

KANGAROO ISLAND COUNCIL

ANNUAL REPORT FOR THE YEAR ENDING 30th JUNE 2006



ANNUAL REPORT 2005-2006

Welcome to the Kangaroo Island Council Annual Report for 2005/06. This Annual Report has been produced to provide a record of Council's achievements over the past year and also provides a portrait of our strategic and financial performance. The annual report demonstrates Council's continued commitment to open and accountable government.

Who is it for?

The Annual Report is produced for all interested residents, ratepayers, customers, potential investors and interested stakeholders.

What does it tell you?

This report is intended as an indicator of Council's achievements over the past financial year.

Production of the Annual Report is a mandatory requirement of the Local Government Act 1999, however it is hoped that this document will provide the reader with a glimpse into the operations of Council and its financial performance.

It is hoped that you, the reader, enjoy reading this report and gain an understanding of the many challenges and successes achieved by our island community.

Kangaroo Island Annual Report

Upgrades to our computer and communications systems over the last year have enabled Council to position itself to take part in a number of initiatives which will assist in ensuring Council's continued viability for the future. We have continued to foster relationships with Councils on the Fleurieu Peninsula so enabling Council to take advantage of economies of scale when negotiating with suppliers. Council has also continued with its IT upgrade program and acknowledges the support of staff at Alexandrina Council who willingly assists with the maintenance of our IT and communications networks on a fee for service basis.

Trying times

Council's ability to properly maintain its built infrastructure continues to be restricted by the amount of funds that can be raised locally through rates. Whilst it is acknowledged that Government, both State and Federal assist with grants and other funding, Councils small rate base and large infrastructure needs are not able to be maintained to an acceptable standard within the budget available to Council. Given that property rates are, by legislation, the only way that Local Government is allowed to raise revenue Kangaroo Island Council continues to be unable to provide residents and visitors to the island with services and facilities that are of a comparable standard to facilities on the mainland.

Through new and ongoing collaborative arrangements with other Councils and business Council continues to strive towards providing residents and visitors with the best services possible.

As has been mentioned previously Kangaroo Island Council through its relationship with Alexandrina Council is able to access Information Technology support and advice that would otherwise be unavailable on the Island. Our waste management strategies also utilize the services and support of other Councils on the Fleurieu Peninsula as well as other Government Departments and the private sector to the benefit of all involved.

Further strategies for cooperation and assistance are being developed which will enable this Council to maintain viability as an organisation representing the needs of the local community.

History

Kangaroo Island covers an area of approximately 4,400 square kilometres and is home to a resident population of approximately 4,500. The Council was formed in 1996 after the amalgamation of the District Council of Dudley and the District Council of Kingscote. The Island has a number of settlements of varying sizes and offering different facilities. These include Kingscote, Penneshaw, Parndana, American River, Baudin Beach, Vivonne Bay, Stokes Bay, Island Beach and Emu Bay.

Kangaroo Island was named by Captain Matthew Flinders aboard the Investigator who is credited as being the first European to officially sight the Island in March 1802. Flinders landed on the North Coast of the Island, naming it Kangaroo Island because of the abundance of Kangaroos found here. Shortly after this, Nicholas Baudin aboard the French corvette, Le Geographe mapped most of the southern and western coastlines of the Island, which is why many parts along this coastline and the coastline of the adjacent mainland have French names.

The early explorers of Kangaroo Island found no evidence of Aboriginal inhabitants and it was not until the early 1900's that aboriginal artefacts and campsites were found. Subsequent dating suggests that the Island was inhabited as early as 10,000 years ago by indigenous peoples however it is a mystery as to why these first Aboriginal people left the Island.

The first settlers of the Island were deserters from English and American whaling ships and sealers who arrived on the Island in the early 1800's. It was not until July 1836 that the first official settlers arrived aboard the Duke of York and disembarked at Reeves point. As the first free settlement in Australia, the new settlement of Kingscote was dogged by the lack of water and suitable building timber. After four years, it was abandoned in favour of Adelaide.

The early settlers built a pastoral industry mainly focused on wool however barley and other gains were also grown. Whilst in the process of establishing this industry, the farmers derived the majority of their income from the felling of trees, sales of animal skins and distilling eucalyptus oil.

The Island continued to develop slowly, with an estimated population of 1,113 in 1947 however, after the end of World War II, the Government established a War Service Land Settlement Scheme where ex-soldiers would be settled and encouraged to farm the undeveloped land on the Island's central plateau. 174 soldier settlers and their families came to the Island, which resulted in an increase in the population to 2,167 by 1954.

The primary industry sector, consisting mostly of sheep, wool, grains, fishing and forestry continues to be a significant contributor the Island's economy, valued at \$39.7 million in 1998, whilst a substantial income is also derived from the tourism sector. Kangaroo Island has become one of the world's premier eco-tourism destinations with 21 national and conservation parks covering more than 30% of the Island. Visitors enjoy the varied and dramatic scenery ranging from little Sahara to huge sculptured granite boulders, which are truly 'Remarkable Rocks'. Kangaroo Island was separated from the mainland during the last Ice Age, and has retained many plants and animals, which are no longer found on the mainland. There are over 850 native plants registered on Kangaroo Island with over 400 different species found within the Flinders Chase National Park. Free from mainland rabbits and foxes, the Island is a natural habitat for platypus, goanna, glossy black cockatoo, albatross, seals, penguins and the Island's own species of kangaroo. Its shores are also home to the elusive leafy-sea dragon.

This report is all about informing you, our clients, of the activities, achievements and challenges faced by Council during the last financial year. We hope you enjoy reading it, and gain an understanding of what your Council is doing and how it intends to move forward to a more prