 | 1.00 pm – 5.00 pm Thursday 9.00 am – 12.00 pm Saturday |

Mobile Library - The Banana Shire Mobile Library visits the townships of Banana, Baralaba, Cracow, Dululu, Goovigen, Jambin and 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”

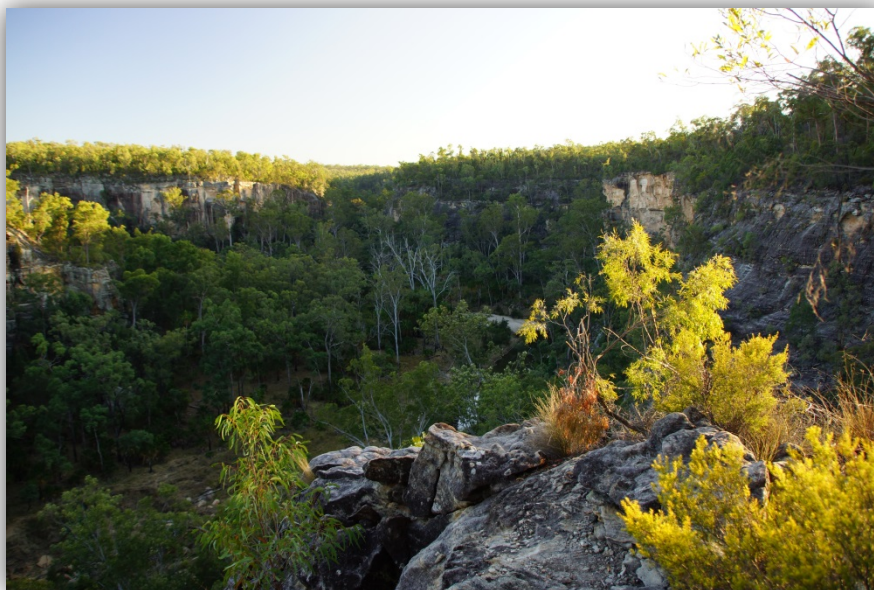
“To improve the quality of life for our communities through the delivery of efficient, effective and sustainable services and facilities”

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 2018

Recognising our Achievers

Congratulations to the Goovigen Community on hosting a great Australia Day celebration this year at the Goovigen Community Hall and Goovigen Sports and Recreation Grounds. Great numbers turned out to support the community and to congratulate award winners and nominees for the Banana Shire Australia Day Awards.

Forty-three nominations were received across the 10 categories in the Australia Day Awards providing stiff competition across most categories.



2018 Citizen of the Year Winner – Brendan Beahan pictured with Mayor Nev Ferrier

| 2018 Australia Day Awards | |
|----------------------------|---------------------------------|
| Junior Sportsperson | Travis Streeter (Winner) |
| | Shaun Cavanagh |
| | Shakira Johnson |
| | Katie Bunker |
| Senior Sportsperson | Danielle Wust (Winner) |

| 2018 Australia Day Awards | |
|----------------------------------------------------|-------------------------------------------------------------------|
| Sports Coach, Official and/or Administrator | Luke Siegmeier (Winner) |
| Community Group or Team | GGGB (Great Girls Giving Back) (Winner) |
| | Robert Kummerfeld and Maree Tucker |
| | Baralaba and District Historical Group Inc |
| | Callide Dawson Machinery Preservation Club Inc |
| | Theodore Early Childhood Centre Committee |
| Junior Cultural Award | Matthew Heit (Winner) |
| Cultural Award | Alarna Pallot (Winner) |
| Community Event of the Year Award | Theodore's Xtreme 1 Servo Bulls N Barrels Bonanza (Winner) |
| | King and Queen of CQ Boar Competition |
| | Australia Day in Baralaba 2017 |
| | Baralaba Centenary Celebrations 2017 |
| | R U OK? Girls night in (Mental Health Month) |
| | Moura Coal and Country Festival's Cocktail & Canape Evening |
| Volunteer Award | Glenys Shearer (Winner) |
| | Cindy Cooper |
| | Harold Ball |
| | Hazel Reid |
| | Peter Kurtz |
| | Gregory Shearer |
| | Geoff Price |
| Young Citizen of the Year Award | Gabrielle Byrne (Winner) |

| 2018 Australia Day Awards | |
|------------------------------------------------|--------------------------------|
| Young Citizen of the Year Award (cont.) | Kain Radburn |
| | Rebecca Warren |
| | Kristen Cavanagh |
| Citizen of the Year Award | Brendan Beahan (Winner) |
| | Mavis Carter |
| | Michelle Carsburg |
| | Ruth Fisher |
| | Sarah Morris |
| | May Campbell |
| | Christie McLennan |



2018 Citizen of the Year Nominees pictured with Mayor Nev Ferrier

Profile of the Banana Shire

Banana Shire has a rich history and a strong future built on the back of grazing and cropping agricultural enterprises and the continuing expansion and development of mining, gas and manufacturing industries.

The region opened up in 1853 when sheep stations were established in the region and the township of Banana appeared in 1881 with a population of 122 people.

Today sheep have been replaced by a wide variety of beef cattle breeds, open country has been cultivated for the production of wheat, sorghum and legume crops while the flood plains along the Dawson River produce fertile ground and easy access to irrigation for cotton.

The key to Banana Shire's economic success has been its diversity.

Coal was first discovered in 1860, but not mined until the 1920s when the underground mine at Baralaba opened. Coal deposits in the Callide Basin near Biloela were opened up in 1945 and in the Bowen Basin near Moura in 1950. Over the years gold was discovered and mined at Cracow, coal seam gas wells put down in the Dawson Valley, meat processing facilities and power generating plants established at Biloela - all diluting the region's reliance on the agricultural sector.

A number of speciality agricultural enterprises have also prospered in recent times with redclaw crayfish production, herbs and spices and squab (meat pigeon) processing all selling to southern markets.

Banana Shire is located in Central Queensland, Australia and covers 28,577 square kilometres with a sparsely spread population of 15,209 people.

The majority of these people live within the mix of larger towns and rural villages that service the agricultural and resource sectors.

Biloela is the largest community, with a population of 5,800 and is to home the Shire's administration centre. It is the dormitory town for the Callide Power Stations, Callide and Boundary Hill coal mines and Tey's Bros Meatworks and is the main service centre for the Callide Valley boosting a number of retail and service businesses.

Moura has a population of 1,700 and serves the mining and rural industries of the area. It is the home of the Dawson coal mine and also the second largest grain depot in Queensland. Also located adjacent to Moura is the Queensland Cotton processing gin, Queensland Nitrates ammonium nitrate manufacturing plant and significant gas resources.

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

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

Other centres besides these four significant urban centres include Thangool, population 300 and Baralaba population 260, Banana, Dululu, Goovigen, Jambin, Wowan and Cracow.

The Shire supports 2559 registered businesses, nine public primary schools, three public P10- schools, two state high schools, one private primary school and one private P-10 school, one Central Queensland University 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 website www.banana.qld.gov.au

Numerous natural and man-made attractions make Banana Shire region an ideal tourist destination.

The magnificent gorges and sandstone vistas of the Isla Gorge and Expedition Nation Park, beautifully carved by wind and water are a must see. There is something serenely special about sitting among the palms that line sections of the Dawson River, watching as the water slowly flows north. You cannot surpass the magically enchanting Mt Scoria or the breathtaking scenery from up on Kroombit Tops National Park. For fishing enthusiasts there is nothing better than hooking a large barramundi in Lake Callide and topping off a day on the water with a feed of redclaw crayfish.

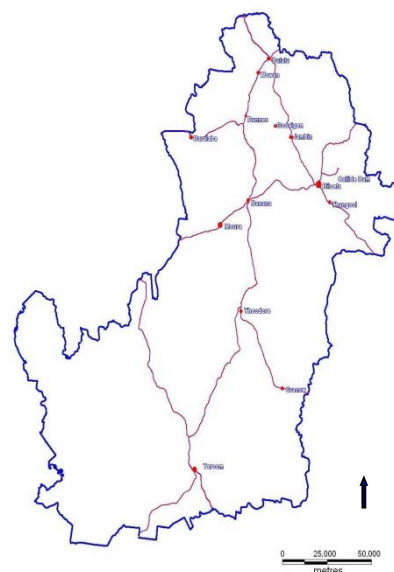
For everything there is to do in the Banana Shire visit our Sandstone Wonders website provides the full picture, www.sandstonewonders.com. Here you can download our detailed self-drive trails and town maps.



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 15,209
- 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
- Crop Production
- Gold Mining

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 Sister Shire agreement between Banana Shire and Boulouparis in New Caledonia reached a significant milestone in March 2018.

The Twinning Agreement celebrated its 20th anniversary and the past two decades have been beneficial for both local government organisations.

The Commune of Boulouparis is located on the island nation of 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)].



The Sister City relationship was the brainchild of former Banana Shire Councillor Tom Hosking who fostered the relationship during the early years and ensured its success by coordinating the initial delegations and visits.

In the early stages trade agreements, particularly based around grain and seed, helped cement the relationship, while subsequent delegations led to Boulouparis primary producers replicating the redclaw crayfish production models that were successful in Banana Shire.

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. A recent example is the establishment of a successful deer abattoir that is investigating the opportunity of exporting meat to Australia and importing kangaroo carcasses for processing through the abattoir. Both local governments must remain vigilant to capitalise on unique opportunities like this when they arise.

The relationship between Boulouparis and Banana Shire also allows both Local Government authorities to gain an understanding of each other's challenges and concepts on how to handle situations which are similar to both authorities.

Large solar farms have been constructed in Boulouparis over the past few years and this similar type of development is set to proceed in Banana Shire in the coming years.

A delegation from Banana Shire travels to Boulouparis once every four years, while return trade visits from Boulouparis officials occurs a little more frequently.

Native Title and Aboriginal Cultural Heritage

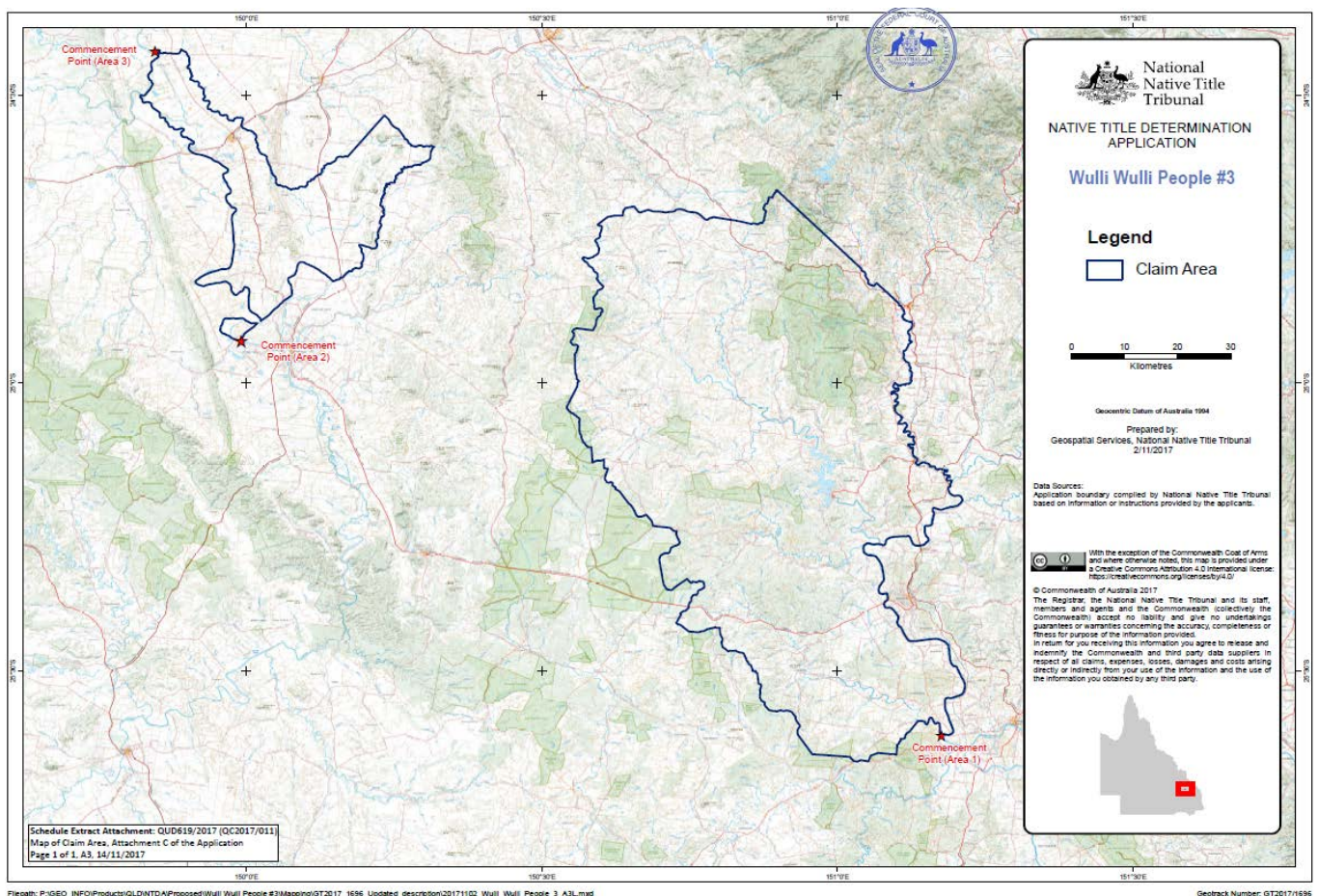
Native Title

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

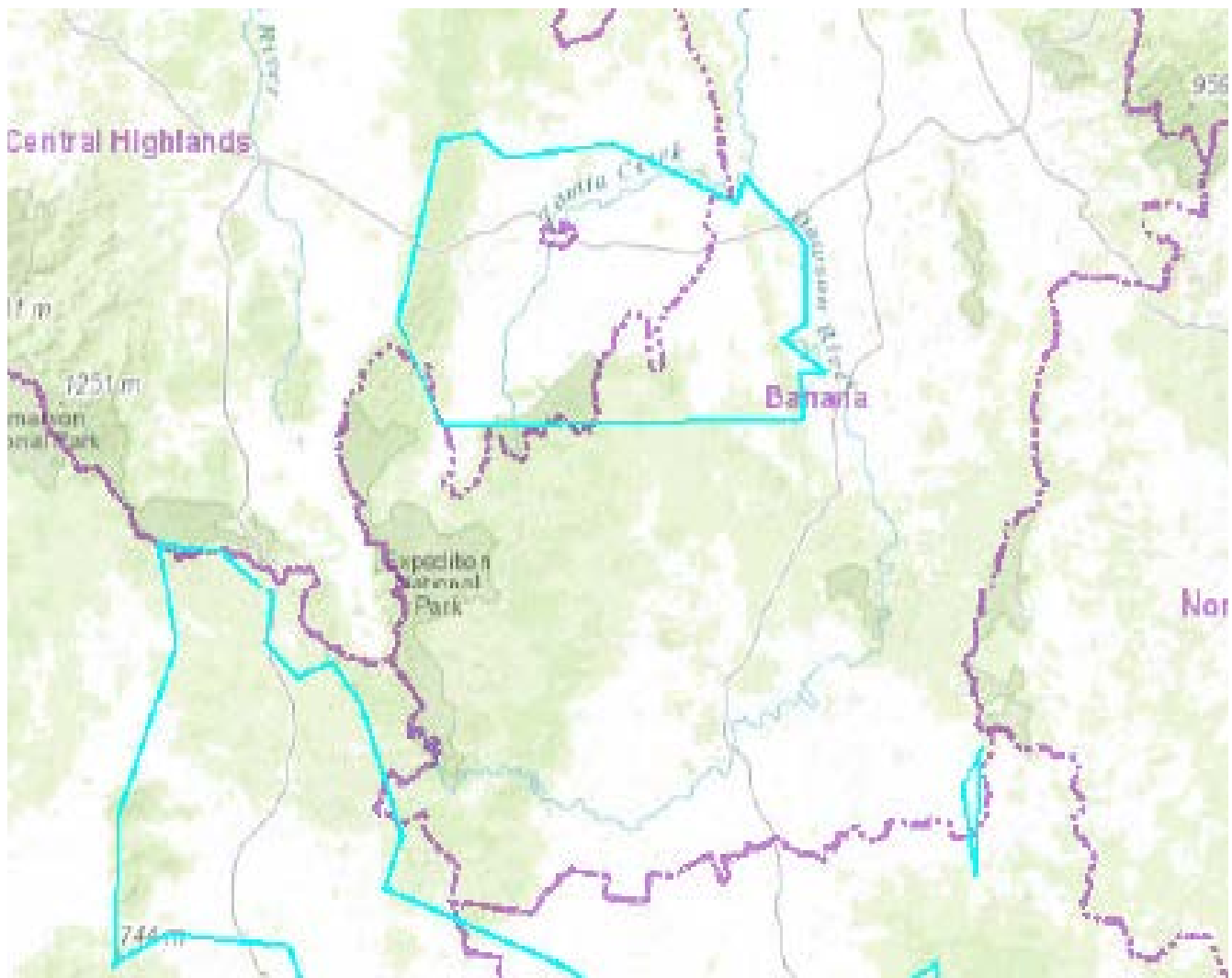
A number of claims have been lodged with the National Native Title Tribunal and are in various stages of working towards full recognition. These include Gaangalu Nation, Iman People, Wadja People and Warrabal People of those claims which have not been determined.

The Wulli Wulli People #2 claim was originally filed on 23 September 2011 and registered on 16 December 2011. The State has advised that it is prepared to accept connection for the purposes of mediation and enter into substantive negotiations towards a consent determination.

The Wulli Wulli People #3 (map below) claim was originally filed on 14 November 2017 over an area which includes a section of Banana Shire. This matter overlaps QUD400/2012 Gaangalu Nation People. The Wulli Wulli People #3 claim has not been notified by the NNTT yet. The Wulli Wulli #3 claim affects Council's local government area and Council is a respondent party to the GNP Claim.

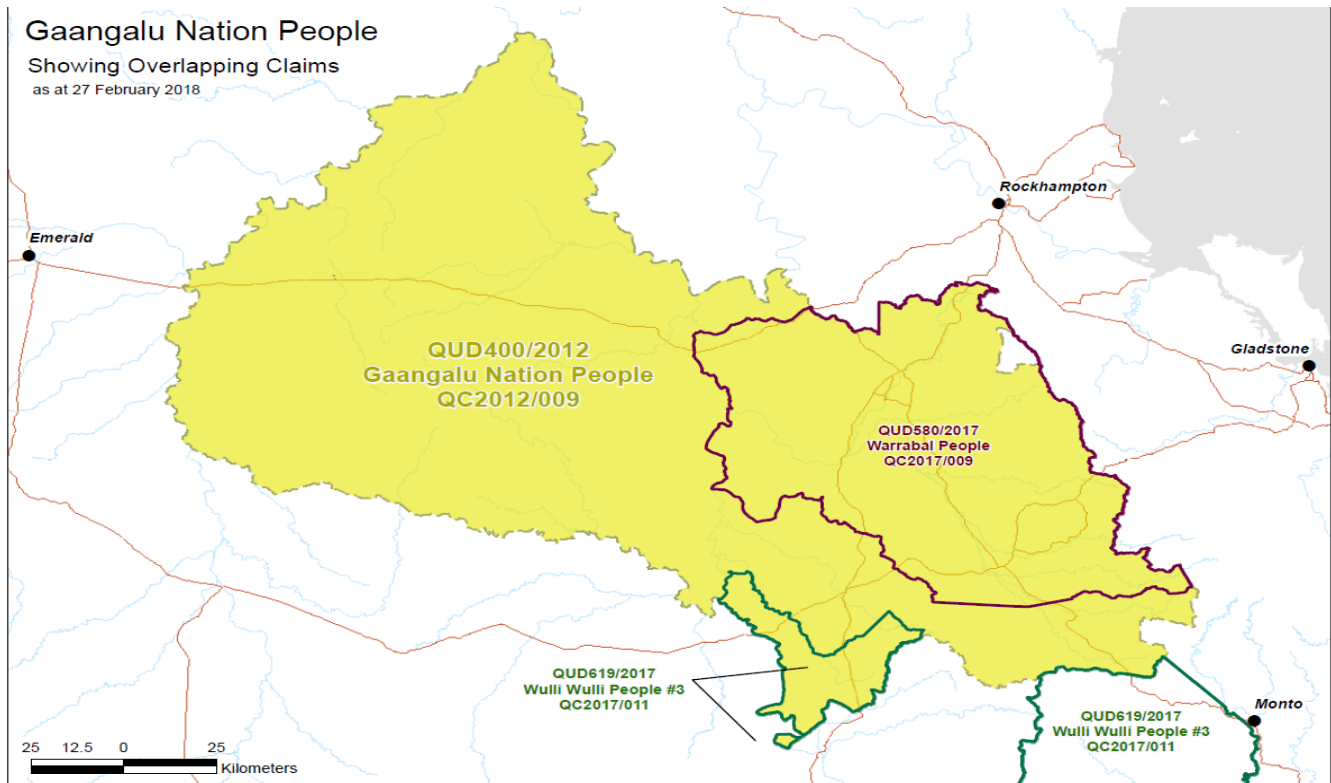


As the Iman People #4 (map below) has not yet been notified and the Warrabal claim is currently in notification (closing 24 October 2018); there are no respondent parties to these claims yet (except the State of Qld). The Iman People #4 claim overlaps the Wadja People claim. The Claim overlaps approximately 1,956 sq km of Council's local government area. It is likely that Council will have interests within the claim area which will need to be preserved if there is a determination order made by the Federal Court.



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.

The Warrabal People claim was filed on 25 October 2017 and affects Banana, Central Highlands, Gladstone and Rockhampton LGAs. This claim partly overlaps the Gaangalu Nation claim (map below). The Warrabal People claim covers approximately 7,232 sq km of land. The Warrabal claim is to be publicly notified from 25 July 2018, with the notice period ending on 24 October 2018.



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.

The Wakka Wakka claim no longer affects the Banana Shire Council local government area.

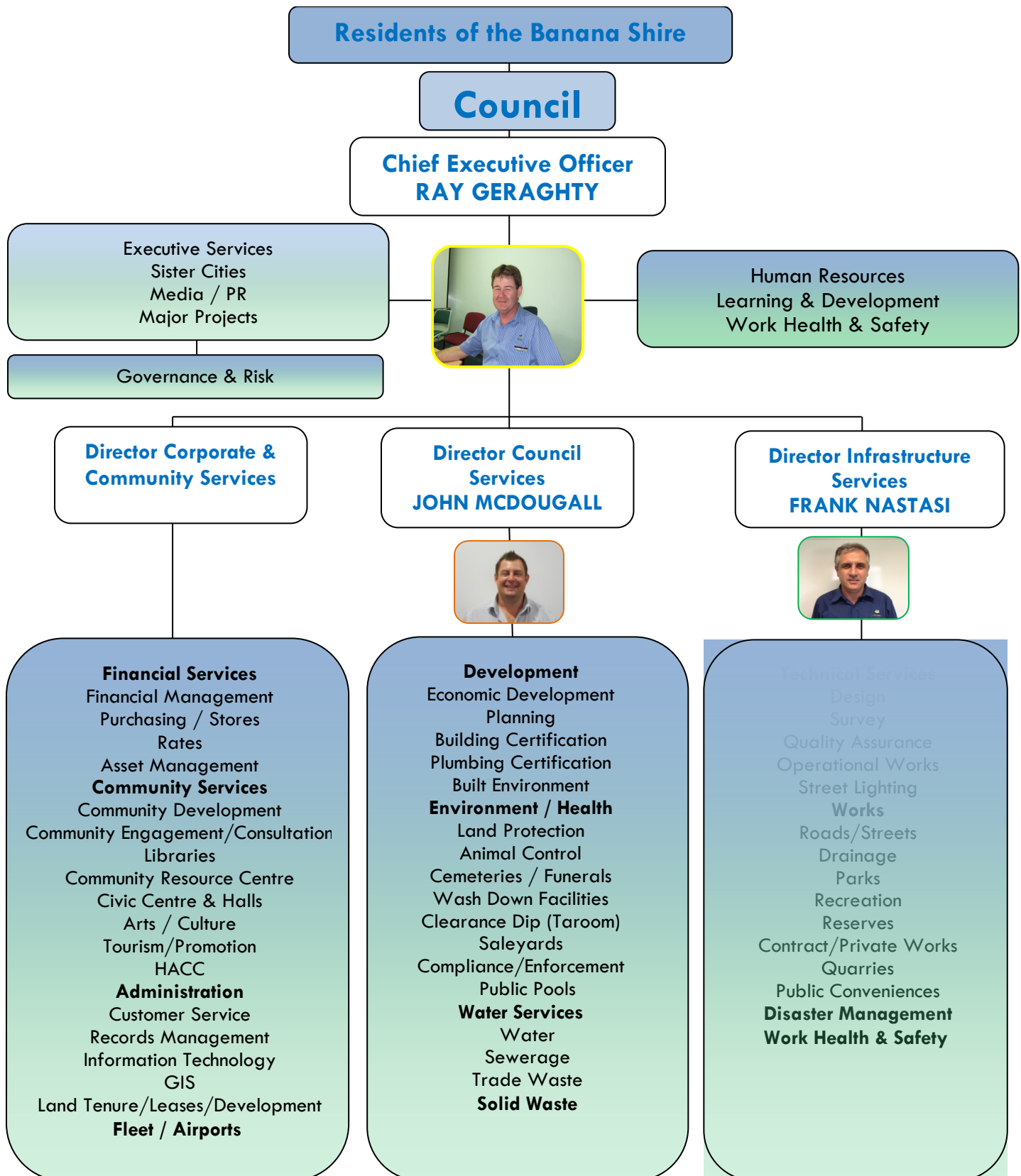
Aboriginal Cultural Heritage

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 Wullli Wullli 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.

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> | Executive Management, Economic Development, Media/PR, LDMG, Assist all Portfolio Councillors, Work Health & Safety |
|  | <p>DIVISION 1 – CR DAVID SNELL</p> <p>Mobile: 0427 922 176</p> <p>Email: david.snell@banana.qld.gov.au</p> | Water, Sewerage, Public Pools, Trade Waste, Solid Waste, Biloela Civic Centre, Land Tenure & Land Development, Public Conveniences, Fleet, Native Title |
|  | <p>DIVISION 2 – DEPUTY MAYOR CR WARREN MIDDLETON</p> <p>Mobile: 0488 410 275</p> <p>Email: warren.middleton@banana.qld.gov.au</p> | Planning, Plumbing, Building, Animal Control, Cemeteries/Funerals, Compliance Enforcement, Disaster Management (including SES), Human Resources, Learning & Development, Governance & Risk |
|  | <p>DIVISION 3 – CR PAT BRENNAN</p> <p>Mobile: 0419 156 958</p> <p>Email: pat.brennan@banana.qld.gov.au</p> | 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>DIVISION 4 – CR COL SEMPLE</p> <p>Mobile: 0437 740 189</p> <p>Email: colin.semple@banana.qld.gov.au</p> | <p>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>DIVISION 5 – CR BROOKE LEO</p> <p>Mobile: 0438 110 325</p> <p>Email: brooke.leo@banana.qld.gov.au</p> | <p>Finance, Information Technology, Purchasing/Stores, Rates, Asset Management, GIS, Tourism/Promotion, Arts/Culture, Insurance</p> |
|  | <p>DIVISION 6 – CR TERRI BOYCE</p> <p>Mobile: 0427 283 202</p> <p>Email: terri.boyce@banana.qld.gov.au</p> | <p>Libraries, CRC, HACC, Customer Service, Records Management, Halls (excluding Biloela Civic Centre), Community Development, Community Engagement, Community Consultation, Sister Cities</p> |



Councillor Representation on Committees

Advisory Committees

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

Council Portfolio Briefings / Working Groups / Workshops

| Group | Councillor/s |
|---------------------------------------------------------------------|--------------------------------------|
| Banana Shire Aerodromes Working Group | Brennan Semple |
| Banana Shire Industry Summit Working Group | Mayor Middleton (Chair) Semple |
| Banana Shire Council Aboriginal Consultative Group | Mayor Snell |
| Cockatoo Coal Working Group (i.e. Transport Corridor Working Group) | Mayor (Chair) Semple |
| Cockatoo Coal Baralaba Community Advisory Group | Semple (Chair) Leo |
| Road Safety Management Reference Group | Brennan Semple |
| Native Title & Cultural Heritage Representative | Snell |



| Group | Councillor/s |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Wulli Wulli ILUA | Mayor (or delegate) Boyce <u>Staff</u> • CEO (or delegate) • Land and Lease Coordinator • Relevant Director |
| Gladstone Area Water Board Working Group | Snell (Chair) Mayor |
| Leichhardt Centre Working Group | Boyce |
| Callide Dam Recreation Area Working Group | Mayor Brennan Middleton Snell Leo |

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

Community & Other Organisations Committees

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



| Committee / Association / Group | Facilitator / Patron / Instigator / Controlling Body | Councillor/s |
|--------------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------|
| Moura/Banana LECC | BSC Local Disaster Management Group | Leo |
| Theodore/Cracow LECC | BSC Local Disaster Management Group | Boyce |
| Taroom LECC | BSC Local Disaster Management Group | Boyce |
| Wowan/Dululu LECC | BSC Local Disaster Management Group | 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 |
| Central Queensland Regional Planning Committee | Dept of Infrastructure, Local Government & Planning | Mayor Brennan |
| CQROC –Central Queensland Regional Organisation of Councils | Gladstone Regional Council | Mayor Middleton |
| Native Title | Dept of Aboriginal and Torres Strait Islander Partnerships | Snell |
| Valuation Consultative Group | Queensland Valuer-General | Leo |
| LANDCARE and PEST MANAGEMENT | | |
| Baralaba Landcare | Dept of Environment & Heritage Protection | Semple |
| CPMG - Capricorn Pest Management Group | Capricorn Pest Management Group | Brennan Semple |
| Dee River Restoration Committee (a sub-committee of the Wowan/Dululu Landcare Group) | Wowan/Dululu Landcare Group | Mayor Semple |
| Dululu/Wowan Landcare | Dept of Environment & Heritage Protection | Semple |
| Taroom Landcare | Dept of Environment & Heritage Protection | Boyce |
| RIVER CATCHMENT and WATER RESOURCES | | |
| Callide Sub-catchment Community Reference Panel | Dept of Energy, Biofuels & Water Supply | Snell |
| Callide Valley Water Supply Scheme Customer Committee | Dept of Energy, Biofuels & Water Supply | Snell |
| Central Queensland Regional Water Supply Strategy Committee | Dept of Energy, Biofuels & Water Supply | Mayor Snell |
| Dawson Catchment Co-ordinating Association Inc | Dept of Energy, Biofuels & Water Supply | Semple |
| Dawson Valley Water Supply Customer Committee | Dept of Energy, Biofuels & Water Supply | Snell |
| Don River, Dee River & Alma Creek Advisory Committee | Dept of Energy, Biofuels & Water Supply | Mayor Semple |



| Committee / Association / Group | Facilitator / Patron / Instigator / Controlling Body | Councillor/s |
|----------------------------------------------|-------------------------------------------------------------|---------------------|
| SPORTS and RECREATION | | |
| Magavalis Sports Club Committee | Community | Snell |
| Taroom Showgrounds Improvement Committee | Taroom Show Society | Boyce |
| TOURISM and PROMOTION | | |
| Country Way Promotions Committee | Country Way Promotions Committee | Leo |
| Leichhardt Hwy Promotions Assn Inc Committee | Leichhardt Hwy Promotions Assn Inc Committee | 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 01/07/2017) |
|-----------------|----------------------|-------------------------------------------------------------------------|
| Mayor | 65 | \$101,631 |
| Deputy Mayor | 37.5 | \$58,633 |
| Councillor | 32.5 | \$50,815 |

Council contributes Superannuation on behalf of all Councillors (*Local Government Act 2009 Section 226*).

The remuneration as listed was paid to Councillors during 2017/18:

| Councillor | Remuneration | Superannuation | Total |
|-------------------|---------------------|-----------------------|--------------|
| PJ Brennan | 50,808 | 6,094 | 56,902 |
| NG Ferrier | 101,592 | 12,177 | 113,769 |
| B Leo | 50,808 | 6,094 | 56,902 |
| W Middleton | 58,610 | 7,025 | 65,635 |
| CG Semple | 50,808 | 6,094 | 56,902 |
| D Snell | 50,808 | 6,094 | 56,902 |
| TS Boyce | 50,808 | 6,094 | 56,902 |

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)

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 |
|--------------|--------------------|------------------------|----------------------|-----------------|------------------------|------------------------|------------------|
| T Boyce | 300.00 | 300.00 | | 49.67 | 35.00 | | 684.67 |
| PJ Brennan | 300.00 | 300.00 | | 1,246.92 | | | 1,846.92 |
| NG Ferrier | 300.00 | | | 161.98 | | | 461.98 |
| B Leo | 300.00 | 300.00 | | 3,885.42 | | | 4,485.42 |
| W Middleton | 300.00 | 300.00 | | | | | 600.00 |
| C Semple | 300.00 | 300.00 | | 4,412.76 | | | 5,012.76 |
| D Snell | 300.00 | 300.00 | | | | | 600.00 |
| TOTAL | 2,100.00 | 1,800.00 | | 9,756.75 | 35.00 | | 13,691.75 |



**Facilities provided to Councillors
(additional to Remuneration and Expenses Reimbursed)**

| Councillor | Facilities Provided |
|-------------------|-----------------------------------------|
| 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 |
| C Semple | Tablet Computer |
| D Snell | Tablet Computer |



Councillors Meeting Attendance

Local Government Regulation 2012 Section 186 (c)

The following Local Government meetings were attended by Councillors.

| Councillor | Ordinary Meetings | Special Meetings | Committee Meetings | Council Workshops |
|-------------------|--------------------------|-------------------------|---------------------------|--------------------------|
| T Boyce | 12 | n/a | 13 | 14 |
| PJ Brennan | 11 | n/a | 13 | 15 |
| NG Ferrier | 12 | n/a | 27 | 16 |
| B Leo | 12 | n/a | 2 | 16 |
| W Middleton | 12 | n/a | 15 | 16 |
| C Semple | 12 | n/a | 29 | 15 |
| D Snell | 12 | n/a | 19 | 16 |

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)(e)</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 Section 186(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 Section 186(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 | Nil | Nil | Nil |



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) | Nil |
| (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; | Nil |
| (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 |
|-----------------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| 1 | 1 | 1 | 1 |



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 | 105,204.03 | |
| 3190-2120-0002 | Community Development – In Kind Assistance | 5,334.95 | |
| 3450-2380-0000 | Regional Arts Development Fund – Grants to Locals in 2017/18 Financial Year. | 19,621.00 | This figure includes grants from both the 2016/17 and 2017/18 RADF program as this operates September-September. |
| | TOTAL | \$130,159.98 | |

Councillors' 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

This past year has seen some important developments in the resource sector bring some confidence into Banana Shire.

Batchfire received State Government approval to proceed with their Boundary Hill South coal mine project and commenced drilling and other activities on the site.

The open cut mine at Baralaba re-opened and coal from the site has been transported to their load out facility via the upgraded Baralaba-Moura Road and through the newly constructed overpass on the Dawson Highway.

Evolution Mining also extended their commitment to their mining operations and made a significant investment by contributing towards the upgrade of the Theodore aerodrome which will re-open in September 2018.

These projects not only generate valuable employment opportunities in the shire, but provide a significant economic benefit to several of our communities.

As a result of the Callide Valley Flood Study I made the commitment to residents living along the Callide Creek floodplain, but not within SunWater's 10 km zone downstream of the dam, that Council would provide an automated warning.

This promise has been fulfilled, with Council's Whispir system able to send appropriate SMS messages to those residents that have subscribed to the service.

The State Government completed the raising and replacing of five bridges along the Dawson Highway connecting Biloela and the Bruce Highway at Calliope. This should significantly reduce those times when Biloela is isolated during times of flood, ensuring vital supply chains remain open.

The unforeseen damage to Gibihi Road, that bisects Anglo American's Dawson mining lease, caused business disruption to rural producers and inconvenience to employees at the mine as well as local residents and other road users. Council continues to work in partnership with independent consultants and Anglo American to find the best solution to establish an alternate route for those affected residents.

Tourism continues to be a major pillar of the economy made evident by the number of visitors using the magnificent facilities at Lake Callide Retreat since it was officially opened in August 2017, and the increasing number of grey nomads taking advantage of the different camping options available throughout the shire, all of whom escape to this great part of the world to soak up the winter sunshine and take in our many and varied natural wonders.

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

Cr Nev Ferrier
MAYOR

MAYOR'S MESSAGE





Chief Executive Officer's Report

The past 12 months has been a busy time for Council with the various departments completing and gearing up to commence some key projects designed to enhance the liveability of communities and improve the delivery of Council services.

Some of the completed projects were funded under the first round of the Works for Queensland program and work has commenced on round two projects under this State Government funding scheme.

Approval was granted for \$1.71 million to be spent on the following projects:

- Baralaba car park (near the hospital)
- Installation of automatic water meter reading devices
- Bikeways/pathways in Taroom and Theodore
- Skate park pads in Goovigen, Baralaba and Jambin
- Solar panel installation at the Moura water treatment plant
- Biloela industrial development

The State Government has announced a third round of funding under this program but is yet to call for submissions of projects for approval.

Council sincerely appreciates this funding program from the State that has enabled a range of projects to be fast tracked.

2017/18 was also an emotionally tough period with Council losing a number of long serving staff, the majority due to retirement, but tragically several passed away after battling illness.

I take this opportunity to acknowledge the valuable contributions that Todd Sleeman and Greg Curtis made to Council and the wider community. Both men were giants in their field of expertise. Todd was Council's Director of Corporate and Community Services and began working with council in 2001. Greg commenced at Council in 2002 and thrived in his role as Manager of Fleet and Waste.

This Shire is entering into an exciting period with several existing resource industries increasing production. Others like Baralaba Coal have recommenced production and there are several potential mining and gas developments on the horizon. A number of renewable energy projects, including solar and wind farms, are gearing up for approval and construction.

Waste management will be a major challenge for all Queensland Councils with the State Government announcing the re-introduction of the waste levy and a target of zero waste to landfill by 2028.

Whilst it is widely agreed and accepted that we need to significantly reform our practices in relation to waste, these new requirements will have a major impact on Council budgets and costs to the ratepayer.

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 live 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)(e)</i> |
| Other relevant Information | | <i>Local Government Regulation 2012 Section 188 (2)</i> |

Corporate Planning

Assessment of implementation of 5 Year Corporate Plan and Operational Plan

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

The 2014-2019 Corporate Plan was reviewed, amended and adopted in November 2016 to take effect from 1 July 2017 to 30 June 2019. The 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*.

The 2014-2019 Corporate Plan was again reviewed in April 2018 following advice from the Local Government Association of Queensland that the Corporate Plan be aligned with Local Government Elections.

The 2014-2019 Corporate Plan was amended and renamed to the 2016-2021 Corporate Plan and adopted on 28 April 2018 for Banana Shire Council for the 5 year period 2016/2021 (1 July 2016 to 30 June 2021).

Council's Annual Operational Plan and Budget for 2017/18 were prepared to be consistent with the 2014-19 Corporate Plan, now reviewed and renamed the 2016/2021 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 continued to be busy finalising flood restoration works from previous events in the Callide Valley, however drought conditions continue throughout the shire.

The social impacts of the drought in particular continue to impact the rural community and consequently Council's operations and budget.

The resource industry showed signs of a significant upturn during the course of the year. The existing mining operations are scaling up production and Baralaba Coal has recommended mining operations.

Exploration for coal and gas throughout the shire has also increased during the year.

This combined increase in activity has had a resultant increase in both the resident and itinerant workforce, and will provide some positive impacts on sections of the shire.

Government subsidy and grants for infrastructure development continue at relatively consistent levels, whilst it remains difficult to obtain contributions from resource companies.

Innovative funding programs, such as the Queensland Government 'Works 4 Queensland Program' has however, enabled Council to fast track a number of projects throughout the shire.

Council continues to consider and respond to any new funding opportunities where appropriate and affordable.

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



Corporate Plan – Key Strategies

A review of the 2014-2019 Corporate Plan was conducted in November 2016 which resulted in an updated Corporate Plan being adopted to take effect from 1 July 2017 to 30 June 2019. The 2014-19 Corporate Plan was again reviewed in April 2018, resulting in it being amended and renamed the 2016-2021 Corporate Plan, which was adopted on 28 April 2018 for Banana Shire Council for the 5-year period 2016-2021 (1 July 2016 to 30 June 2021).

Following are the Key Strategies from the 2016-2021 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, and increase the financial sustainability focus by being more business orientated, look for opportunities to generate supplement income and increasing efficiency and use of technology.
- 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, and strive to improve the relationship between Council and its constituents.
- 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.
- m. Acknowledge that cost shifting from other spheres of government is an increasing issue and make representation in relation to the impacts on the Council and its local service delivery.

- n. Ensure the operations and services of Council are delivered within a safety framework.
- o. Deliver a range of governance support systems and Council services that meet the community's needs and fall within Council's jurisdiction and affordability.

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:-

- 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.
- j. Manage disaster management and preparedness by developing community resilience, understanding the flood zone and patterns, the impact on property and the cost to the community and Council.

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 and life-cycle when designing, purchasing, developing, operating and maintaining Council assets and services.
- d. Monitor and report on environmental impacts of Council operations.

3.2. Performance Indicators

- a. Meeting water, sewerage 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 and actively communicate with potential developers to encourage positive development outcomes.
- c. Monitor, understand and plan for pressure on Council's infrastructure created by existing and new development.
- d. Capitalise on government land availability, natural and other resources to attract industry and visitors to the Shire.
- e. Encourage local development that provides enhanced services to the community.
- f. Consider the long term affordability of services when undertaking economic modelling and planning.

- g. Lobby the State and Commonwealth Governments to deliver reliable internet and phone connectivity to promote fair and equal opportunities for local businesses.
- h. Provide and maintain effective transport infrastructure subject to sustainability and financial resources.
- i. Encourage economic diversity by focusing on tourism and agricultural activities.
- j. Identify options for moving to renewable energy and other innovations that increase the efficiency and reduces the long run cost of Council's operations.
- k. Ensure planning schemes reflect the needs of a rural community and that development processes are applicant / user friendly and result in positive outcomes.
- l. Lobby the State and Commonwealth Governments in relation to securing local water supplies for domestic and industry use, e.g. Nathan Dam and allocations.

4.2. Performance Indicators:

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

5. Infrastructure

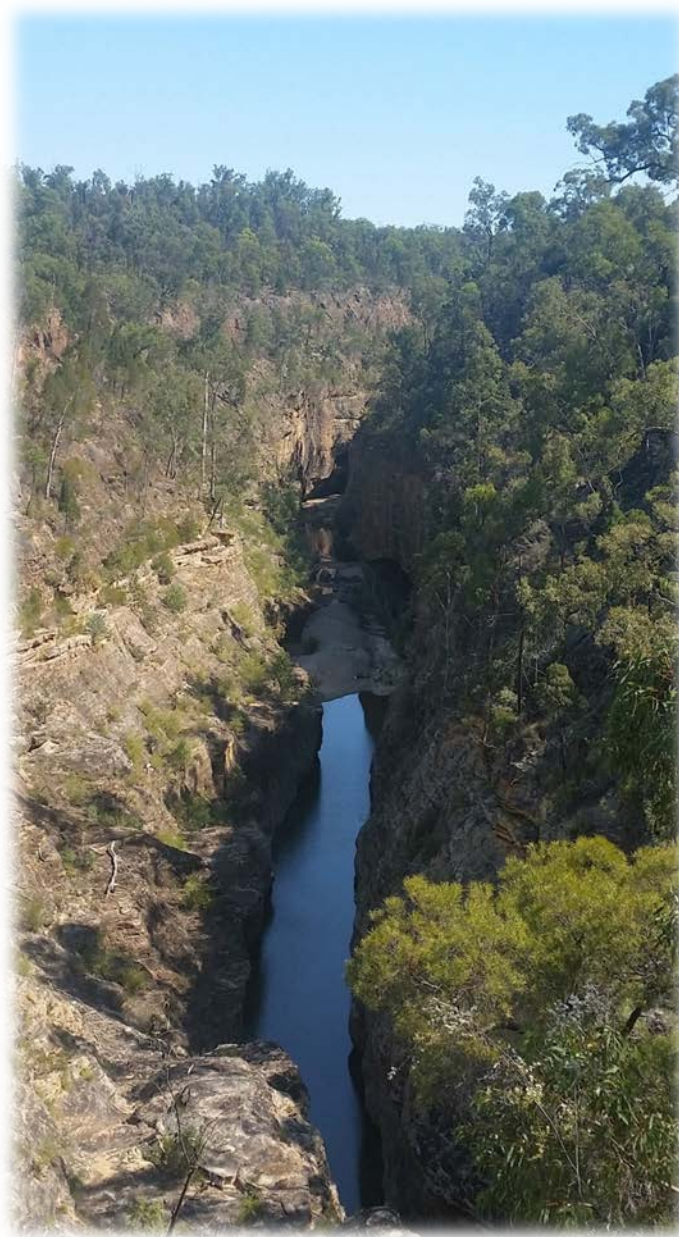
5.1. Strategic Direction

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. Place an increased focus on asset management including monitoring and managing 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 where required.
- d. Managing Council's assets within the levels of service as set out in the asset management plans.
- e. Buildings are maintained at a determined service level.



Corporate Plan – Key Actions

1. 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 with a focus on improving the relationship with constituents.
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. Facilitate the implementation of local ILUAs.
12. Monitor the use of air services within the Shire and advocate for continued and suitable scheduling of the flight timetable to suit community needs.
13. Maintain all weather and safe roads as defined in Council's service standards.



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 2017/18 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 2018/19.

Council will also continue to focus on risk management in 2018/19 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

Our workforce statistics indicate a growth in head count numbers of 5.26% from 324 last year to 342 this financial year. There has been an almost 4% increase in full time permanent roles in the last period. There was a 20% growth in permanent part time (partially as a result of some full time employees requesting flexible work arrangements, and a reduction in their hours). Casual roles decreased slightly from last financial year. Worth noting is that Council also more than doubled its intake of trainees from three trainees in the last reporting period to seven at the end of this period. Our workforce profile also indicates predominant numbers in our outdoor workforce, as well as customer and community facing roles.

The modern award for local government came into force from 1 July 2017. Council's 2012 Enterprise Bargaining Agreement remains in effect at present, whilst we have commenced the process of bargaining for a new Certified Agreement with a range of unions. Negotiations commenced in March 2018, and are continuing.

The November 2017 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 mandatory learning and development needs, professional development and overall training needs related to job roles and individual employees. This is fed into the budget development process.

Leave accruals continued to be monitored and proactively managed on an ongoing basis. These included 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 2017/18 year consisted of **342** employees including full time, part time, fixed term and casual employees with an additional 32 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 2018.

Full-time equivalent = 257

| Employment Status | Male | Female | Total |
|-------------------|------------|------------|------------|
| Full Time | 172 | 74 | 246 |
| Part Time | 1 | 24 | 25 |
| Fixed Term | 5 | 22 | 27 |
| Casual | 6 | 30 | 36 |
| Apprentice | 1 | 0 | 1 |
| Trainee | 3 | 4 | 7 |
| TOTAL | 188 | 154 | 342 |

| | |
|--------------------|----|
| Unfilled Vacancies | 32 |
|--------------------|----|

| Department | Number of Positions (Inclusive of Vacancies) |
|--------------------------------|-------------------------------------------------|
| Executive Services | 24 |
| Corporate & Community Services | 121 |
| Council Services | 89 |
| Infrastructure Services | 140 |
| TOTAL | 374 |

Learning and Development

Trainees, Apprentices and Cadets

Banana Shire Council was successful in obtaining two Traineeships with the State Government's First Start Funding as part of the Skilling Queenslanders for Work initiative.

Council is currently upskilling 14 existing workers with funding from Construction Skills Queensland in a Certificate III in Civil Construction (Road Maintenance). Other upskilling areas have been in Water Operations and Plumbing.

Council has two Civil Engineer Cadets working full time at the Biloela Office whilst studying part time through the University of Central Queensland.

Council has also employed a school-based apprentice, who works one day a week with Council.

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 Gladstone in November 2017.

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 on 6 June 2018 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.

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 the 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.

The Workplace Health & Safety team consists of a Principal WH&S Business Partner, two WH&S Business Partners and one role providing administrative support.

At a broader level safety is everyone's responsibility and ensuring that obligations are understood and discharged is critical to all. Beyond meeting our compliance requirements, our philosophy is that each person arrives and goes home each day in a safe state.

Year in Review

- Ongoing implementation of our safety management system (maturity model)
- Successful audit outcomes (4801) and achieving ongoing accreditation
- Increased emphasis on obligations of employers and employees under the WH&S Act
- Increased alignment with the "Safe Plan" system as also supported by LGW (Local Govt WorkCare) self-insurance
- Increased focus on contractor management obligations and relevant induction requirements
- Our WH&S committee is functioning well, and meets every month to discuss and consult on WH&S matters

Increasing the visibility and interaction of our safety team out in the field is a priority for the next period. Our focus is on providing simpler, relevant and practical solutions for any workplace health and safety concerns.

At a broader level we would like to increase engagement with all our stakeholders, and encourage feedback from all.

Our aim is to empower our staff in relation to WH&S by:

- Demonstrating commitment to organizational values
- Driving the philosophy of risk management as critical to success
- Providing practical solutions to issues
- Driving innovation in our work processes
- Leading by example

WHS Training

The WH&S training needs of Council staff are monitored on an annual basis to ensure that BSC staff has the skills and competencies to fulfil their roles at council in a safe and professional manner. This is reviewed from position description and cross referenced to individual worker profile through the "TNA" (training needs analysis) conducted as part of bi-annual performance reviews in November each year.

Records Management

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

The volume of incoming and outgoing correspondence processed by the Records Management Team has increased by 9% over the 2017/18 year.

Banana Shire Council entered into its third year using the new Records Management Software system MagiQ. New employees received training in the use of MagiQ and refresher training and operational support were conducted as requested. Negotiations also began with a select group of advanced users from each department to implement a "Train the Trainer" training model to deliver refresher training to all MagiQ users. This training will commence in the new financial year and will focus on both the use of the MagiQ system as well as the legislative requirements for all employees to make and keep records of their business decisions and activities.

Council's documents continue to be housed by ZircoData (formerly Iron Mountain), a third party storage company based in Brisbane which is responsible for the housing, maintenance and destruction of these documents. Retrievals and lodgements were organised as required using the ZircoBridge online web portal.

Three Right to Information applications were received and finalised during the year. One Information Privacy application was also received. All applications were processed within the legislative timeframes.

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 is 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. 937 user support requests were logged during the year.

Some projects completed and made operational during the year included:

- ICT disaster recovery hot site including significant increases to storage and processing capabilities.
- Implementation of works and safety mobile software.
- Rollout of an additional 22 smart phones.
- Replacement of 50 desktop computers, laptops and tablets.
- 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 and Australia Day planning meetings in Goovigen.
- Actively participated in the development and promotion of the Central Qld Suicide Prevention Plan.
- Aided the Central Queensland Hospital and Health Service to successfully engage a local applicant for the Tackling Regional Adversity Through Integrated Care (TRAIC) Funding.

Community Grants Program

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

Council contributed a total of \$110,538.98 to the community across the Shire in the 2017/18 financial year. Fifty-nine applications were received under the program.

Council enlisted the services of Queensland Rural Industry Development Association to undertake a free review of the grants program with positive outcomes and some suggestions for increased efficiency of the program.

Community Project Support

Forty-four letters of support or referee requests were written throughout the period for a variety of community groups to strengthen their applications for funding from external sources. Referee requests continue to be more common over written letters.

Web Pages & Online Services

Community Events Calendar – continue to promote the calendar as a one-stop shop for events across the Shire. Usage of the calendar for promoting events has increased.

Banana Shire Community Directory – content of the directory has been thoroughly reviewed over the last financial year and promotion has increased going forward into the new financial year with community training sessions planned. Developments and upgrades within the platform continue, including the availability of a Community Diary and a mobile phone app for the directory. These provide excellent tools for the community. Currently there are 362 organisations listed as providing 502 different services across 463 locations in the Shire.

Banana Shire Central News Facebook page – access to Social Media for promotion of events and activities in the Community Development sector has proved extremely beneficial.

Events

One Million Stars to End Violence Project

In 2016 Banana Shire committed to participate in the One Million Stars to End Violence Project. Our goal was to weave 10,000 stars by July 2017. Thanks to fantastic community involvement as a Shire we were able to weave 10,984 stars which became part of one million stars displayed in King George Square, Brisbane, from 29 March to 15 April 2018 during the huge festivities of the Gold Coast 2018 Commonwealth Games (GC2018).

QUT Big Lift

Students from the Queensland University of Technology visited the Banana Shire again in November 2017 providing support and entertainment to the residents of Theodore. Council's Community Development Team support the coordination of these annual visits and welcome the Big Lift team back to our Shire each year.

Camerata – Queensland's Chamber Orchestra Tour

The Community Development team engaged Camerata – Queensland's Chamber Orchestra to tour through Banana Shire as part of their annual tour. A workshop was conducted in Biloela as part of the tour and a special schools performance was also held at the Biloela State Primary School. Concerts were held in June in Biloela and Moura with a gold coin donation to attend. Funds raised from the community at both events totalled \$525.15 which was donated to the Biloela Eisteddfod Society who offered a new Banana Shire Musician Bursary.

Pictured are the Orchestra members with Camerata's Executive Director Adam Tucker, Orchestra Manager Angela Loh and Council's Community Development Advisor Melinda Petty.



Australia Day

The 2018 Australia Day celebrations were held in Goovigen. Significant time is required from numerous staff in the Corporate and 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 past the event date of 26 January.

Customer Service

Customer Service Officers answered approximately 24,615 calls, which equates to approximately 99 calls per work day and approximately 4,923 calls per Customer Service Officer annually. There has been a 1.67% increase in calls through the phone system during this financial year.

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 Banana Shire Administration Buildings has decreased slightly this financial year with 12,660 face-to-face customers attending our facilities to undertake their business; which equates to a 0.3% decrease against the 2016/17 financial year. Biloela Office attended to 8,421, Moura 2,013 and Taroom 2,226. Counter statistics will continue to be monitored to ensure an efficient and effective service is provided to ratepayers.

Our teams issued 5,648 receipts. This is a 2.7% decrease from the 2016/17 financial year - the receipts from the Biloela Administration Office 4,151, from the Moura Customer Service Centre 726 and from the Taroom Customer Service Office 771.



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 has 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 2017/2018 Financial Statements have been audited without qualification and all other statutory reports were completed in accordance with relevant legislation.

Procurement / Stores

Reviews of Council's Procurement procedures have been conducted with some minor changes to reflect Council's everyday requirements. The team have rolled out training sessions to all new employees on Procurement, which reflects on the adherence to Local Government legislation. Procurement regularly meets with other departments to discuss any changes and how to adhere to council's sound contracting principles.

The Procurement team have reviewed stock levels and obsolete stock. Staff has conducted mini stocktakes throughout the year, which has allowed stock levels to be reviewed. Discussions are held regularly with other departments on their stock requirements and what levels are required, which would assist them in their everyday tasks.



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 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 has endorsed 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. Implementation of this strategy will occur throughout 2018/19.

Significant work has already been undertaken on:

- Council's Social media platform (Facebook) and updating of the disaster management website;
- "Grab N Go" video to encourage community preparedness; and
- a video encouraging support and recruitment for local State Emergency Service (SES) groups that are supported by Council.



Exercises

Disaster Management exercises are required to be conducted on an annual basis and are an essential component of disaster preparedness. Exercises are used by the LDMG and member agencies to enhance capacity and contribute towards continuous improvement.

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 on-going 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 in accordance with a Memorandum of Understanding with the State Government. Council recently completed an upgrade of 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.

Council also provided an extension to the existing Moura SES group facility to provide required space to maintain SES functions.



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



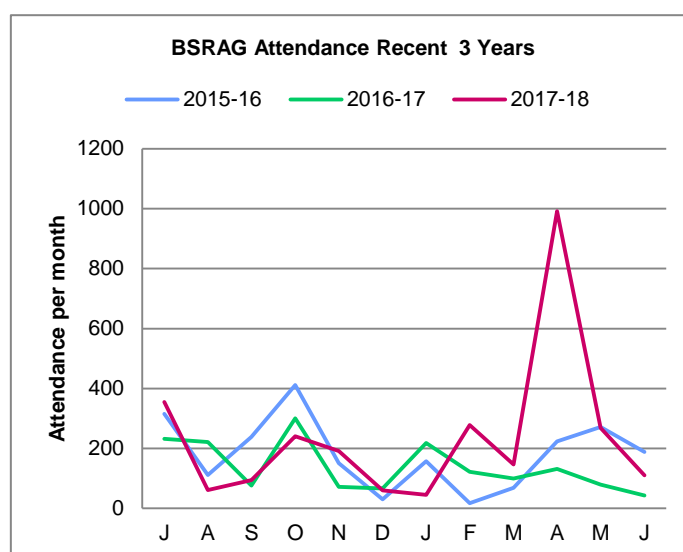
The Banana Shire Regional Art Gallery experienced another busy year with a 71% growth attendance on the previous year, the highest annual attendance to date. This can largely be attributed to the exhibition *Prismatic Pachyderms* by local artist Sarah Larsen. Other peaks in attendance include *For the Love of It: The Artwork of Auda Maclean* and *Art Mix 2017*. The gallery remains a valuable place for art enthusiasts, families and visitors to frequently attend and engage in creative activities.

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

A recruitment drive has resulted in the volunteer base increasing to 19.

Key achievements include completion of the *A Tribute to Modern Pioneers* exhibition and catalogue, and the curated exhibition and accompanying essay, *For the Love of It: The Artwork of Auda Maclean*. This exhibition marks the first of a curated survey show of a successful local artist. The exhibition included works from the Banana Shire Art Collection and loans from across Central Queensland.

| | |
|-------------------------------------|-------------|
| Total Attendance | 2843 |
| Adults | 1948 |
| Children (18 & U) | 895 |
| Total Number of Group Visits | 19 |
| Exhibition Openings Attendance | 703 |
| Total Number of Exhibition Openings | 6 |
| Total Number of Exhibitions | 10 |
| BSC Presented (collection, curated) | 1 |
| BSC Presented (touring) | 1 |
| External | 8 |
| Public Programs Attendance | 207 |
| Total Number of Public Programs | 12 |
| Weekend Attendance | 227 |
| Total Number of Weekends Open | 12 |
| Number of volunteers | 19 |
| Volunteer hours contributed | 263.7 |





Images Top L to R: *A Tribute to Modern Pioneers* exhibition, Photographer's Day Out public program at Kilburnie Homestead
Bottom: Auda Maclean at the Lyn Defienbach workshop, Gallery volunteers.

Banana Shire Art Collection

The Banana Shire Art Collection comprises of 363 works, an increase of 31 works predominately acquired through the commission of new work for the *A Tribute to Modern Pioneers* exhibition.

Other acquisitions included purchases and the continuation of the Brigalow Arts Festival Acquisition Program.

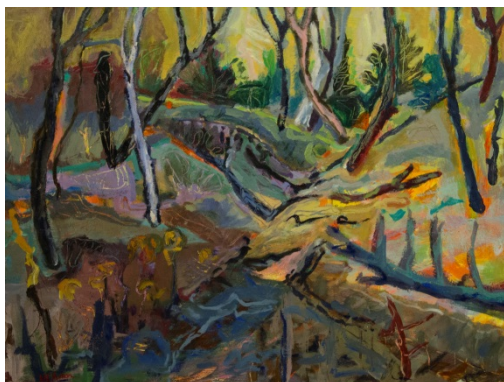


Image Left: *Balancing Act* 2016, Veronika Zeil, charcoal, binders, synthetic polymer paint and cement on plywood. Purchased 2017 Banana Shire Council. © Veronika Zeil

Image Right: *Late Summer Serenity* 2017, Ainslie McMahon, synthetic polymer paint on canvas. Purchased 2017 Banana Shire Council © Ainslie McMahon

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 4,000) and is also available from Shire Offices and Libraries (including the Mobile Library), the Community Resource Centre, as well as Visitor Information Centres, Lake Callide Retreat 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.

Focus on the Banana Shire newsletter always includes a Community Calendar of Events. Items from the Community Calendar of Events can be viewed on Council's website by accessing the Community Calendar menu on the front page. All clubs and organisations within the Shire seeking publicity for their event in the *Focus* can do so by emailing enquiries@banana.qld.gov.au.



Library

Hours of operation include:

- Biloela branch 5.5 days/week
- Mobile Library 3 days/week
- Taroom Library 3 days/week
- Moura Library 2.5 days/week
- Theodore Library 2 x 0.5 days/week.

The Mobile Library services the townships of Banana, Baralaba, Goovigen, Jambin, Wowan, Dululu and Cracow on a rotating two week roster. It also supplements library services at the following schools: Mt Murchison, Prospect Creek, Banana, Goovigen, Jambin, and Wowan. The Home Library Service provides for 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 that are literacy based. Story Time, using the First 5 Forever principles, now runs in all branches, and Biloela branch also holds a 'Baby Bounce' session for the under two-year-olds.

Events

The library developed and delivered a comprehensive range of programs across a variety of themes, including:

| Program Theme | Attendance |
|-----------------------|------------|
| Craft Based | 541 |
| Science Based | 378 |
| Programs for Disabled | 92 |
| School & Kindy Visits | 147 |
| Self-Serve Crafts | 353 |
| Total | 1511 |

Event Highlights

July 2017 – School holiday activities and craft station in Biloela branch and Junior non-fiction themed rotational display commenced in all branches.

August 2017 – Science week activities.

September 2017 – Ozbots sessions and Science based activities during school holidays.

October 2017 – Writers workshop.



December 2017 – Robotics in school holidays and Christmas craft.

January 2018 – Robotics in school holidays and school holiday craft.

February 2018 - First 5 Forever Program commenced.

April 2018 – School holiday craft activities.

May 2018 – National simultaneous story telling.

| | Loans | | User visits | | Membership** | |
|----------|---------|---------|-------------|---------|--------------|---------|
| | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 |
| Biloela | 48532 | 45676 | 49366 | 52556 | 5789 | 3133 |
| Mobile | 7105 | 7510 | 2215 | 2104 | 803 | 457 |
| Moura | 7941 | 12032 | 4110 | 6207 | 855 | 727 |
| Theodore | 1940 | 2257 | 994 | 1063 | 265 | 214 |
| Taroom | 4802 | 5328 | 3317 | 3455 | 485 | 395 |
| Total | 70320 | 72803 | 60002 | 65385 | 8197 | 4926 |



Community Resource Centre 2017/18

The Community Resource Centre (CRC) provides access to services and resources to support and empower individuals and families in the community to meet their needs. This is achieved by:

Resource Library

The CRC Library currently holds 6,112 catalogued resources, including 459 new resources accessioned during the 2017/18 financial year. During this period 3,186 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 two Speech Language Pathologists, two Occupational Therapists, one Physiotherapist, one Exercise Physiologist, one Music Therapist, four Educators and therapy assistants to schools in Biloela (four schools), Moura (two schools), Banana, Baralaba, Jambin, Goovigen, Mount Murchison, Prospect Creek, Thangool and Theodore. Services included a range of delivery models including face to face therapy, mentoring, consultative and advisory interactions, provision of resources and specialised equipment.

School Support Holiday Program

This program targets social skills, gross and fine motor skill development and community engagement to support educational programs and lifelong learning, and to provide support to enable students with disabilities to participate in educational activities on the same basis as their peers. This program facilitated horse riding therapy, music therapy, supported socialising, Move and Play, and holiday programs during the reporting period.

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 2017/2018 year have included a range of specialised desks and seating to promote inclusion and participation in learning activities in classrooms.

COMMUNITY RESOURCE CENTRE



CRC – Fee for Service

This year has seen ongoing delivery of therapy services on a fee for service basis, including speech Language Pathology, Occupational Therapy, Physiotherapy and Early Childhood educator. The CRC is a registered provider of therapeutic and early childhood services under the National Disability Insurance Scheme and this 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.

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 Live Better, 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, NDIA, Anglicare CQ, and CRU.

CRC Volunteers

Volunteer contributions to the CRC are priceless. Our Volunteers accession and process returned resources and review and update the collection and its management systems under the guidance of CRC staff and therapists.

The 2017/2018 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 promotes the role and value of arts, culture and heritage as key drivers of diverse and inclusive communities and strong regions. RADF invests in local arts and cultural priorities as determined by local communities.

The Banana Shire RADF Program includes Council initiatives and a Community/Individual Grants Program. The Program operates September-September, reporting includes information from the 2016-17 and 2017-18 programs.

| RADF GRANTS APPROVED IN 2017-18 | | | |
|---------------------------------|-------------------------------------------------|----------------------------------------------------------------|--------|
| Program | Applicant | Project | Grant |
| 2016-17 | Joy K Mathew | The Dependence Short Film | 7,500 |
| 2017-18 | BSC Initiative | Lawgi Hall and Moura Public Art Projects | 28,655 |
| | Owen Anderson | Individual Professional Development | 1,000 |
| | Callide Dawson Machinery Preservation Club Inc. | Queensland Heritage Rally Rare Trades Workshops: Blacksmithing | 2,000 |
| | Prospect Creek State School | African Drumming | 1,920 |
| | Deb Graving | The Muddle on McFuddle Farm Book Launch and Family Fun Day | 1,956 |
| | Baralaba Agricultural and Pastoral Society Inc. | Educational Circus Workshops at Baralaba Show | 1,950 |
| | Taroom P-10 State School | School Theatre Production : High School Musical Junior | 2,000 |
| | Biloela Bowls Club | Community Movie Nights | 1,295 |



RADF applicant Owen Anderson attending a professional development opportunity
Deb Graving gives a book reading at the Muddle on McFuddle Farm Book Launch and Family Fun Day

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 Queensland Community Care Programme. Both programmes are meeting their financial and governance targets. This service is of great benefit to these communities where other providers are not available.

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



Parks and Open Spaces

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

Capital Works - Biloela

- Kariboe Street CBD Improvements – Shade Sails Structures; Value \$185,000



Kariboe Street, Biloela



Kariboe Street, Biloela

Operational Works

Biloela

Biloela town area

- Trimming of trees throughout Biloela is progressing as per the program.
- Refurbishment has commenced of the Rotary Round Clock Garden at the entrance of Biloela located at the corner of Dawson and Burnett Highways.
- Synthetic turf has been installed in every island in Kariboe Street.

Melton Park

- Low ground areas levelled.
- Installation completed of solar CCTV and three new anti-vandalism table and chair sets.
- The big bottle tree has been fitted with LED blue fairy lights with a lower level wattage transformer and the lights are to be operational commencing the week 8 October 2018.

Possum Park

White beach sand has been added to the exciting make-shift beach volley ball court, which is being very well utilised by Teys Bros employees. In addition, the park furniture has been rearranged around the court area and a new volleyball net has been donated to the volleyball group by Banana Shire Council.

Civic centre

The gardens have been re mulched and dead plants replaced.

Various trees located throughout the town of Biloela have been decorated with solar fairy lights.



Callide Dam

All of the tables have been painted and garden and lawn areas fertilised.

Moura

- Rotary Park upgraded and levelled.
- Energy Smart BBQ installed.

Jambin

New solar lights installed to improve visibility adjacent to the toilet block on the Burnett Highway.

Theodore

Junction Park

- Bank on the Dawson River cleared from trees and shrubs the area has been re-seeded to promote growth of grass which will enable the community to utilise the river bank as part of the park.
- New irrigation lines installed.

Refurbishment of Theodore clock tower.



Theodore Clock Tower

Taroom

Leichhardt Park

- Automatic irrigation system installed by Biloela Parks and Gardens at a total cost of \$25,000

Leichhardt Tree

- Recycled plastic decking installed around the historic Leichhardt Tree at a total cost of \$10,000.



Environment Health Services

Sharps Disposal Program

Council's sharps disposal program continued throughout the year.

A review of the program saw a change in the type of containers provided by Council, which aimed to improve the safety of the public and Council staff.

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. It 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 rain in October and March, mosquito control activities were undertaken around affected Shire townships. These activities involved the application of larvicide to potential breeding sites and the use of ULV equipment to treat adult mosquitoes.

Council utilised 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 January and March, 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 continues 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 and Magpie Management

Council continued to undertake quarterly monitoring of flying fox roosts within the Shire as coordinated by the Department of Environment and Science, which aligns with the CSIRO National Flying-Fox Monitoring Program.

Reports of flying foxes in the Shire during the year were addressed in accordance with Council's Flying Fox Roost Management Plan. Council intervention included:

- A population of Little Red Flying Foxes returned to the Moura township in October, impacting on several residential properties. Council undertook monitoring and coordinated intervention in conjunction with Department of Housing and Department of Environment and Heritage Protection, resulting in the flying foxes relocating to more suitable vacant land before dispersing naturally.
- Towards the end of the financial year, the temporary absence of Wowan's long term Black Flying Fox population enabled Council to trim and remove roost trees that had been damaged by heavy roosting activity over the past couple of years to address the public safety issue presented by branches falling from damaged trees.

Council received a number of reports of magpies swooping during their nesting season of July to December. Warning signs were erected where necessary, and several complaints of dangerous birds were investigated with one magpie relocated under a Damage Mitigation Permit issued by the Department of Environment and Heritage Protection.

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 2017/18 financial year was as follows:

| | |
|----------------------------------------------|-----|
| Food business license | 118 |
| Temporary food business license (commercial) | 19 |
| Environmental registration | 0 |
| Share accommodation permit | 1 |
| Caravan park operator permit | 8 |
| Higher risk personal appearance service | 1 |
| Footpath permit | 59 |
| 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.

Cemeteries

Improvement works continued at Shire cemeteries, with the installation of new beams and signage at the Theodore Cemetery, and repainting of the gazebo at the Jambin Cemetery.

Council undertook a total of 64 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:

- 2480 dogs registered;
- Five dangerous dog declarations;
- 37 dog attack complaints made during the year. Many of these dog attack complaints were finalised by way of warning notices.

Of the animals that were impounded the following apply:

- 46 animals destroyed;
- 137 animals rehomed;
- 202 animals released.

43 infringement notices were issued to dog owners for failing to comply with compliance notices (thirteen more than the previous year).

There continued to be a significant decrease in animals destroyed (29 less than last year). This decrease is due to the establishment of networks with rescue organisations within the Central Queensland region.

The delivery of the Petpep Program into local primary schools and kindergartens educated children on responsible pet ownership and the appropriate actions to take when approached by a strange dog. Five visits were made during the financial year reaching in excess of 200 students from Biloela State Primary School, Thangool State Primary School and the C&K Coo-Inda Community Kindergarten.

Dog Events

In October 2017 Council hosted an inaugural Dog Walk for Breast Cancer to raise money and awareness for the National Breast Cancer Foundation, and to promote responsible pet ownership. Many local businesses provided support via the donation of items for a raffle. The event was a huge success with many residents and their dog/s dressing in the theme of 'pink' to support the event. Due to the event's success, Council has decided to hold the walk annually.



In January 2018 Council assisted with the Dog High Jump event at the Shire's Australia Day Celebrations in Goovigen. This event attracted five entries and was well supported by the crowd on the day that thoroughly enjoyed the spectacle.

In May, Council hosted a Dog High Jump event at the Callide Valley Show. The event attracted five entries and drew a considerable audience to view the final competition. The winning height reached was 2.08 metres.



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.

Rural Services

Invasive Pest Control

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.

Council also completed a significant Weed Project targeting the treatment of Parkinsonia along the Don River, Harrisia Cactus along the Dululu, Wowan, Rannes and Banana catchment areas, and Willow Cactus at Theodore.

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

Council staff conducted 66 wash down 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 including participating in a stall at Beef Week in May 2018.

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 13,066 kg, which included the following break-up:-

| Properties | Type of bait | Amount |
|-------------------|---------------------|---------------|
| 50 properties | Dog meat | 4410 kg |
| 43 properties | Pig meat | 4916 kg |
| 23 properties | Pig grain | 3740 kg |

There was a significant increase in the amount of baits distributed from last year due to the impact of dry conditions on pest behaviour.

- Council's bounty system for dingo and fox scalps continued. This year saw the inclusion of feral cats into this bounty system, creating some initial controversy, but overall significantly raising awareness of this serious pest management issue.



| Species | Male | Female | Total |
|------------------|------|--------|-------|
| Dingo / Wild Dog | 270 | 225 | 495 |
| Fox | 7 | 1 | 8 |
| Feral Cat | 12 | 25 | 37 |

- Council staff also undertook a number of trapping programs to reduce feral cat numbers within the Shire.

Stock and Stock Route Management

Conditions continued to be dry over an extensive area of the Shire, resulting in a large number of applications for stock route agistment, with 68 stock route grazing permits involving 2,812 head for drought purposes being issued and seven travel permits involving 4,525 head, totalling 7,337 head of stock.

Council continued its improvement to water facilities on the Stock Routes, with the upgrading of Bridge Creek water facility being undertaken with the addition of a new dam, two storage tanks, two water troughs and fencing.

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.

Wash down bays

Wash down bays 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.



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 *Planning Act 2016* 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 decrease 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 | 2017/18 |
|--------------------------------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Material Change of Use | 32 | 34 | 23 | 9 | 12 | 13 | 8 |
| Reconfiguration of a Lot | 10 | 15 | 9 | 6 | 7 | 8 | 8 |
| Combined (i.e. both Material Change of Use and Reconfiguration of a Lot) | 0 | 0 | 2 | 3 | 1 | 0 | 2 |
| Total | 42 | 49 | 34 | 18 | 20 | 21 | 18 |

* 22 Concurrence Agency Responses were also issued in the 2017/18 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.

Council finalised the preparation of its Local Government Infrastructure Plan (LGIP) and subjected it to public consultation. No submissions were received and the LGIP was presented to the Minister for State Development, Infrastructure and Planning seeking permission to adopt. The Minister provided that permission and the LGIP will be presented to the August 2018 Ordinary Meeting for formal adoption. The current Banana Shire Planning Scheme and the Taroom Shire Planning Scheme will be amended to include the LGIP and the draft Planning Scheme will also be updated to include the latest version of the LGIP.

Plumbing

The number of Plumbing Approvals has decreased:

| Financial Year | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Plumbing Approvals | 136 | 142 | 42 | 53 | 63 | 50 | 43 |

Building

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

| Financial Year | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Building Approvals | 269 | 216 | 171 | 155 | 175 | 138 | 144 |
| Council certified Approvals | 37 | 34 | 45 | 58 | 81 | 85 | 97 |
| Privately certified Approvals | 232 | 182 | 126 | 97 | 94 | 53 | 47 |

Swimming Pool Safety Certification

| Financial Year | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Certificates Issued | 0 | 0 | 4 | 9 | 17 | 15 | 18 |



Tourism Development

The Banana Shire Tourism Working Group has restructured this year and now comprises of representatives from Biloela, Moura, Theodore, Baralaba, Wowan, Outback Queensland Tourism Association, Tourism and Events Queensland and Banana Shire Council. The group will now hold two meetings a year, the first which will be in September 2018, chaired by Mayor Nev Ferrier.

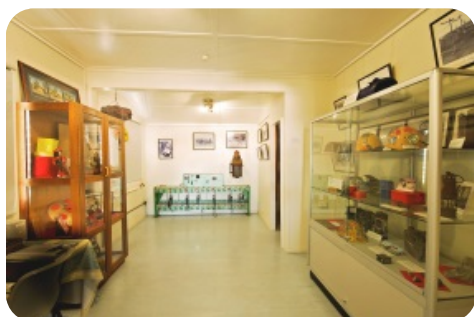
The meeting will discuss future directions and priorities for tourism in our Shire. The Working Group will consider terms of reference, current paid and professional partnerships/memberships (and values to Council), (draft) corporate strategic tourism plan and priorities, updates on development of different tourism projects and outcomes.

Information Bureaus continue to receive funding annually as per Council's Tourism Support Policy.

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.



**sandstone
WONDERS**



Economic Development

Broad Direction

Council continued to support the four pillar economic development strategy for the shire 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. 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.

The Economic Development Strategy (EDS) to highlight strategic policies that will support a strong, forward moving economy and long term economic prosperity was adopted by Council in October 2017. The EDS provides the policy basis for the development of action plans for each town/district by individual commerce chambers or progress associations.

Industry Summit

The 16th Banana Shire Industry Summit was held on 8 August 2017 with the theme being "Sustainable Farming – An Economic Driver". The day commenced with a breakfast followed by the summit. Following the presentations the five speakers, as a panel, took questions from the floor. The event concluded with lunch and networking, with attendees being treated to an amazing array of mouth-watering food provided by chef Matt Golinski, using local produce.

The following five speakers with a wealth of knowledge, were excellent -

- Andrew Farquharson, Managing Director – Head of Sales & Products, Toowoomba
- Campbell Newman, Chairman, Swarm Farm Robotics
- Paul McIntosh, Industry Development Manager – Northern Region, Pulse Australia
- Peter McMeekin, Origination Manager, Nidera Australia Pty Ltd

The speakers' topics covered –

- Safety and farming
- Best Yield
- Technology
- Crop Rotation
- Export Standards
- Marketing.



A sponsor's dinner, also catered for by chef Matt Golinski was held the night before, with local herb farmer Paul Stringer as the guest speaker. Paul spoke about how his family got into growing herbs, and then taking it further by going 'organic'. The volume of herbs grown locally was an eye opener.

Future Intentions and Projects

- Establish a purpose-built organisation for the facilitation and promotion of economic activity across Banana Shire.
- Continue engagement with key local, regional, state and federal stakeholders.
- Advance new planning scheme to further facilitate development within the Shire.

Infrastructure

5.1 Strategic Direction

Plan and deliver effective and efficient infrastructure services.

Water Supply & Sewerage

Council operates and maintains eleven water supply schemes and four 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 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 obtained from the Callide Valley Aquifer.
- Water supplied to the towns of Goovigen and Wowan (non-potable) is chlorinated water obtained from local groundwater bores.
- A non-potable trickle feed water supply scheme is provided for Cracow, and
- Additional raw water schemes supply a number of community-based users at Taroom and Baralaba.

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

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

Major construction activities for the year included the Moura Raw Water Supply Upgrade. Works completed so far consist of a new pipeline with increased capacity from the Dawson River to Moura Water Treatment Plant. This project was jointly funded by Council and the Queensland State Government under the 'Building Our Regions' program.



Moura Raw Water Pipeline Construction



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:-

- Repairs to the Biloela 9ML Town Reservoir.
- Taroom Water Supply Upgrade (reservoir access and roof replacement, installation of new aerator and chlorine gas dosing system, communications upgrade).
- Sewage Pump Station Replacement & Upgrade SPS1, Taroom – Major upgrade included new pump station and emergency overflow storage.
- Water main replacements – various schemes (works included Bell and Knaggs Streets, Moura; Baxter and Yaldwyn Streets, Taroom; Blanches Road, Thangool; Eleventh Avenue, Theodore).
- Theodore Water Treatment Plant – actuated valve replacement.
- Ongoing sewer pipeline cleaning and CCTV inspection (various schemes).
- Sewer manhole refurbishment (various schemes).
- Filter Refurbishment and media upgrade (Filters 1,2 & 3 - Biloela WTP).
- Biloela Sewage Treatment Plant Trickling Filter Refurbishment.
- Moura Sewage Treatment Plant – Replacement of failed backpulse tank.
- Telemetry/SCADA equipment upgrades/replacements (various schemes).
- Replacement of damaged sewer property connections (various schemes).
- Programmed water meter replacement and large diameter meter upgrades (various schemes).
- Hydrant and Valve replacement program (various schemes - ongoing).
- Work Health & Safety improvements (various schemes).



Biloela 9ML Reservoir Refurbishment Works



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, as well as all new capital works relating to structural buildings.

Last financial year works were undertaken throughout the Shire under the Works for Queensland Program (W4Q) and various State Government grants. This work included a new toilet and shower facility at Junction Park, Theodore; a new SES facility in Biloela, and the installation of a disability access ramp at the Biloela 25m Pool (under construction).

95% of capital projects were completed across the Shire, including the completion of the Lake Callide Retreat accommodation facility and solar installation at a number of sites.

Works were conducted at the Moura Pool which involved repairing pipework to the 50m pool, and retiling of the wet deck.

Council is continuing to investigate energy management by utilising LED, energy efficient appliances and future solar projects. Built Environment is currently investigating options to reduce costs to Council's infrastructure.

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 strengthen relationships with Shire residents.



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.

Design and Survey

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 2018 the design team increased their skill base and experience through the completion of a number of infrastructure design projects, road safety audits, bridge inspections, project management, rain/river gauge maintenance and attending customer requests. Survey requirements increased with the design and project delivery support. The increased demand has been met through a combination of utilising multi-skilled engineers, targeted contractor engagement and machine guidance technology.

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 2018 the Infrastructure Technology team completed the 2014 10-year Infrastructure Development Plan (IDP) review. The review included assessing the existing Council infrastructure assets (predominantly the road network) against the planned replacement/rehabilitation schedule and works

completed. The 10-year IDP formed the basis of the 2018/19 capital budget and will be fully reconstructed in 2019 following detailed road, stormwater infrastructure condition field assessment.

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 2018 included the Moura-Theodore Road upgrade and the Biloela Shopping World extension operational works permit.



Gogango Creek Bridge Inspection

Infrastructure Delivery

Project Delivery

Capital Works

Banana Shire Council's Infrastructure Services department completed an Infrastructure Capital Program in excess of \$11M for 2017/18, highlights for the year include:

- Jambin-Dakenba Road, Biloela, Callide Creek Bridge – Construction of the Callide Creek bridge, approaches to be completed in 2018/19; total \$2,500,000
- Banana Shire unsealed roads – 20km of gravel resheeting across various roads; value \$1,570,000
- Theodore-Moura Road – 8km pavement rehabilitation, widening and reseal; value \$1,025,000
- Banana-Baralaba Road – 8km pavement rehabilitation, widening and reseal; value \$911,000
- Bell Street and Kroombit Street, Biloela – Kerb and channel upgrade and repair, reseal; value \$708,000
- Completion of CBD Drainage, Biloela – upgrade of the underground stormwater network outlet, Quarrie Road culverts and drainage, value \$840,000
- Deearne Road, Taroom – 3.5km pavement reconstruction, culvert upgrade and bitumen seal; value \$500,000
- Injune Road, Taroom – 17km pavement reconstruction, culvert upgrade and gravel resheet; value \$633,000
- Saleyards Road, Moura – 2.6km pavement reconstruction and bitumen seal; value \$319,000
- Banana Shire bitumen reseals – across various urban and rural roads; value \$290,000
- Banana Shire bikeways and footpaths – Washpool Street, Biloela; Scenic Street, Moura; and Callide Dam bikeway/footpaths; value \$220,000

Jambin Dakenba Road, Biloela, Callide Creek Bridge

During construction



Bridge structure complete



Banana Shire unsealed roads

Bears Lagoon Road during construction



Ghinghinda Road during construction



Glenhaughton Road during construction



Theodore Moura Road before



Theodore Moura Road after



Bell Street, Biloela



CBD Drainage, Biloela – Link Road



Deearne Road before



Deearne Road after



Saleyards Road



Washpool Street Pathway



Callide Dam Pathway



Waste Management

Collection

Banana Shire Council provides a wheelie bin collection service to 4109 households in 11 towns within the Shire, collecting a total of 2732.1 tonnes of waste over the 2017/18 year.

Disposal

Council operates eight transfer stations and three landfills for the disposal of waste:

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

In 2017/18 Council undertook the following improvements and activities at transfer stations and landfills within the Shire:

Biloela Transfer Station

- Retaining wall to building waste disposal area replaced.
- Local kindergarten students visited the transfer station to learn about waste, and how to reduce, reuse and recycle.

Taroom Landfill

- Increasing environmental requirements led to the need to reconsider the future of Taroom Landfill. Public consultation was undertaken in early 2018, and taking this feedback into consideration, Council resolved at its April 2018 Ordinary Meeting to approve the closure of the Taroom Landfill and the opening of a waste transfer station with restricted hours of operation. This action will be progressed in the new financial year.

Trap Gully Landfill, Biloela

- Investigations into groundwater, stormwater and landfill gas management were undertaken.
- Additional litter fencing and new staff amenities were installed, and access roads sealed.

Security and Enforcement

Misuse of waste facilities, such as incorrect disposal, disposal of hazardous material or lighting of fires, can be both costly and hazardous to the public and Council staff.



As many of Council's waste facilities are unmanned, Council relies on the use of security cameras to monitor the use of these facilities for both maintenance and enforcement.

This year saw the installation of additional cameras, and with the assistance of these cameras Council issued numerous warning notices and 11 infringement notices to offenders.

Diversion from Landfill

The diversion of waste from landfill through recycling and reprocessing activities provides both economic and environmental benefits to the Shire.

The following quantities of material were diverted from landfill in 2017/18:

| Waste type | Quantities diverted (tonnes) |
|-------------------|---------------------------------------|
| Green waste | 3580 (mulched) |
| Scrap metal | 873.2 |
| Cardboard | 340 |
| Glass | 128.54 |
| Tyres | 21.79 |
| Concrete | 36.44 (stockpiled, awaiting crushing) |
| Waste Oil | 43.22 litres |

Other waste diverted from landfill included:

- Aluminium cans, car batteries and paint collected for recycling at Biloela and Moura Transfer Stations.
- eWaste collected at Biloela Transfer Station.
- Biloela Transfer Station operates a tip shop to divert any reusable goods from landfill.
- Council support and promote the ChemClear and DrumMuster programs for management of unwanted chemicals and collection of empty chemical containers.

Glass recycling subsidy – Council continued to support the recycling of glass within the Shire by providing a subsidy to community groups in Moura, Theodore and Biloela for the collection and recycling of glass. After 10 years of operation, this subsidy program ceased on 30 June, following the announcement of a state wide container refund scheme, which is expected to replace the need for Council subsidy.

Cardboard – in addition to drop off points at both Moura and Biloela Transfer Stations, Council provided a limited cardboard collection service to a number of Shire schools and community facilities.

Aerodromes

Banana Shire maintains five aerodromes located at Thangool, Taroom, Moura, Theodore and Baralaba, and one aircraft landing area (ALA) located at Taroom. Passenger services are conducted from the Thangool Aerodrome.

Taroom, Thangool and Theodore 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.

Fly Corporate provided seven (7) weekly, commercial 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 provides a fleet maintenance, replacement and acquisition program for plant, ensuring Council maintains its responsibility for a safe fleet, balanced with an efficient cost management program that can be supported when benchmarked against other external sources.

Council's plant fleet has an asset value in excess of \$11.5 million.

Hire fees are generated both internally via a plant maintenance fee, and externally from Department of Transport and Main Roads 'Roads Maintenance Performance Contract' project work. This revenue assists in funding the workshop and ongoing plant maintenance, and also used to support a capital plant replacement program.

The fleet and workshop personnel are focused on providing cost effective plant maintenance and repair of all council fleet.

The Workshop supports the local community through employment and purchasing. In addition to council's normal technicians and office staff, the workshop employs a full-time apprentice and a school based apprentice.

Council's workshop is an approved inspection station and authorised service centre, providing servicing and routine maintenance on Council's fleet and equipment.



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 |
| Wash down Facilities | No | No | No | No |
| Library Operations | 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 | 1 |
| Extended the closing date | 1 |
| Clarified queries | 3 |
| 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
- 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 | \$5,037,084 |
| Identified Road Grant | 5050-1010-0000 | \$2,487,029 |
| Total | | \$7,524,113 |

The Identified Road Grant component of \$2,487,029 has been utilised as a contribution to capital road works totalling in excess of \$11.3M on the following roads:

| | | | |
|-----------------------------------------------|---------|------------------------------------|-----------|
| Aerodrome Rd - Guardrail (51.18) | 70,616 | Fifth Ave theodore Urb Rsl 17/18 | 13,537 |
| Banana Baralaba Rd - LCS 17/18 | 911,109 | Ghinghnda Rd - Grvl Pvmt 17/18 | 300,255 |
| Bears Lagoon Rd - Grv Pvmt 17/18 | 172,896 | Glenhaughton rd - Grvl Pvmt 17/18 | 165,942 |
| Behrendorffs Rd - Gvl Pvmt 17/18 | 59,277 | Glenmoral R/Stone Grv Pvmt 17/18 | 141,311 |
| Bell St Biloela UC 16/17 | 622,922 | Goolara Heinekes Rd Rrl Rsl 17/18 | 9,268 |
| Biloela Pathway F/Path 17/18 (Washpool St) | 90,542 | Goovigen Conn F/Way RD 16/17 | 155,788 |
| Callide Lane Biloela UC 17/18 | 6,698 | Herbert St Banana - UC 17/18 | 97,732 |
| Callide St - (Stage A) UD 16/17 | 801,145 | Hintons Lane - R/C 17/18 | 58,315 |
| Callide St -Swale U/G-UD 16/17 | 46,988 | Injune Road Upgrade - Origin | 633,711 |
| CocksMillard Rd-Grvl Pvmt 17/18 | 22,846 | Jambin-Daken Callide Ck - RD 15/16 | 2,496,052 |
| Collard St Biloela - UC 16/17 | 37,451 | Jim Hooper Pk -CarPk&Pwy 17/18 | 2,565 |
| Colombo Rd - Floodway RD 17/18 | 15,490 | Jim Hooper Prk Access Rd 17/18 | 33,131 |
| Cracow Rd (Floodway) - RD 16/17 | 4,194 | Junction Park Irrigation 17/18 | 6,841 |
| Cracow Rd Rrl Rsl 17/18 | 11,637 | Kroombit St Bilo -UD 17/18 | 84,328 |
| Cracow Rd Rrl Rsl 17/18 | 22,060 | Lake Callide Pathway F/P 17/18 | 16,323 |
| Crowsdale Camboon Rd Grvl Pvmt 17/18 | 198,128 | Leichhardt Park Irrigation 17/18 | 17,314 |
| Dawson Av Theodore Urb Rsl 17/18 | 13,793 | Linkes Rd - Betterment | 546,663 |
| Dawson Hwy Cycle Path FP 17/18 | 56,612 | Linkes Rd - REPA | 19,095 |
| Deearne Rd - Grvl Pvmt 17/18 | 501,052 | McCanns Rd School Sfty 17/18 | 16,305 |
| Defence Rd (Sect 1 Rrl Rsl 17/18 | 81,684 | Moura Pathway F/Path 17/18 | 108,392 |
| Defence Rd Delusion CI RD17/18 | 67,689 | Nicklin St, Moura F/Path 16/17 | 914 |
| Dixalea Deeford Rd - LCS 17/18 | 197,089 | Ninth Av Theodore Urb Rsl 17/18 | 13,417 |
| Drumburle Rd Rrl Rsl 17/18 | 74,037 | Old Injune Rd - Gravel Pmt 16/17 | 633 |
| Dunn St Biloela - UC 16/17 | 7,537 | On-Street Bike path-Dawson Hwy | 6,254 |
| Eight Av theodore Urb Rsl 17/18 | 9,082 | Quarrie Rd-Culvert Upgrade 17/18 | 92,237 |
| Eleventh Av Urb Rsl 17/18 | 1,752 | Quarrie Road - UD 16/17 | 132,868 |

| | |
|-----------------------------------|---------|
| Raedon St Biloela UC 16/17 | 109,823 |
| River Rd - School Sfty 17/18 | 2,192 |
| Russian Club Rd F/Way RD17/18 | 56,856 |
| Saleyards Rd R/C LCS 17/18 | 318,814 |
| Semples Rd FW Ch 1186 RR 17/18 | 3,854 |
| Semples Rd FW Ch 5926 RR 17/18 | 1,364 |
| Semples Rd FW Ch 6756 RR 17/18 | 1,359 |
| Semples Rd-FW Ch 362 R/R 17/18 | 5,755 |
| Semples Rd-Floodway RD 17/18 | 39,323 |
| Seventh Ave Urb Rsl 17/18 | 9,884 |
| Shepherdsons Rd HV UG LCS17/18 | 257,610 |
| Shirley St Moura UD 17/18 | 4,010 |
| Sixth Av Theodore Urb Rsl 17/18 | 17,598 |
| Tarana Crossing Rd - Gr Pvt 17/18 | 207,847 |
| Theodore Moura Rd R/C LCS17/18 | 928,455 |
| Theodore Moura Rd R/C LCS18/19 | 284 |
| Theo-Mra-Brdg Approch -RD16/17 | 9,257 |
| Walkers Rd - Grvl Pvmt 17/18 | 15,180 |
| Western Lane Urb Rsl 17/18 | 1,527 |
| Wolsey St, Taroom UC 17/18 | 83,259 |
| Yaldwyn St, Taroom UD 16/17 | 1,667 |



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 | \$188,259.14 | Plus water consumption and general rates on applicable parcels |
| Council Pensioner Rebate | 2010-1180-0000 2010-1181-0000 2010-1182-0000 | \$183,796.89 | |
| Rates Based Financial Assistance | 2010-1194-0000 | \$155,434.38 | |
| Approved Subdivider Vacant Land | | \$61,018.18 | |
| Total Council Concessions | | \$588,508.59 | |
| | | | |
| State Government Pension Rebate | 2010-1170-0000 | \$123,051.03 | |

Internal Audit - Report for the Financial Year

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

Council's Internal Audit Committee met three 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 2017 – 30 June 2020 and the Internal Audit Annual Plan for the period 1 July 2017 – 30 June 2018 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. Long term financial planning framework.
2. Output performance measurement and reporting.
3. Plant Utilisation and contributed assets.
4. Customer service / complaints handling.

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.

The state government announced in May 2018 that a code of conduct will be prepared by the Minister stating the standards of behaviour for Councillors in the performance of their responsibilities as Councillors. It is anticipated that this code of conduct will replace Council's Code of Conduct for Councillors once implemented.

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 2018.

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 four 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 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 2017/18 Financial Statements?

A complete version of Council's Financial Statements for the 12 months to 30 June 2018 can be found in the 2017/18 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 2017/18

Council's result for the 2017/18 year was a \$1,567,468 deficit. This includes capital income and expenses.

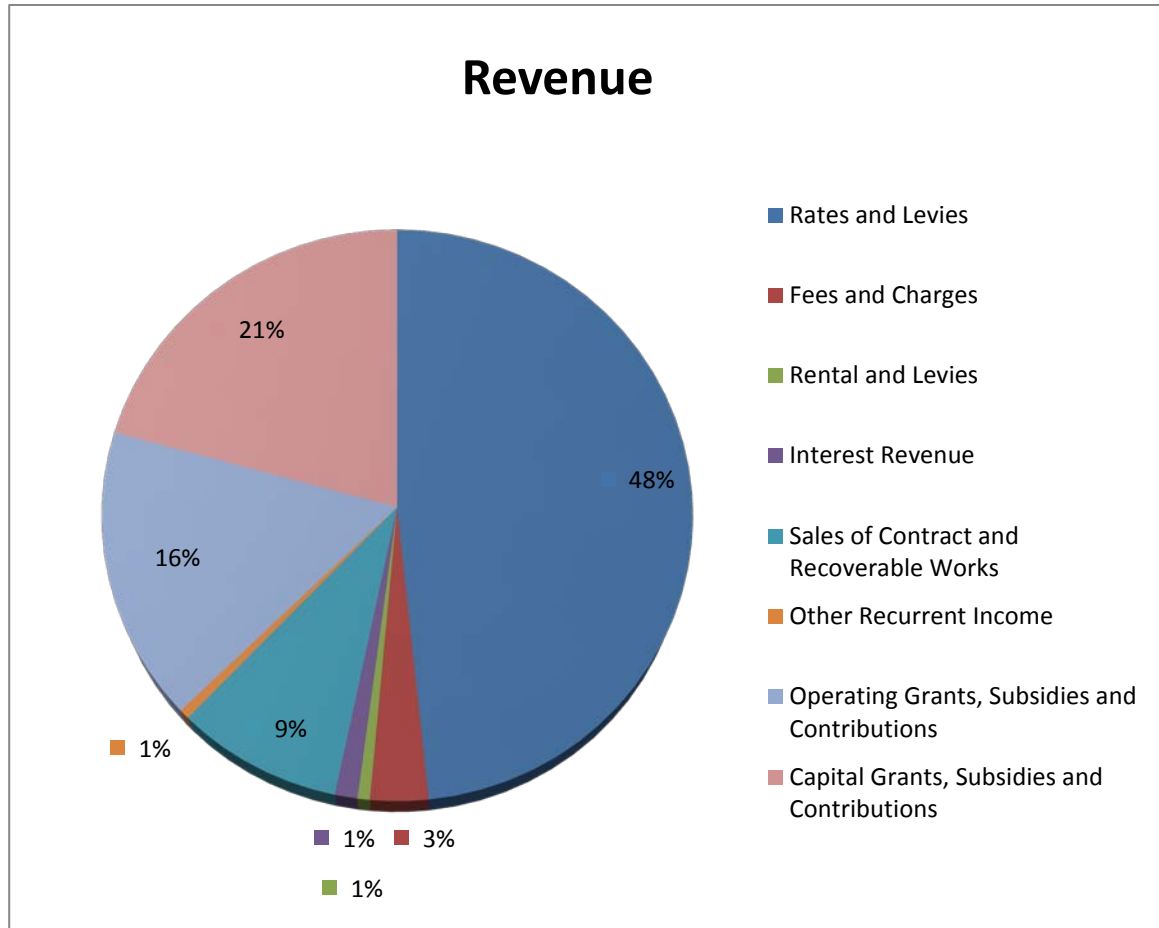
Council's Operating Result

| \$ | Actual 2018 | Original Budget 2018 | Actual 2017 |
|---------------------------------------------------|--------------------|----------------------------|------------------|
| Expenditure (excl. capital expenses) | (61,884,104) | (63,893,139) | (64,152,617) |
| Revenues (excl. capital income) | 56,832,215 | 60,451,787 | 66,344,823 |
| Operating Surplus/(Deficit) for the period | (5,051,889) | (3,441,352) | 2,192,206 |

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 2017/18 year

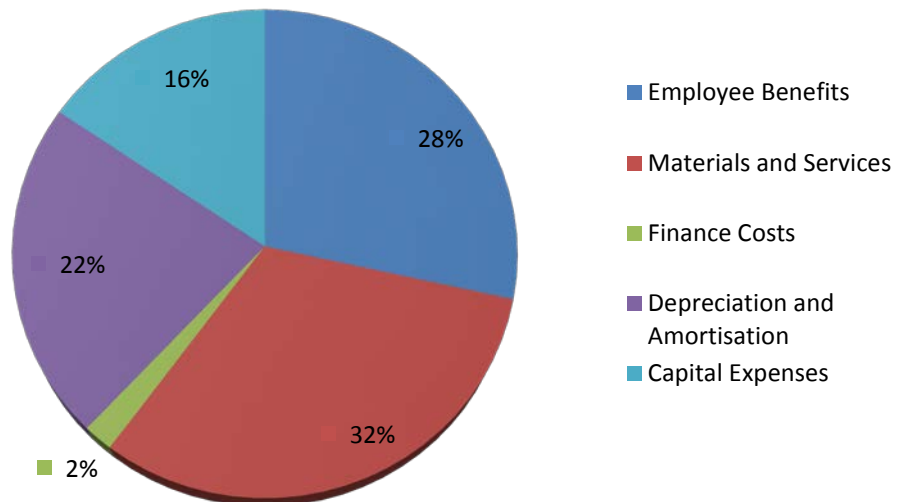
The chart below summarises where Council's revenue came from:



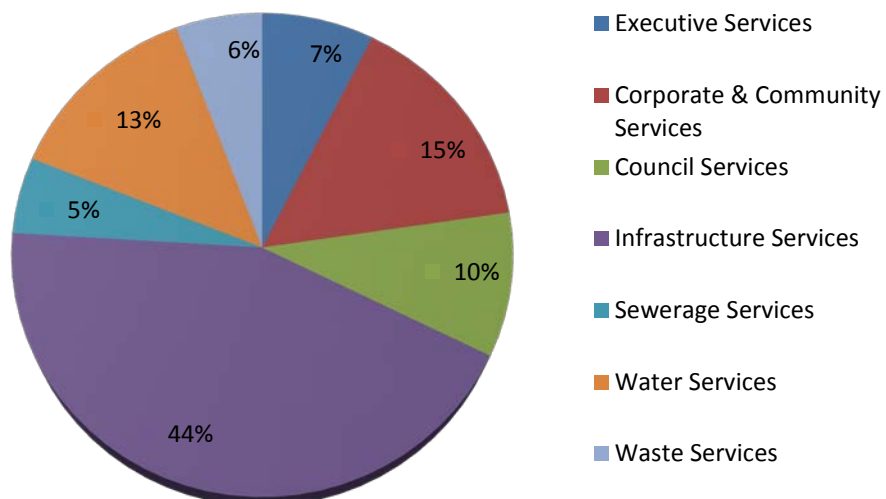
Council's Expenditure for the 2017/18 year

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

Expenses by Nature



Expenses by Function



2.2 Councils Statement of Financial Position (Balance Sheet) for 2017/18

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 2018 | Actual 2017 |
|-------------------------------------------------------------------------------------------|--------------------|--------------------|
| The major items that make up Council's wealth include the following assets: | | |
| Available Cash & Investments | 8,557,088 | 7,021,613 |
| Cash & Investments "restricted" for future funding purposes | 17,861,333 | 16,974,636 |
| Debtors | 4,823,639 | 6,705,398 |
| Infrastructure, Property, Plant & Equipment | 682,877,182 | 700,079,467 |
| Council has funded some of its operations and assets by the following liabilities: | | |
| Loans & Borrowings | 9,827,287 | 11,198,133 |
| Provisions for Restoration of Refuse Sites | 24,092,803 | 22,176,535 |
| Net Community Equity | 677,021,606 | 693,646,599 |

3. Financial Sustainability Measures

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

The financial sustainability of Council 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.

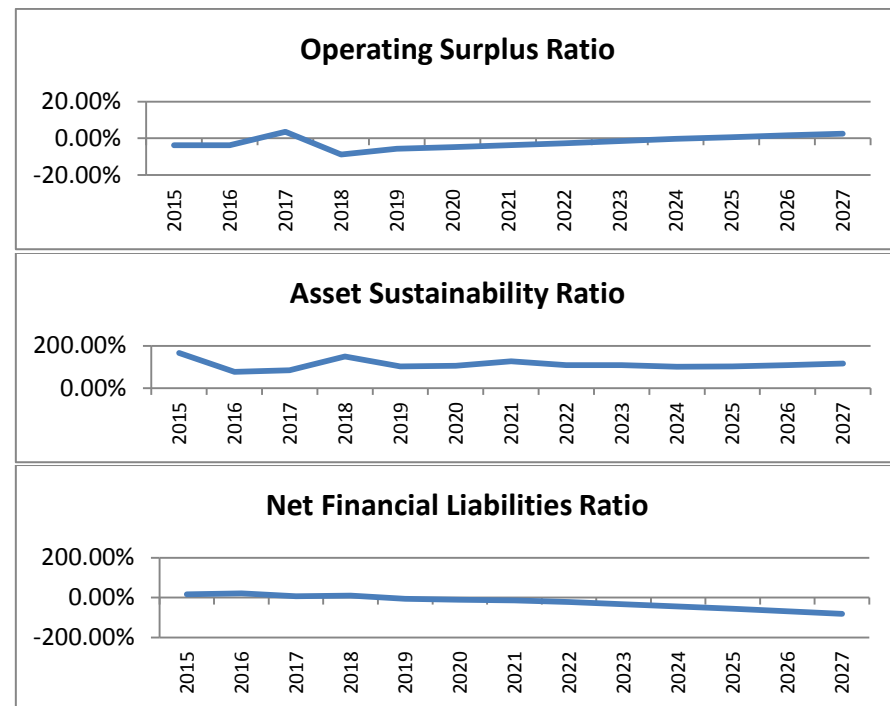
Net Financial Liabilities Ratio

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 2018**

| | | Actual 2015 | Actual 2016 | Actual 2017 | Actual 2018 | Long Term Financial Plan Projections | | | | | | | | |
|---------------------------------|---------|----------------|----------------|----------------|----------------|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | | | | | BUDGET 2019 | Yr. 2 2020 | Yr. 3 2021 | Yr. 4 2022 | Yr. 5 2023 | Yr. 6 2024 | Yr. 7 2025 | Yr. 8 2026 | Yr. 9 2027 |
| Ratio | | | | | | | | | | | | | | |
| Operating Surplus Ratio | 0 - 10% | -3.70% | -3.84% | 3.56% | -8.89% | -5.70% | -4.80% | -3.90% | -2.70% | -1.50% | -0.40% | 0.70% | 1.60% | 2.60% |
| Asset Sustainability Ratio | > 90% | 166.88% | 77.03% | 84.28% | 149.57% | 103.30% | 105.40% | 127.20% | 108.30% | 108.70% | 102.00% | 102.90% | 108.10% | 116.70% |
| Net Financial Liabilities Ratio | < 60% | 15.94% | 21.91% | 6.74% | 10.58% | -5.20% | -10.00% | -14.10% | -22.00% | -32.40% | -43.70% | -55.60% | -68.20% | -81.40% |



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 27 July 2016, and
- Non-Current Asset Threshold Policy adopted 14 December 2017.

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 2018

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 30/06/17 | QTC INTEREST ACCRUED | QTC LOAN CHARGES | QTC REPAYMENTS (BORROWINGS) | BOOK DEBT BALANCE 30/06/18 |
| GENERAL FUNCTIONS | | | | | |
| Consolidated Account | \$8,806,013 | \$556,882 | \$9,597 | \$1,632,547 | \$7,739,945 |
| Callide Creek Bridge, Biloela | \$1,851,904 | \$42,144 | \$2,011 | 289,161 | \$1,606,898 |
| WATER FUNCTIONS | | | | | |
| Baralaba WTP | \$538,360 | \$16,430 | \$590 | \$76,794 | \$478,586 |
| TOTAL | \$11,196,277 | \$615,456 | \$12,198 | \$1,998,502 | \$9,825,429 |

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 | 9 years | 6 years |
| Baralaba Water Treatment Plant | 10 years | 7 years |
| Callide Creek Bridge, Biloela | 7 years | 6 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 2017/2018 financial year are indicated in the above table.





BANANA SHIRE COUNCIL



2017/2018 FINANCIAL REPORT





Banana Shire Council

Financial Statements

For the year ended 30 June 2018

BANANA SHIRE COUNCIL

Financial Statements

For the year ended 30 June 2018

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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.

- Long-term measures of financial sustainability
- 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 2018

| | | 2018 | 2017 |
|----------------------------------------------------------|--------|---------------------|---------------------|
| | Note | \$ | \$ |
| Income | | | |
| Recurrent revenue | | | |
| Rates and levies | 3 (a) | 34,664,653 | 32,776,292 |
| Fees and charges | 3 (b) | 2,220,479 | 2,530,020 |
| Rental and levies | | 467,399 | 333,189 |
| Interest received | 3 (c) | 867,582 | 591,961 |
| Sales of contract and recoverable works | 3 (d) | 6,386,777 | 13,006,951 |
| Other recurrent income | | 389,406 | 750,306 |
| Grants, subsidies and contributions | 4 (i) | 11,835,919 | 16,356,104 |
| Total operating revenue | | 56,832,215 | 66,344,823 |
| Capital revenue | | | |
| Grants, subsidies and contributions | 4 (ii) | 14,880,607 | 7,536,511 |
| | | 14,880,607 | 7,536,511 |
| Total income | 2 (b) | 71,712,822 | 73,881,334 |
| Expenses | | | |
| Recurrent expenses | | | |
| Employee benefits | 6 | (20,843,660) | (20,882,655) |
| Materials and services | 7 | (23,269,525) | (24,703,029) |
| Finance costs | 8 | (1,372,833) | (1,150,400) |
| Depreciation | 16 | (16,395,877) | (17,361,427) |
| Amortisation | | (2,209) | (55,106) |
| Total operating expenses | | (61,884,104) | (64,152,617) |
| Capital expenses | | | |
| Other capital expenses | 9 | (11,396,186) | (4,348,194) |
| Total expenses | 2 (b) | (73,280,290) | (68,500,811) |
| Net result | | (1,567,468) | 5,380,523 |
| Other comprehensive income | | | |
| Items that will not be reclassified to net result | | | |
| Decrease in asset revaluation surplus | 22 | (15,750,319) | (9,844,510) |
| Total other comprehensive income for the year | | (15,750,319) | (9,844,510) |
| Total comprehensive income for the year | | (17,317,787) | (4,463,987) |

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 2018

| | Note | 2018 \$ | 2017 \$ | 1 July 2016 * \$ |
|--------------------------------------|------|--------------------|--------------------|---------------------|
| Current assets | | | | |
| Cash and cash equivalents | 11 | 26,418,421 | 21,996,249 | 13,635,822 |
| Cash investments | 15 | - | 2,000,000 | 1,000,000 |
| Trade and other receivables | 12 | 9,189,370 | 10,438,777 | 9,315,708 |
| Inventories | 13 | 1,892,007 | 2,222,928 | 3,074,853 |
| | | <u>37,499,798</u> | <u>36,657,954</u> | <u>27,026,383</u> |
| Non-current assets held for sale | | 160,000 | 380,000 | 380,000 |
| Total current assets | | <u>37,659,798</u> | <u>37,037,954</u> | <u>27,406,383</u> |
| Non-current assets | | | | |
| Property, plant and equipment | 16 | 682,651,796 | 699,854,707 | 712,951,779 |
| Intangible assets | | 225,386 | 224,760 | 364,057 |
| Total non-current assets | | <u>682,877,182</u> | <u>700,079,467</u> | <u>713,315,836</u> |
| TOTAL ASSETS | | <u>720,536,980</u> | <u>737,117,421</u> | <u>740,722,219</u> |
| Current liabilities | | | | |
| Trade and other payables | 18 | 6,343,207 | 6,686,302 | 7,617,874 |
| Provisions | 19 | 2,582,093 | 2,760,870 | 2,564,722 |
| Borrowings | 20 | 1,449,840 | 1,367,573 | 1,051,675 |
| Other | | 669,985 | 648,983 | 495,441 |
| Total current liabilities | | <u>11,045,125</u> | <u>11,463,728</u> | <u>11,729,712</u> |
| Non-current liabilities | | | | |
| Provisions | 19 | 24,092,803 | 22,176,535 | 20,539,913 |
| Borrowings | 20 | 8,377,447 | 9,830,560 | 9,349,058 |
| Total non-current liabilities | | <u>32,470,250</u> | <u>32,007,095</u> | <u>29,888,971</u> |
| TOTAL LIABILITIES | | <u>43,515,375</u> | <u>43,470,823</u> | <u>41,618,683</u> |
| NET COMMUNITY ASSETS | | <u>677,021,605</u> | <u>693,646,598</u> | <u>699,103,536</u> |
| Community equity | | | | |
| Council Capital | 21 | 191,097,738 | 192,859,108 | 198,586,473 |
| Asset revaluation surplus | 22 | 468,062,534 | 483,812,853 | 493,657,363 |
| Reserves | 23 | 17,861,333 | 16,974,637 | 6,859,700 |
| TOTAL COMMUNITY EQUITY | | <u>677,021,605</u> | <u>693,646,598</u> | <u>699,103,536</u> |

* Council has made a retrospective restatement as a consequence of a correction of an error and therefore, in accordance with AASB 101 has presented a Statement of Financial Position as at the beginning of the comparative year i.e. as at 1 July 2016. Details are disclosed in Note 16 and 29.

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 2018**

| | Note | Total | | Reserves | | Asset revaluation surplus | | Council Capital | |
|--------------------------------------------------------------|---------|--------------|--------------|-------------|------------|---------------------------|--------------|-----------------|--------------|
| | | 2018 \$ | 2017 \$ | 2018 \$ | 2017 \$ | 2018 \$ | 2017 \$ | 2018 \$ | 2017 \$ |
| Balance at beginning of the year | | 693,646,598 | 699,103,536 | 16,974,637 | 6,859,700 | 483,812,853 | 493,657,363 | 192,859,108 | 198,586,473 |
| Corrections to opening balances | 28 & 29 | 692,793 | (992,930) | | | - | | 692,793 | (992,930) |
| Restated opening balances | | 694,339,391 | 698,110,586 | 16,974,637 | 6,859,700 | 483,812,853 | 493,657,363 | 193,551,901 | 197,593,523 |
| Net result | | (1,567,468) | 5,380,522 | - | - | - | - | (1,567,468) | 5,380,523 |
| Other comprehensive income for the year | | | | | | | | | |
| Revaluations | | | | | | | | | |
| Property, plant & equipment | 16 | (15,095,033) | (10,499,796) | - | - | (15,095,033) | (10,499,796) | - | - |
| Change in value of future rehabilitation costs | 22 | (655,286) | 655,286 | | | (655,286) | 655,286 | | |
| Total comprehensive income for the year | | (17,317,787) | (4,463,988) | - | - | (15,750,319) | (9,844,510) | (1,567,468) | 5,380,523 |
| Transfers (to) from retained earnings to capital | | - | - | - | - | - | - | - | - |
| Transfers (to) from retained earnings and recurrent reserves | | - | - | (1,243,804) | 4,952,584 | - | - | 1,243,805 | (4,952,584) |
| Transfers (to) from capital reserves and capital | | - | - | 2,130,500 | 5,162,353 | - | - | (2,130,500) | (5,162,354) |
| Net transfers in year | | - | - | 886,696 | 10,114,937 | - | - | (886,695) | (10,114,938) |
| Balance at end of the year | | 677,021,604 | 693,646,598 | 17,861,333 | 16,974,637 | 468,062,534 | 483,812,853 | 191,097,738 | 192,859,108 |

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 2018

| | | 2018 | 2017 |
|------------------------------------------------------------------|------|--------------|--------------|
| | Note | \$ | \$ |
| Cash flows from operating activities | | | |
| Receipts | | | |
| General rates and utility charges | | 33,708,703 | 32,639,329 |
| Rental and levies, fees and charges | | 2,687,878 | 2,863,209 |
| Other income | | 9,201,755 | 12,674,826 |
| GST received | | 3,901,422 | 4,828,105 |
| Receipts from customers | | 49,499,758 | 53,005,469 |
| Operating grants, subsidies and contributions | | 11,835,919 | 16,356,104 |
| Interest received | | 838,927 | 573,892 |
| Payments | | | |
| Payments for materials and services | | (22,915,756) | (25,587,457) |
| Payment to employees | | (21,380,218) | (20,406,242) |
| GST paid | | (4,241,429) | (4,219,769) |
| Payments to suppliers and employees | | (48,537,403) | (50,213,468) |
| Interest expense | | (615,455) | (645,224) |
| Net cash inflow (outflow) from operating activities | 27 | 13,021,746 | 19,076,773 |
| Cash flows from investing activities | | | |
| Commonwealth government grants | | 3,222,233 | 2,668,371 |
| State government subsidies and grants | | 6,348,717 | 4,845,640 |
| Other non-government subsidies | | 4,439,657 | 22,500 |
| Capital contributions | | 870,000 | - |
| Payments for property, plant and equipment | | (24,800,896) | (18,857,043) |
| Payments for intangible assets | | (2,835) | (16,365) |
| Net transfer (to) from cash investments | 15 | 2,000,000 | (1,000,000) |
| Proceeds from sale of property, plant and equipment | 5 | 626,431 | 823,150 |
| Non-current assets held for sale - Proceeds from sale | 5 | 67,965 | - |
| Net cash inflow (outflow) from investing activities | | (7,228,728) | (11,513,747) |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | 20 | - | 1,850,000 |
| Repayment of borrowings | 20 | (1,370,846) | (1,052,600) |
| Net cash inflow (outflow) from financing activities | | (1,370,846) | 797,400 |
| Net increase (decrease) in cash and cash equivalents held | | 4,422,172 | 8,360,426 |
| Cash and cash equivalents at beginning of the financial year | | 21,996,249 | 13,635,823 |
| Cash and cash equivalents at end of the financial year | 11 | 26,418,421 | 21,996,249 |

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 2018

1 Significant accounting policies

1. 1 Statement of compliance

These general purpose financial statements are for the period 1 July 2017 to 30 June 2018 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

1. 2 Constitution

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

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

1. 3 Adoption of new and revised Accounting Standards

This year Council has applied AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 for the first time. As a result Council has disclosed more information to explain changes in liabilities arising from financing activities ('debt reconciliation'). This information is presented in note 20.

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

This replaces AASB 139 Financial Instruments: Recognition and Measurement, and addresses the classification, measurement and disclosure of financial assets and liabilities.

01-Jul-18

The standard introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses. Based on assessments to date, council expects a small increase to impairment losses however the standard is not expected to have a material impact overall.

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

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.

01-Jul-19

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

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2018

1 Significant accounting policies

1. 3 Adoption of new and revised Accounting Standards - continued

AASB 16 Leases

Council has some leases that are not in the Statement of Financial Position. These will need to be included 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 continues to review this standard to determine the impact of these changes on the financial statements.

01-Jul-19

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

Provision for long service leave - note 19

Contingencies - note 25

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 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 pays payroll tax to the Queensland Government on certain activities.

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2018

2 (a) Components of council functions

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

Executive Services

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

Corporate & Community Services

The objective of Corporate & Community Services to provide professional finance, plant, aerodrome and community services across council and the shire. This function includes: customer service, financial management and services, records management, stores and procurement, information technology, library and education services, community development, plant management, 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 2018

2 Analysis of results by program

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

| | Gross program income | | | | | | | | Total income | Gross program expenses | | Total expenses | Net surplus/(deficit) from recurrent operations | Net result for year | Assets |
|--------------------------------|----------------------|------------|-----------------|-----------|------------|--------------|--------------|--------------|--------------|------------------------|-------------|----------------|-------------------------------------------------|---------------------|--------|
| | Recurrent revenue | | Capital revenue | | | | Recurrent | Capital | | | | | | | |
| | Grants | Other | Grants | Other | | | | | | | | | | | |
| | 2018 \$ | 2018 \$ | 2018 \$ | 2018 \$ | 2018 \$ | 2018 \$ | | | | | | | | | |
| Programs | | | | | | | | | | | | | | | |
| Executive Services | 76,977 | 22,325 | - | - | 99,302 | (5,460,026) | - | (5,460,026) | (5,360,724) | (5,360,724) | - | - | - | - | - |
| Corporate & Community Services | 6,621,740 | 23,552,723 | 200,000 | 2,878,777 | 33,253,240 | (5,819,478) | (5,330,222) | (11,149,700) | 24,354,985 | 22,103,540 | 64,167,576 | | | | |
| Council Services | 18,181 | 657,748 | 48,043 | 125,000 | 848,972 | (6,436,457) | (615,910) | (7,052,367) | (5,760,528) | (6,203,395) | 79,340,365 | | | | |
| Infrastructure Services | 5,119,021 | 6,353,008 | 6,984,360 | 2,259,145 | 20,715,534 | (28,362,648) | (3,636,534) | (31,999,182) | (16,890,619) | (11,283,648) | 444,049,260 | | | | |
| Sewerage Services | - | 3,661,535 | 100,000 | - | 3,761,535 | (3,668,346) | (71,167) | (3,739,513) | (6,811) | 22,022 | 42,802,209 | | | | |
| Water Services | - | 7,548,671 | 2,035,282 | 250,000 | 9,833,953 | (8,724,117) | (953,648) | (9,677,765) | (1,175,446) | 156,188 | 88,437,432 | | | | |
| Waste Services | - | 3,200,286 | - | - | 3,200,286 | (3,413,032) | (788,705) | (4,201,737) | (212,746) | (1,001,451) | 1,740,140 | | | | |
| Total | 11,835,919 | 44,996,296 | 9,367,685 | 5,512,922 | 71,712,822 | (61,884,104) | (11,396,186) | (73,280,290) | (5,051,889) | (1,567,468) | 720,536,982 | | | | |

For the year ended 30 June 2017

| | Gross program income | | | | | | Total income | Gross program expenses | | Total expenses | Net surplus/(deficit) from recurrent operations | Net result for year | Assets |
|--------------------------------|----------------------|------------|-----------------|---------|------------|--------------|--------------|------------------------|--------------|----------------|-------------------------------------------------|---------------------|--------|
| | Recurrent revenue | | Capital revenue | | Recurrent | Capital | | | | | | | |
| | Grants | Other | Grants | Other | | | | | | | | | |
| Programs | 2017 \$ | 2017 \$ | 2017 \$ | 2017 \$ | 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) | - | - | - | |
| Corporate & Community Services | 9,124,366 | 22,225,109 | 1,081,798 | - | 32,431,273 | (5,478,925) | (476,175) | (5,955,100) | 25,870,550 | 26,476,173 | 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) | 445,619,757 | | |
| 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 | (3,047,706) | - | (3,047,706) | 194,733 | 194,733 | 3,875,265 | | |
| Total | 16,356,104 | 49,988,719 | 7,514,011 | 22,500 | 73,881,334 | (64,152,617) | (4,348,194) | (68,500,811) | 2,192,206 | 5,380,523 | 737,117,421 | | |

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2018

| | Note | 2018 \$ | 2017 \$ |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------------|-------------|
| 3 Revenue | | | |
| (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 | | 23,985,145 | 22,908,288 |
| Water | | 7,403,318 | 6,528,064 |
| Sewerage | | 3,856,304 | 3,670,407 |
| Waste management | | 706,368 | 696,099 |
| Garbage charges | | 2,419,143 | 2,370,171 |
| Rates and utility charge revenue | | 38,370,278 | 36,173,029 |
| Less: Discounts | | (3,333,369) | (3,217,916) |
| Less: Pensioner remissions | | (372,256) | (178,821) |
| Net rates and utility charges | | 34,664,653 | 32,776,292 |
| (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 | | | |
| Development Application Fees | | 85,057 | 82,464 |
| Building fees & charges | | 134,889 | 137,298 |
| Animal Registrations | | 64,219 | 70,044 |
| Licences and permits | | - | 48,011 |
| Fines and infringements | | 7,442 | 3,873 |
| Saleyard fees | | 69,950 | 119,829 |
| Disposal fees | | 385,434 | 397,793 |
| Other statutory fees | | 166,465 | 169,626 |
| User fees and charges | | 1,307,023 | 1,501,082 |
| | | 2,220,479 | 2,530,020 |
| (c) Interest received | | | |
| Interest received from term deposits is accrued over the term of the investment. | | | |
| Investments | | 638,951 | 396,561 |
| Over due rates and utility charges | | 228,631 | 195,400 |
| | | 867,582 | 591,961 |
| (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 | | | |
| Transport and Main Roads | | 6,223,184 | 12,914,874 |
| Private works | | 116,134 | 92,077 |
| Other | | 47,459 | - |
| | | 6,386,777 | 13,006,951 |

BANANA SHIRE COUNCIL

Notes to the Financial Statements **For the year ended 30 June 2018**

| | Note | 2018 \$ | 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. | | | |
| Non-cash contributions with a value in excess of the recognition thresholds, are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue and expenses. | | | |
| 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. | | | |
| (i) Recurrent | | | |
| General purpose grants | | 7,524,113 | 11,620,606 |
| State government subsidies and grants | | 1,749,092 | 1,487,910 |
| NDRRA flood damage grants for operational repairs | | 2,544,533 | 3,247,588 |
| Other non-government subsidies | | 18,181 | - |
| Total recurrent revenue | | 11,835,919 | 16,356,104 |
| The 1st quarter of the 2018/19 Financial Assistance Grant for the amount of \$3,2595,317 was paid to Council in June 2018. | | | |
| (ii) Capital | | | |
| Commonwealth government grants | | 3,222,233 | 2,668,371 |
| State government subsidies and grants | | 6,145,452 | 4,845,640 |
| NDRRA flood damage grants for capitalised repairs | | 203,265 | - |
| Other non-government subsidies | | 4,439,657 | 22,500 |
| Contributions | | 870,000 | - |
| Total capital revenue | | 14,880,607 | 7,536,511 |
| 5 Gain (loss) on the disposal of capital assets | | | |
| (a) Proceeds from sale of non-current assets held for sale | | 67,965 | - |
| Less carrying value of asset sold | | (120,000) | - |
| | | (52,035) | - |
| (b) Proceeds from the sale of plant and equipment | | 540,310 | 823,150 |
| Less book value of plant and equipment sold | | (624,049) | (1,198,770) |
| | | (83,739) | (375,620) |
| (c) Proceeds from the sale of land and buildings | | 86,121 | - |
| Less book value of land and buildings sold | | (227,356) | - |
| | | (141,235) | - |
| Total gain (loss) on the disposal of capital assets | 9 | (277,009) | (375,620) |
| 6 Employee benefits | | | |
| Total staff wages and salaries | | 16,131,008 | 16,139,242 |
| Councillors' remuneration | | 423,539 | 397,534 |
| Annual, sick and long service leave entitlements | | 3,789,304 | 3,565,404 |
| Superannuation | 26 | 2,145,186 | 2,087,645 |
| | | 22,489,037 | 22,189,825 |
| Other employee related expenses | | 1,074,835 | 1,081,988 |
| | | 23,563,872 | 23,271,813 |
| Less capitalised employee expenses | | (2,720,212) | (2,389,158) |
| | | 20,843,660 | 20,882,655 |
| Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties. | | | |
| Total Council employees at 30 June | | 2018 | 2017 |
| Elected members | | 7 | 7 |
| Administration staff | | 106 | 92 |
| Depot and outdoors staff | | 150 | 152 |
| Total full time equivalent employees | | 263 | 251 |

BANANA SHIRE COUNCIL

Notes to the Financial Statements **For the year ended 30 June 2018**

| | Note | 2018 \$ | 2017 \$ |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------------------|-------------------|
| 7 Materials and services | | | |
| Audit of annual financial statements by the Auditor-General of Queensland | | 91,345 | 105,546 |
| Internal Audit | | 33,545 | 24,922 |
| Council Road Maintenance | | 5,349,660 | 5,174,595 |
| Contractors and Private Works | | 8,186,943 | 10,758,391 |
| Donations and Contributions Paid | | 166,155 | 117,149 |
| Public Liability Insurance | | 185,108 | 205,668 |
| Electricity | | 1,612,748 | 1,627,817 |
| Contractors (non Works) | | 1,261,237 | - |
| Counter Disaster Operations | | - | 45,702 |
| Flood Restorations | | 2,001,658 | 2,000,102 |
| Plant Operation and Maintenance | | 3,409,710 | 3,432,539 |
| Impairment of land for sale (classified as inventory) | | 387,790 | 681,500 |
| Other material and services | | 583,626 | 529,098 |
| | | <u>23,269,525</u> | <u>24,703,029</u> |
| 8 Finance costs | | | |
| Finance costs charged by the Queensland Treasury Corporation | | 615,455 | 645,224 |
| Bank charges | | 108,710 | 83,317 |
| Impairment of receivables and bad debts written-off | | 6,457 | (139,199) |
| Other finance costs | | - | 100 |
| Refuse sites - change in present value over time | | 597,045 | 524,504 |
| Refuse sites - change in present value over time | | 45,166 | 36,454 |
| | | <u>1,372,833</u> | <u>1,150,400</u> |
| 9 Capital expenses | | | |
| Loss on the sale of capital assets | 5 | 277,009 | 375,620 |
| Loss on write-off of capital assets | 10 | 5,269,128 | 3,972,574 |
| Loss on impairment of capital assets | | 100,000 | - |
| Revaluation down of property, plant and equipment | 16 | 5,085,158 | - |
| Increase in rehabilitation provision relating to council controlled site, but no asset revaluation surplus available in the related asset | | 664,891 | - |
| Total capital expenses | | <u>11,396,186</u> | <u>4,348,194</u> |
| 10 Loss on write-off of capital assets | | | |
| Buildings | | 561,688 | 145,046 |
| Road, bridge and drainage network | | 3,679,501 | 3,405,326 |
| Water | | 953,648 | 281,854 |
| Sewerage | | 71,167 | 39,793 |
| Environmental Infrastructure Assets | | 3,124 | - |
| Computer software | | - | 100,555 |
| | 9 | <u>5,269,128</u> | <u>3,972,574</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. | | | |
| Operating cash accounts are held with the National Australia Bank (NAB). At call funds are held with Queensland Treasury Corporation (QTC). | | | |
| Cash at bank and on hand | | 566,403 | 2,099,783 |
| Deposits at call | | 20,852,018 | 18,896,466 |
| Term deposits | | 5,000,000 | 1,000,000 |
| Total cash and cash equivalents per statement of cash flows | | <u>26,418,421</u> | <u>21,996,249</u> |
| Cash investments | 15 | - | 2,000,000 |
| Total cash assets | | <u>26,418,421</u> | <u>23,996,249</u> |

BANANA SHIRE COUNCIL

Notes to the Financial Statements **For the year ended 30 June 2018**

| | Note | 2018 \$ | 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 | | 166,875 | 390,270 |
| Unspent developer contributions | | 2,958,914 | 3,212,761 |
| 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 | | 23,292,632 | 18,272,415 |
| Total cash held to contribute to identified funding commitments | | <u>26,418,421</u> | <u>23,725,446</u> |

Operating cash accounts are held with the National Australia Bank and the Queensland Treasury Corporation holds Council's at call funds.

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 | 350,320 | 350,220 |
| | <u>350,320</u> | <u>350,220</u> |

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 | 1,868,042 | 1,853,356 |
| Water charges yet to be levied | 1,997,693 | 1,628,404 |
| Accrued interest | 93,538 | 64,883 |
| GST recoverable | 114,490 | - |
| Other debtors | 4,823,639 | 6,705,398 |
| Less impairment provision | <u>(127,754)</u> | <u>(170,461)</u> |
| | 8,769,648 | 10,081,580 |
| Prepayments | 419,722 | 357,197 |
| | <u>9,189,370</u> | <u>10,438,777</u> |

Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

Movement in accumulated impairment losses (trade and other receivables)

| | | |
|----------------------------------|-----------------|------------------|
| Balance at beginning of the year | 170,461 | 843,395 |
| Impairment adjustment in year | <u>(42,707)</u> | <u>(672,934)</u> |
| Balance at end of the year | <u>127,754</u> | <u>170,461</u> |

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

| | | |
|--------------------------|------------------|-------------------|
| Not past due | 6,779,008 | 8,829,105 |
| Past due - 31 to 60 days | 108,314 | 25,145 |
| - 61 to 90 days | - | 3,954 |
| - Over 90 days | 2,010,080 | 1,393,837 |
| Less impaired | <u>(127,754)</u> | <u>(170,461)</u> |
| Total | <u>8,769,648</u> | <u>10,081,580</u> |

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2018

| | | 2018 | 2017 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------------|------------------|
| | Note | \$ | \$ |
| 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 | | | |
| 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 | | 368,379 | 253,425 |
| Stores and materials | | 873,627 | 931,712 |
| | | <u>1,242,006</u> | <u>1,185,137</u> |
| Valued at cost, adjusted when applicable for any loss of service potential. | | | |
| Land purchased for development and sale | 14 | 650,001 | 1,037,791 |
| Total inventories | | <u>1,892,007</u> | <u>2,222,928</u> |
| 14 Land purchased for development and sale | | | |
| Balance at beginning of the year | | 1,037,791 | 1,719,291 |
| Impairment adjustment as at 30 June 2018 | | (387,790) | (681,500) |
| Balance at end of the year | | <u>650,001</u> | <u>1,037,791</u> |
| 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 | | | |
| Fixed term held with other institutions realisable between 3 and 12 months - unrestricted | | - | 2,000,000 |
| | | <u>-</u> | <u>2,000,000</u> |
| 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 | | | |
| 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 | | | |
| 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 rebuild is treated as capital. Material expenditure that extends the useful life or renews the service potential of the asset is capitalised. | | | |

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2018

| | | 2018 | 2017 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------|------|
| | Note | \$ | \$ |
| 16 Property, plant and equipment - continued | | | |
| 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 | | | |
| 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 | | | |
| 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 | | | |
| 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 | | | |
| 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 | | | |
| 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 | | | |

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2018

| | | 2018 | 2017 |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------|
| | Note | \$ | \$ |
| 16 | Property, plant and equipment - continued | | |
| 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 | | |
| 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 Banana Shire Council currently does not have any such land holdings. | | |
| | Land under the road network within the Council area that has been dedicated and opened for public use under the Land Act 1994 or the Land Title Act 1994 is not controlled by council but is controlled by the state pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements. | | |

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2018

16 Property, plant and equipment

| | | 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 Level 2 | Valuation Level 2 | Valuation Level 2 | Cost | Valuation Level 3 | Valuation Level 3 | Valuation Level 3 | Valuation Level 3 | Valuation Level 3 | Cost | 2018 |
| | | 2018 | 2018 | 2018 | 2018 | 2018 | 2018 | 2018 | 2018 | 2018 | 2018 | 2018 |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| | Asset Values | | | | | | | | | | | |
| | Opening gross value as at 1 July 2017 | 11,290,598 | 5,073,668 | 99,782,839 | 24,598,670 | 552,112,581 | 129,274,166 | 76,804,092 | 5,952,813 | 13,578,556 | 9,101,619 | 907,565,602 |
| | Minor correction to opening balance | - | - | - | - | 354,191 | (16,599) | (9,467) | - | - | - | 328,125 |
| | Additions at cost | 37,925 | 66,150 | 975,724 | 1,421,041 | 4,638,672 | 4,406,165 | 318,347 | 9,223 | 2,815 | 12,927,669 | 24,803,731 |
| | Internal transfers from work in progress | - | 529,795 | 777,618 | - | 3,960,864 | 1,188,098 | 504,021 | 41,270 | - | (7,004,501) | (2,835) |
| | Disposals | (20,400) | (80,847) | (131,948) | (1,584,593) | - | - | - | - | - | - | (1,817,788) |
| | Write-offs | - | - | (1,093,316) | - | (5,565,687) | (3,606,645) | (352,552) | (29,389) | - | - | (10,647,589) |
| | Revaluation adjustment to other comprehensive income, (refer the ARS*) | - | - | (3,039,895) | - | (10,005,901) | 2,493,659 | 1,468,024 | - | 348,297 | - | (8,735,816) |
| | Revaluation adjustment to capital loss | (5,085,158) | - | - | - | - | - | - | - | - | - | (5,085,158) |
| | Internal transfers between asset classes | - | - | 7,625,277 | - | 243,602 | - | - | (5,103,981) | (2,764,898) | - | - |
| | Closing gross value as at 30 June 2018 | 6,222,965 | 5,588,766 | 104,896,299 | 24,435,118 | 525,738,322 | 133,738,844 | 78,732,465 | 869,936 | 11,164,770 | 15,024,787 | 906,412,272 |
| | Accumulated depreciation and impairment | | | | | | | | | | | |
| | Opening balance as at 1 July 2017 | - | 3,058,609 | 13,707,650 | 12,340,500 | 92,354,458 | 46,643,538 | 35,362,343 | 1,879,367 | 2,568,430 | - | 207,714,895 |
| | Minor correction to opening balance | - | - | - | (112,945) | (192,178) | (56,290) | (3,256) | - | - | - | (364,669) |
| | Depreciation provided in year | - | 322,476 | 1,656,882 | 1,534,121 | 7,842,408 | 3,054,400 | 1,488,504 | 166,863 | 350,223 | - | 16,395,877 |
| | Depreciation on disposals | - | - | (5,839) | (960,544) | - | - | - | - | - | - | (966,383) |
| | Revaluation adjustment to other comprehensive income, (refer the ARS*) | - | - | (531,628) | - | (1,886,186) | (2,632,997) | (281,385) | (26,265) | - | - | (5,378,461) |
| | Internal transfers between asset classes | - | - | 13,076,728 | - | (8,371,159) | 892,784 | 694,758 | - | 66,086 | - | 6,359,217 |
| | Accumulated depreciation as at 30 June 2018 | - | - | 2,296,872 | - | 5,854 | - | - | (1,380,639) | (922,087) | - | - |
| | Range of estimated useful life in years | - | 0 - 60 | 5 - 146 | 4 - 25 | 4 - 225 | 3 - 100 | 10 - 150 | 7 - 80 | 10 - 225 | - | - |
| | Addition of renewal assets | - | 66,150 | 723,987 | 1,421,041 | 4,298,318 | 3,936,978 | 268,830 | 9,223 | - | 12,924,834 | 23,649,361 |
| | Addition of other assets | 37,925 | - | 251,737 | - | 340,354 | 469,187 | 49,517 | - | 2,815 | - | 1,151,535 |
| | Total additions in year | 37,925 | 66,150 | 975,724 | 1,421,041 | 4,638,672 | 4,406,165 | 318,347 | 9,223 | 2,815 | 12,924,834 | 24,803,896 |

* ARS denotes - Asset Revaluation Surplus

BANANA SHIRE COUNCIL

**Notes to the Financial Statements
For the year ended 30 June 2018**

16 Property, plant and equipment - prior year

| | 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 Level 2 | Valuation Level 2 | Valuation Level 2 | Cost | Valuation Level 3 | Valuation Level 3 | Valuation Level 3 | Valuation Level 3 | Valuation Level 3 | Cost | |
| | 2017 | 2017 | 2017 | 2017 | 2017 | 2017 | 2017 | 2017 | 2017 | 2017 | 2017 |
| Basis of measurement | | | | | | | | | | | |
| Fair value category | | | | | | | | | | | |
| Asset Values | | | | | | | | | | | |
| Opening gross value as at 1 July 2016 | 11,290,598 | 3,325,680 | 98,699,603 | 24,466,258 | 568,353,938 | 130,445,251 | 74,194,445 | 5,952,813 | 12,785,109 | 13,913,764 | 943,427,459 |
| Correction to opening balance | - | 1,747,988 | - | - | - | - | - | - | - | - | 1,747,988 |
| Additions at cost | - | - | 1,103,978 | 2,220,706 | 5,281,384 | 2,255,454 | 117,586 | - | 344,377 | 7,549,923 | 18,873,408 |
| Internal transfers from work in progress | - | - | 783,619 | - | 4,795,210 | 5,731,336 | 564,837 | 24,108 | 446,593 | (12,362,068) | (16,365) |
| Disposals | - | - | - | (2,088,294) | - | - | - | - | - | - | (2,088,294) |
| Write-offs | - | - | (804,361) | - | (6,100,616) | (1,277,220) | (212,960) | (24,108) | - | - | (8,415,265) |
| Revaluation adjustment to other comprehensive income, (refer the ARS*) | - | - | - | - | (40,217,335) | (7,884,655) | 2,140,184 | - | 2,477 | - | (45,959,329) |
| Closing gross value as at 30 June 2017 | 11,290,598 | 5,073,668 | 99,782,839 | 24,598,670 | 532,112,581 | 129,274,166 | 76,804,092 | 5,952,813 | 13,578,556 | 9,101,619 | 907,569,602 |
| Accumulated depreciation and impairment | | | | | | | | | | | |
| Opening balance as at 1 July 2016 | - | 2,143,350 | 12,762,080 | 11,331,442 | 102,061,090 | 54,640,162 | 43,777,003 | 1,533,534 | 2,227,019 | - | 230,475,680 |
| Correction to opening balance | - | 770,090 | - | - | - | - | - | - | - | - | 770,090 |
| Depreciation provided in year | - | 145,168 | 1,604,885 | 1,898,582 | 8,501,468 | 3,007,489 | 1,692,739 | 169,941 | 341,155 | - | 17,361,427 |
| Depreciation on disposals | - | - | - | (889,524) | - | - | - | - | - | - | (889,524) |
| Depreciation on write-offs | - | - | (659,315) | - | (2,695,290) | (991,366) | (173,167) | (24,108) | - | - | (4,543,246) |
| Revaluation adjustment to other comprehensive income, (refer the ARS*) | - | - | - | - | (15,512,810) | (10,012,747) | (9,934,232) | - | 256 | - | (35,459,533) |
| Accumulated depreciation as at 30 June 2017 | - | 3,058,609 | 13,707,650 | 12,340,500 | 92,354,458 | 46,645,538 | 35,362,343 | 1,679,367 | 2,568,430 | - | 207,714,893 |
| Total written down value as at 30 June 2017 | 11,290,598 | 2,015,059 | 86,075,189 | 12,258,170 | 439,758,123 | 82,628,628 | 41,441,749 | 4,273,446 | 11,010,126 | 9,101,619 | 699,854,707 |
| Range of estimated useful life in years | Not depreciated | 0 - 60 | 5 - 146 | 4 - 25 | 4 - 225 | 3 - 100 | 10 - 150 | 7 - 80 | 10 - 225 | | |

* ARS denotes - Asset Revaluation Surplus

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2018

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 2018.

BANANA SHIRE COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2018

| 17 | Fair Value Measurements - continued | | | | | | |
|----|------------------------------------------------|------|---------------------------------------|-------------------|-----------------------------------|--------------------|--------------------|
| | Category | Note | Level 2 | | Level 3 | | Total |
| | | | (Significant other observable inputs) | | (Significant unobservable inputs) | | |
| | Recurring fair value measurement | | | | | | |
| | | | 2018 | 2017 | 2018 | 2017 | \$ |
| | Recurring fair value measurements | | | | | | |
| | Land | 16 | 6,222,965 | 11,290,598 | - | - | 11,290,598 |
| | Site Improvements | 16 | - | - | 2,207,681 | 2,015,059 | 2,015,059 |
| | Buildings | 16 | - | - | 74,715,634 | 86,075,189 | 86,075,189 |
| | Road, bridge and drainage network | 16 | - | - | 435,985,105 | 439,758,123 | 439,758,123 |
| | Water | 16 | - | - | 85,857,410 | 82,630,629 | 82,630,629 |
| | Sewerage | 16 | - | - | 41,471,502 | 41,441,750 | 41,441,750 |
| | Environmental infrastructure assets | 16 | - | - | 430,610 | 4,273,446 | 4,273,446 |
| | Other Assets NC | 16 | - | - | 9,102,118 | 11,010,126 | 11,010,126 |
| | | | <u>6,222,965</u> | <u>11,290,598</u> | <u>649,770,060</u> | <u>667,204,322</u> | <u>678,494,920</u> |
| | Non-recurring fair value | | | | | | |
| | Non-current assets classified as held for sale | | 160,000 | 380,000 | - | - | 380,000 |

The revaluation of Land assets resulted in the fair value of this class having predominantly observable inputs (level 2). This table reflects that assessment.

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

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2018

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 Council's assets comprise:

Land, Site Improvements and Buildings (Level 2 – 3))

In the 2017 – 2018 financial year, Opteon Property Group Pty Ltd revalued Council's Land, Buildings, Building Infrastructure, Open Space Furniture, Park Infrastructure, Playgrounds and Pool Structures having regard to the following:

- AASB 116 – Property Plant and Equipment
- AASB 13 – Fair Value Measurement
- AASB 136 – Impairments
- International Valuations Standards Council standards and guidelines as adopted by the Australian Property Institute.

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 Land, Buildings, Building Infrastructure, Open Space Furniture, Park Infrastructure, Playgrounds and Pool Structures Assets at 30 June 2018.

The valuation summary follows:

| Asset | Replacement Value | WDV @ 30 June 2018 | Annual Depreciation |
|-------------------------|----------------------|---------------------|---------------------|
| Land | \$6,921,750 | \$6,921,750 | Not Applicable |
| Buildings | \$74,512,099 | \$56,708,705 | \$1,618,439 |
| Building Infrastructure | \$7,005,478 | \$3,837,337 | \$201,416 |
| Open Space Furniture | \$621,615 | \$340,407 | \$21,848 |
| Park Infrastructure | \$11,952,758 | \$6,961,906 | \$389,930 |
| Playgrounds | \$2,264,348 | \$1,189,672 | \$122,024 |
| Pool Structures | \$8,540,000 | \$5,665,500 | \$213,500 |
| TOTAL | \$111,818,048 | \$81,625,277 | \$2,567,157 |

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

Indexation of 2.27% was applied in 2016 – 2017 along with changes to the unit rates of Floodways, Floodways, Rural Pavement Base – Sealed, and Urban Pavement Sub-base

- Movement of 3.3% in the Road and Construction Cost Index for the period 1 July 2017 – 30 June 2018;
- The movement in unit rates was unpredictable; however it was evident that there were material changes in the areas of Floodways, Rural Spray Seals, and Urban Base Pavements and Urban Sub-base Pavements. 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 indexation.

| | | |
|-----------------------------|-------------------|----------------|
| • Current replacement cost: | Indexation - | \$13,976,814 |
| | Unit Rates Adj. - | (\$15,611,577) |

A fair value assessment of Council's active and passive water and wastewater assets was last undertaken in 2016 - 2017 financial year. The next full revaluation will not occur until the 2020-2021 financial year at the earliest.

- Consumer price index: all groups, Brisbane – March 2017 to March 2018 – 1.7% increase;
- LGAO 2018 Council Cost Index – 1.89%

- Water: Indexation - \$1,600,874
- Wastewater: Indexation - \$ 773,266

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2018

| | Note | 2018 \$ | 2017 \$ |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------------|------------------|
| 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 for employee benefits such as wages and salaries, 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 if the annual leave beyond twelve months after the reporting date, annual leave is classified as a current liability. | | | |
| Current | | | |
| Accruals | | 3,636,218 | 3,693,477 |
| Creditors | | 745,033 | 435,554 |
| Employee related accruals | | 9,822 | 352,343 |
| GST payable | | - | 225,517 |
| Annual leave | | 1,787,212 | 1,816,533 |
| Other entitlements | | 164,922 | 162,878 |
| | | <u>6,343,207</u> | <u>6,686,302</u> |

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

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.

The non-current portion of long service leave is then discounted to the present value.

Property restoration

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.

The provision for quarry rehabilitation represents the present value of the anticipated future costs associated with the closure of the quarries, refilling the basin, and reclamation and rehabilitation of 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 quarry rehabilitation is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the restoration will occur in 2023.

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

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2018

| | Note | 2018 \$ | 2017 \$ |
|-----------------------------------------------------------------------|------|-------------------|-------------------|
| 19 Provisions - continued | | | |
| Current | | | |
| Long service leave | | 2,582,093 | 2,760,870 |
| | | <u>2,582,093</u> | <u>2,760,870</u> |
| Non-Current | | | |
| Long service leave | | 198,305 | 186,288 |
| Property restoration | | | |
| (i) Refuse sites | | 21,884,997 | 20,026,703 |
| (ii) Quarry sites | | 2,009,501 | 1,963,544 |
| | | <u>24,092,803</u> | <u>22,176,535</u> |
| Long service leave | | | |
| Balance at beginning of the year | | 2,947,158 | 2,806,145 |
| Amount provided for in the year | | 602,276 | 421,032 |
| Amount paid in the year | | (769,036) | (280,019) |
| Balance at end of the year | | <u>2,780,398</u> | <u>2,947,158</u> |
| Current portion | | 2,582,093 | 2,760,870 |
| Non-current portion | | <u>198,305</u> | <u>186,288</u> |
| | | <u>2,780,398</u> | <u>2,947,158</u> |
| (i) Refuse sites | | | |
| Balance at beginning of the year | | 20,026,703 | 20,298,490 |
| Increase due to change in time | | 597,045 | 524,504 |
| Increase (decrease) due to change in discount rate | | 1,319,386 | (611,528) |
| Amount expended in year | | (58,137) | (184,763) |
| Balance at end of the year | | <u>21,884,997</u> | <u>20,026,703</u> |
| Current portion | | - | - |
| Non-current portion | | <u>21,884,997</u> | <u>20,026,703</u> |
| | | <u>21,884,997</u> | <u>20,026,703</u> |
| Cash funds committed to meet this liability at the reporting date are | | <u>4,442,455</u> | <u>3,894,859</u> |
| (ii) Quarry sites | | | |
| Balance at beginning of the year | | 1,963,544 | 1,970,848 |
| Increase due to change in time | | 45,166 | 36,454 |
| Increase (decrease) due to change in discount rate | | 791 | (43,758) |
| Balance at end of the year | | <u>2,009,501</u> | <u>1,963,544</u> |
| Current portion | | - | - |
| Non-current portion | | <u>2,009,501</u> | <u>1,963,544</u> |
| | | <u>2,009,501</u> | <u>1,963,544</u> |

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.

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2018

| | Note | 2018 \$ | 2017 \$ |
|----------------------------------------|------|-------------|-------------|
| 20 Borrowings - continued | | | |
| Borrowings at balance date are | | | |
| Current | | | |
| Queensland Treasury Corporation | | 1,449,840 | 1,367,573 |
| Non-current | | | |
| Queensland Treasury Corporation | | 8,377,447 | 9,830,560 |
| Movements in borrowings | | | |
| Queensland Treasury Corporation | | | |
| Balance at beginning of the year | | 11,198,133 | 10,400,733 |
| Loans raised | | - | 1,850,000 |
| Principal repayments | | (1,370,846) | (1,052,600) |
| Balance at end of the year | | 9,827,287 | 11,198,133 |
| Classified as | | | |
| Current | | 1,449,840 | 1,367,573 |
| Non-current | | 8,377,447 | 9,830,560 |
| | | 9,827,287 | 11,198,133 |

The loan market value at the reporting date was \$10,771,310.

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

No assets have been pledged as security by the Council for any liabilities, however all loans are guaranteed by the Queensland

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 | 1,998,501 | 1,998,502 |
| 1 to 5 years | 9,584,372 | 7,994,007 |
| Over 5 years | 76,794 | 3,665,667 |
| Total contractual outflows | 11,659,667 | 13,658,176 |
| Carrying amount | 9,827,287 | 11,198,133 |

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

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

BANANA SHIRE COUNCIL

Notes to the Financial Statements **For the year ended 30 June 2018**

| | Note | 2018 \$ | 2017 \$ |
|--------------------------------------------------------|------|--------------|-------------|
| 21 Council capital - continued | | | |
| Cash and cash equivalents | | 26,418,421 | 23,996,249 |
| Less: restricted cash | | | |
| Reserves (excluding the asset revaluation) | | (7,233,475) | (9,594,038) |
| Capital sustainability reserve | | (10,627,858) | (5,530,598) |
| Unspent loan capital fund reserve | | - | (1,850,000) |
| Revenue received in advance | | (669,985) | (636,900) |
| Refunds due | | - | (12,083) |
| Cash funds allocated for future rehabilitation costs | | (4,621,745) | (3,894,859) |
| Working capital cash (including employee entitlements) | | (3,265,358) | (2,206,969) |
| Retained surplus (deficit) available for distribution | | - | 270,803 |
| Council capital value | | 191,097,738 | 192,588,305 |
| Total Council capital at end of year | | 191,097,738 | 192,859,108 |

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

(1,761,370) (5,727,365)

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.

Movements in the asset revaluation surplus

| | | | |
|-----------------------------------------------------------------------------|----|--------------|--------------|
| Balance at beginning of the year | | 483,812,853 | 493,657,363 |
| Adjustments to the property, plant and equipment through revaluations | 16 | (15,095,033) | (10,499,796) |
| Adjustment to site improvements arising from change in rehabilitation costs | | (655,286) | 655,286 |
| Balance at end of the year | | 468,062,534 | 483,812,853 |

The closing balance of the asset revaluation surplus is comprised of the following asset categories

| | | |
|-------------------------------------|-------------|-------------|
| Site improvements | - | 655,286 |
| Buildings | 28,080,325 | 44,196,948 |
| Plant and equipment | 569,574 | 569,574 |
| Road, bridge and drainage network | 346,358,556 | 347,993,318 |
| Water | 53,353,440 | 51,752,565 |
| Sewerage | 31,330,670 | 30,557,404 |
| Environmental Infrastructure Assets | 426,323 | 426,323 |
| Other Assets NC | 7,943,646 | 7,661,435 |
| | 468,062,534 | 483,812,853 |

23 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 | 5,530,598 | 2,406,287 |
| Funded depreciation on capital assets in year | 12,903,010 | 14,878,698 |
| Less: Funds utilised in the year | (7,805,750) | (11,754,387) |
| Balance at end of the year | 10,627,858 | 5,530,598 |

BANANA SHIRE COUNCIL

Notes to the Financial Statements **For the year ended 30 June 2018**

| | Note | 2018 \$ | 2017 \$ |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|--------------|-------------|
| 23 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 | | 1,850,000 | - |
| Loan funds drawn down in year | | - | 1,850,000 |
| Loan cash expended in year | | (1,850,000) | - |
| 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 | | 3,603,031 | 3,377,457 |
| Transfer from retained earnings non reciprocal grants, subsidies and contributions received and allocated to specific capital projects | | 14,677,342 | 7,536,511 |
| Transfers to the capital account funds expended in the year | | (15,154,584) | (7,310,937) |
| Balance at end of the year | | 3,125,789 | 3,603,031 |
| Total restricted capital reserves | | 13,753,647 | 10,983,629 |
| (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 | | | |
| 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 |
| (iii) Plant reserve | | 21,930 | 21,930 |
| (iv) Aerodrome reserve | | - | 130,407 |
| | | 21,930 | 661,446 |
| (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 | | 3,925,317 | 3,958,614 |
| (ii) Special Projects reserve | | 160,439 | 1,370,948 |
| | | 4,085,756 | 5,329,562 |
| Total other reserves | | 4,107,686 | 5,991,008 |
| Total reserves | | 17,861,333 | 16,974,637 |

BANANA SHIRE COUNCIL

Notes to the Financial Statements **For the year ended 30 June 2018**

| | Note | 2018 \$ | 2017 \$ |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------------|------------------|
| 24 Commitments for expenditure | | | |
| All expenditure commitments include GST. | | | |
| Contractual commitments | | | |
| Contractual commitments at end of financial year but not recognised in the financial statements | | | |
| Biloela Civic Centre - per year | | 87,150 | 85,683 |
| Biloela Pool - per year | | 36,036 | 35,430 |
| Moura Pool - per year | | 42,257 | 41,546 |
| Taroom Pool - per year | | 35,214 | 34,621 |
| Magavalis Sports Complex - per year | | 15,887 | 15,620 |
| | | <u>216,544</u> | <u>212,900</u> |
| Capital commitments | | | |
| Commitment for the construction of the following assets contracted for at end of the financial year but not recognised as liabilities | | | |
| Infrastructure Services (Roads, Bridges, Drainage, Streetscaping) | | 973,592 | 2,596,024 |
| Water & Sewerage Infrastructure | | 1,015,295 | 335,120 |
| Buildings, Parks, Pools and Other | | 361,148 | 455,582 |
| | | <u>2,350,035</u> | <u>3,386,726</u> |
| These expenditures are payable | | | |
| Within one year | | <u>2,350,035</u> | <u>3,386,726</u> |
| 25 Contingent liabilities | | | |
| Details and estimates of maximum amounts of 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 2017 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise. | | | |

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2018

| | Note | 2018 \$ | 2017 \$ |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------------------|-------------------|
| 26 Superannuation | | | |
| Council contributes to the LGIASuper Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIASuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the Local Government Act 2009. | | | |
| The scheme is a defined benefit plan, however Council is not able to account for it as a defined benefit plan in accordance with AASB119 because LGIASuper is unable to account for its proportionate share of the defined benefit obligation, plan assets and costs. | | | |
| Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, but has not been recognised as an asset or liability of the Council. | | | |
| Technically Banana Shire Council can be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIASuper trust deed changes to council's obligations will only be made on the advice of an actuary. | | | |
| The last completed 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." The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not | | | |
| No changes have 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. | | | |
| Another actuarial investigation is being conducted as at 1 July 2018. At the time of signing these financial statements this investigation is still in progress. | | | |
| The most significant risks that may result in LGIASuper increasing the contribution rate, on the advice of the actuary, are: | | | |
| Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall. | | | |
| There are currently 72 entities contributing to the scheme 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 2017-18 financial year. | | | |
| Superannuation contributions made to the Regional Defined Benefits Fund | | 102,746 | 114,357 |
| Other superannuation contributions for employees | | 2,042,440 | 1,973,288 |
| Total superannuation contributions paid by Council for employees: | 6 | 2,145,186 | 2,087,645 |
| During the 2018-19 financial year, Council expects to make contributions of \$84,693 to the Regional Defined Benefits Fund for 2018-19 | | | |
| 27 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities | | | |
| Net result | | (1,567,468) | 5,380,523 |
| Non-cash operating items | | | |
| Impairment of receivables and bad debts written-off | 8 | 6,457 | (139,199) |
| Depreciation and amortisation | 16 | 16,398,086 | 17,416,533 |
| Change in restoration provisions expensed to finance costs | | 642,211 | 560,958 |
| Revaluation of inventory land expensed to materials and services | | 387,790 | 681,500 |
| | | 17,434,544 | 18,519,792 |
| Capital grants, subsidies and contributions | 4 | (14,880,607) | (7,536,511) |
| Capital expenses | 9 | 11,396,186 | 4,348,194 |
| | | (3,484,421) | (3,188,317) |
| (Increase) decrease in receivables | | 1,079,958 | (782,669) |
| (Increase) decrease in inventories (excluding land) | | (56,869) | 170,425 |
| Increase (decrease) in payables | | (180,103) | (1,132,773) |
| Increase (decrease) in provisions | | (224,897) | (43,750) |
| Increase (decrease) in other liabilities | | 21,002 | 153,542 |
| | | 639,091 | (1,635,225) |
| Net cash inflow from operating activities | | 13,021,746 | 19,076,773 |

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2018

| | Note | 2018 \$ | 2017 \$ |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------|------------|
| 28 Minor correction for assets not previously recognised | | | |
| During the financial year Council became aware of some assets in property plant and equipment that were not previously recognised as well as some assets previously recognised that should not have been recognised. | | | |
| The asset classes affected are disclosed in notes indicated | | | |
| Summary details of assets not previously recognised are as follows | | | |
| Gross value of property, plant and equipment | 16 | 328,125 | - |
| Accumulated depreciation | 16 | 364,669 | - |
| Gain from assets not previously recognised | | 692,794 | - |

29 Correction of error

In the process of valuing the Council assets at 30 June 2018 it was discovered that Council failed to take up the rehabilitation assets and rehabilitation provision related to certain quarries operated by Council.

These errors have been corrected, as required by the Australian Accounting Standards, by adjusting the opening balances at 1 July 2016 and the comparative amounts for the year ended 30 June 2017.

The effect on the financial statements is as follows:

| | | As at 30 June 2017 | As at 1 July 2016 |
|------------------------------------------------|----|--------------------|-------------------|
| Gross value of rehabilitation asset recognised | 16 | 1,747,988 | 1,747,988 |
| Accumulated depreciation | 16 | (907,371) | (770,090) |
| Increase in Restoration Provision | 19 | (6,921) | (1,970,848) |
| Net value | | 833,696 | (992,950) |

The affect on the Statement of Comprehensive Income is as follows:

| | Period Ended 30 June 2018 | Period Ended 30 June 2017 |
|----------------------------------------------|------------------------------|------------------------------|
| Increase in depreciation | - | 136,480 |
| Increase in finance costs | - | 36,454 |
| Decrease in net result attributed to Council | - | 172,934 |
| Increase in the asset revaluation surplus | - | 43,758 |

The depreciation charge and other adjustments for the period ended 30 June 2018 were calculated after the error was discovered and

A restated Statement of Financial Position has been included in the financial statements as at 1 July 2016.

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2018

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 | 2018 \$ | 2017 \$ |
|-----------------------------------------------------------------------|-------|-------------------|-------------------|
| Financial assets | | | |
| Cash at bank and on hand | 11 | 566,403 | 2,099,783 |
| Cash investments held with - QTC | 11 | 20,852,018 | 18,896,466 |
| Cash investments held with other approved deposit taking institutions | 11&15 | 5,000,000 | 3,000,000 |
| Receivables - rates | 12 | 3,865,735 | 3,481,760 |
| Receivables - other | 12 | 4,903,913 | 6,599,820 |
| Other credit exposure | | | |
| Guarantee | 25 | 341,826 | 341,826 |
| Total | | 35,529,895 | 34,419,655 |

Cash and cash equivalents

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

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

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

Other financial assets

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

Trade and other receivables

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

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

BANANA SHIRE COUNCIL

Notes to the Financial Statements For the year ended 30 June 2018

30 Financial instruments - continued

Due to the Council's operations occurring within its shire boundaries there is a geographical concentration of risk. Also, as the shire's economy depends largely on agriculture and mining, Council is exposed to risk associated with the often cyclical nature of these sectors.

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 2018

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 |
|---------------------------------------------------|------------------|-----------|----------------|-------------------|
| | 2018 | 2018 | 2018 | 2018 |
| | \$ | \$ | \$ | \$ |
| Revenue for services provided to the Council | 8,163,000 | - | - | - |
| Revenue for services provided to external clients | - | 8,850,000 | 7,735,999 | 3,829,372 |
| * Community service obligations | - | - | 3,900,000 | 1,300,000 |
| | 8,163,000 | 8,850,000 | 11,635,999 | 5,129,372 |
| Less: Expenditure | 6,906,872 | 8,892,230 | 11,636,461 | 5,080,291 |
| Surplus (deficiency) | 1,256,128 | (42,230) | (462) | 49,081 |

31 National competition policy - continued

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

| Activities | CSO description | Actual |
|-------------------|---------------------------|-----------|
| Water Services | Cost of water services | 3,900,000 |
| Sewerage Services | Cost of sewerage services | 1,300,000 |
| | Total: | 5,200,000 |

BANANA SHIRE COUNCIL

Financial Statements

For the year ended 30 June 2018

32 Related Parties

(a) Controlled Entities

Council does not have any controlled entities and therefore is not required to disclose matters on associated related parties.

(b) Key Management Personnel (KMP)

KMP include the Mayor, Councillors, council's Chief Executive Officer and all of council's executive leadership team. Transactions with KMP, in the form of compensation paid for 2017/18, comprises:

| Nature of Compensation | 2018 | 2017 |
|------------------------------|------------------|------------------|
| | \$ | \$ |
| Short-term employee benefits | 1,975,634 | 1,866,101 |
| Long-term benefits | 9,340 | 25,518 |
| Post-employment benefits | - | - |
| Termination benefits | 103,320 | - |
| Total | 2,088,294 | 1,891,619 |

Detailed remuneration disclosures for KMP are provided in Council's annual report.

(c) 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. Details of transactions between council and other related parties are disclosed below:

| Details of Transaction | Additional information | 2018 | 2017 |
|--------------------------------------------------------------------|------------------------|---------|---------|
| | | \$ | \$ |
| Employee expenses for close family members of key management | 32(c)(i) | 266,543 | 290,823 |
| Purchase of materials and services from entities controlled by key | 32(c)(ii) | 536,876 | 547,248 |
| Key management personnel services provided by a related entity | 32(c)(iii) | 15,979 | 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. The Council employs 256 staff of which only 5 are close family members of key management personnel. This represents an average employee expense of \$53,308.60 per close family member.

(ii) This disclose includes \$483,304 paid to M&M Electrics an entity controlled by a close family member of Councillor 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.

(d) Outstanding balances

The following balances at the end of the reporting period in relation to transactions with related parties:

| Receivables | Amounts owed by related | |
|---------------------------|-------------------------|----------|
| | 2018 | 2017 |
| | \$ | \$ |
| Current | 4,377 | - |
| Past due 31-60 days | 787 | - |
| Past due 61-90 days | - | - |
| More than 90 days overdue | - | - |
| Total Owed | 5,164 | - |

Transactions with related parties - other related parties (continued)

(e) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of council live and operate within the Banana Shire Council. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties.

Some examples of these transactions are: payment of rates, dog registration, use of council aquatic centres and borrowing books from council's libraries.

(f) Commitments to/from other related parties

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

BANANA SHIRE COUNCIL

FINANCIAL STATEMENTS

For the year ended 30 June 2018

MANAGEMENT CERTIFICATE

For the year ended 30 June 2018

These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the Local Government Regulation 2012 (the Regulation) and other prescribed requirements.

In accordance with section 212(5) of the Regulation we certify that

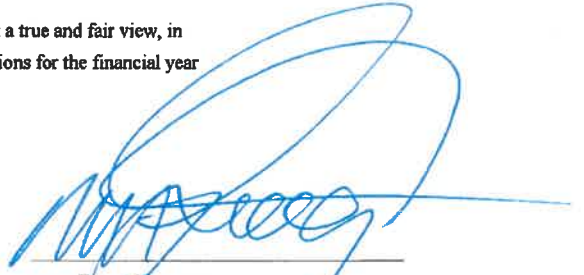
- (i) the prescribed requirements of the Local Government Act 2009 and Local Government Regulation 2012 for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 33, present a true and 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: Andy Farrier

Date: 17/9/18



Chief Executive Officer

Name: Shirley GORAGHTY

Date: 17/9/18

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 2018, 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 2018, 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 2018, but does not include the financial report and my auditor's report thereon. At the date of this auditor's report, the other information 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 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.

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2018:

- 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.



John Welsh
as delegate of the Auditor-General

3 October 2018

Queensland Audit Office
Brisbane

BANANA SHIRE COUNCIL

For the year ended 30 June 2018

Current Year Financial Sustainability Statement

Certificate of Accuracy - for the Current Year Financial Sustainability Statement

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

BANANA SHIRE COUNCIL

Current-year Financial Sustainability Statement For the year ended 30 June 2018

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 2018 against key financial ratios

| | Operating surplus ratio | Asset sustainability ratio | Net financial liabilities ratio |
|--------|-------------------------|----------------------------|---------------------------------|
| Target | between 0% and 10% | greater than 90% | not greater than 60% |
| Actual | -8.89% | 149.57% | 10.30% |

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 2018.

Certificate of Accuracy For the year ended 30 June 2018

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

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


Mayor

Name: NEV FERRIER

Date: 17 / 9 / 18



Chief Executive Officer

Name: RAY GONAGHY

Date: 17 / 9 / 18

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 statement of financial sustainability of Banana Shire Council for the year ended 30 June 2018 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 2018 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 2018, but does not include the current year financial sustainability statement and my auditor's report thereon. At the date of this auditor's report, the other information was the general purpose financial statements, the long-term financial sustainability statement and the annual report.

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 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.



John Welsh
as delegate of the Auditor-General

3 October 2018

Queensland Audit Office
Brisbane

BANANA SHIRE COUNCIL

For the year ended 30 June 2018

THE FOLLOWING REPORTS DO NOT FORM PART OF THE

AUDITED FINANCIAL STATEMENTS. THEY HAVE BEEN PROVIDED

AS ADDITIONAL MANAGEMENT INFORMATION TO ASSIST THE

READER IN THEIR ANALYSIS OF THE FINANCIAL STATEMENTS

BANANA SHIRE COUNCIL

Long-Term Financial Sustainability Statement
Prepared as at 30 June 2018

UNAUDITED

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 2018 against key financial ratios

Target

Actuals at 30 June 2018

Projected for the years ended

30 June 2019

30 June 2020

30 June 2021

30 June 2022

30 June 2023

30 June 2024

30 June 2025

30 June 2026

30 June 2027

| Operating surplus ratio | Asset sustainability ratio | Net financial liabilities ratio |
|-------------------------|----------------------------|---------------------------------|
| between 0% and 10% | greater than 90% | not greater than 60% |
| -8.89% | 149.57% | 10.30% |
| -5.70% | 103.30% | -5.20% |
| -4.80% | 105.40% | -10.00% |
| -3.90% | 127.20% | -14.10% |
| -2.70% | 108.30% | -22.00% |
| -1.50% | 108.70% | -32.40% |
| -0.40% | 102.00% | -43.70% |
| 0.70% | 102.90% | -55.60% |
| 1.60% | 108.10% | -68.20% |
| 2.60% | 116.70% | -81.40% |

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 2018

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:

NEIL FERRIER

Date:

17/9/18

Chief Executive Officer

Name:

Ray Bonaguidi

Date:

17/9/18

Statement of Operating Performance
For the year ended 30 June 2018

| | Note | \$ | \$ |
|----------------------------------------------------------------------------------------------------------------------------------------------|---------|---------------------|---------------------|
| Operating Income | | | |
| Rates and utility charge revenue | 3 (a) | 38,370,278 | 36,173,029 |
| Less: Discounts | | (3,333,369) | (3,217,916) |
| Less: Pensioner remissions | | (372,256) | (178,821) |
| Net rates and utility charges | | 34,664,653 | 32,776,292 |
| Fees and charges | 3 (b) | 2,220,479 | 2,530,020 |
| Rental and levies | | 467,399 | 333,189 |
| Interest received | 3 (c) | 867,582 | 591,961 |
| Sales of contract and recoverable works | 3 (d) | 6,386,777 | 13,006,951 |
| Other recurrent income | | 389,406 | 750,306 |
| Grants, subsidies and contributions | 4 (i) * | 11,835,919 | 16,356,104 |
| Total operating revenue | | 56,832,215 | 66,344,823 |
| Operating Expenses | | | |
| Employee benefits | 6 | (20,843,660) | (20,882,655) |
| Materials and services | 7 | (23,269,525) | (24,703,029) |
| Finance costs | 8 | (1,372,833) | (1,150,400) |
| Depreciation | 16 | (16,395,877) | (17,361,427) |
| Amortisation | | (2,209) | (55,106) |
| Total operating expenses | | (61,884,104) | (64,152,617) |
| Operating surplus (deficit) for the year | | (5,051,889) | 2,192,206 |
| Capital revenue | | | |
| Grants, subsidies and contributions | 4 (ii) | 14,880,607 | 7,536,511 |
| Capital income | | | |
| Total capital revenue and income | | 14,880,607 | 7,536,511 |
| Capital expenses | | | |
| Loss on the sale of capital assets | 5 | (277,009) | (375,620) |
| Loss on write-off of capital assets | 10 | (5,269,128) | (3,972,574) |
| Revaluation down of property, plant and equipment | 16 | (5,085,158) | - |
| Loss on impairment of property plant and equipment | | (100,000) | - |
| Increase in rehabilitation provision relating to council controlled site, but no asset revaluation surplus available in the related asset | | (664,891) | - |
| Total capital expenses | | (11,396,186) | (4,348,194) |
| Net result | | (1,567,468) | 5,380,523 |

BANANA SHIRE COUNCIL

Statement of Appropriations

UNAUDITED

For the year ended 30 June 2018

| | | 2018 | 2017 |
|--------------------------------------------------------------------------------|------------|--------------|----------------|
| | Note | \$ | \$ |
| Retained surplus (deficiency) from prior years | | 282,886 | 650,597 |
| Net result for the year | | (1,567,468) | 5,380,523 |
| Transfers (to) from capital account | | | |
| Transfer of capital expenses | 9 | 11,396,186 | 4,348,194 |
| General revenue used for capital funding purposes | CFS* | - | - |
| Unspent capital revenue transferred from capital | CFS* | 172,934 | - |
| Adjustment for unfunded depreciation | | 3,352,264 | 2,392,667 |
| Net capital account transfers | | 14,921,384 | 6,740,861 |
| Transfers (to) from restricted reserves | | | |
| Constrained grants and subsidy contributions reserve | 23 | (14,677,342) | (7,536,511) |
| Constrained NDRRA grants reserve | 23 | (203,265) | - |
| Retained surplus (deficiency) available for transfer to reserves | | (1,243,805) | 5,235,470 |
| Transfers (to) from reserves for future recurrent funding purposes: | | | |
| Operating Grants in advance reserve | 23 (2)(i) | 33,296 | (3,958,613) |
| Special projects reserve | 23 (2)(ii) | 1,210,509 | (993,971) |
| Retained surplus (deficit) at end of year | | - | 282,886 |

*CFS - Denotes Capital Funding Statement

BANANA SHIRE COUNCIL

Statement of Capital Funding
For the year ended 30 June 2018

UNAUDITED

| | Note | 2018 | 2017 |
|-------------------------------------------------|------|-------------------|-------------------|
| | | \$ | \$ |
| Sources of capital funding | | | |
| General revenue used for capital purposes | | - | - |
| Excess capital revenue provided in year | | (172,934) | - |
| Loan monies expended | | 1,850,000 | - |
| Funded depreciation and amortisation | | 7,805,750 | 11,754,387 |
| Proceeds from the sale of capital assets | 5 | 694,396 | 823,150 |
| Constrained grants, subsidies and contributions | | 15,154,584 | 7,310,937 |
| Capital Acquisitions reserve | | 509,109 | 37,533 |
| Aerodrome reserve | | 130,407 | - |
| Constrained NDRRA grants reserve | | 203,265 | - |
| | | <u>26,174,577</u> | <u>19,926,007</u> |
| Application of capital funding | | | |
| Non-current capital assets | | | |
| Land | | 37,925 | - |
| Site improvements | | 595,945 | - |
| Buildings | | 1,753,342 | 1,887,597 |
| Plant and equipment | | 1,421,041 | 2,220,706 |
| Road, bridge and drainage network | | 8,599,536 | 10,076,594 |
| Water | | 5,594,263 | 7,986,790 |
| Sewerage | | 822,368 | 682,423 |
| Environmental Infrastructure Assets | | 50,493 | 24,108 |
| Other Assets NC | | 2,815 | 790,970 |
| Movement in capital work in progress | | 5,923,168 | (4,812,145) |
| Intangible assets | | 2,835 | 16,365 |
| | | <u>24,803,731</u> | <u>18,873,408</u> |
| Principal loan redemptions | | | |
| Queensland Treasury Corporation | | <u>1,370,846</u> | <u>1,052,600</u> |
| | | <u>1,370,846</u> | <u>1,052,600</u> |
| | | <u>26,174,577</u> | <u>19,926,008</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 2018

UNAUDITED

| | 2018 | 2017 |
|--------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| | \$ | \$ |
| 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 | 669,788,131 | 683,769,675 |
| Operating surplus/(deficit) in year | (5,051,889) | 2,192,206 |
| Transfers from operating reserves to retained earnings in year | 1,243,805 | (4,952,584) |
| Retained surplus/(deficit) brought forward from prior year | 282,886 | 650,597 |
| Closing balance of the opening capital value | 666,262,933 | 681,659,894 |
| Change in the opening capital value | (3,525,198) | (2,109,781) |
| | % | % |
| Asset sustainability ratio | | |
| Expenditure on replacement assets divided by depreciation expense | 67.8% | 84.3% |
| Target range >90% | | |
| Operating surplus ratio | | |
| Net operating surplus/(deficit) divided by total operating revenue | -8.9% | 3.3% |
| Guidance range is between 0% and 10% | | |
| Net financial liability | | |
| Total liabilities less current assets divided by total operating revenue | 10.6% | 10.3% |
| 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% | 76.3% |
| Interest cover ratio | | |
| Net interest expense divided by total operating revenue | -0.4% | 0.1% |
| 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 | 3.1 : 1 | 2.7 : 1 |
| Guidance range 1:1 to 4:1 | | |
| Change in community equity ratio | | |
| The percentage change in the net wealth of the Council. | -2.4% | -0.6% |
| Debt servicing ratio | | |
| The percentage that the Council's total recurrent revenue that is used to service loan interest and principal repayments | 3.5% | 2.6% |
| General rate revenue ratio | | |
| The Council's dependence on general rate revenue as a percentage of total recurrent revenue | 42.2% | 34.5% |
| Revenue ratio | | |
| The Council's dependence on net rates and utility charges as a percentage of total recurrent revenue | 61.0% | 49.4% |
| Debt exposure ratio: | | |
| The percentage of Council's capital debt to total community equity | 1.5% | 1.6% |
| Unfunded depreciation ratio | | |
| The percentage of unfunded depreciation to the total depreciation expense | 20.4% | 13.8% |
| Capital expenditure ratio | | |
| The ratio of capital expenditure to depreciation | 151.3% | 108.7% |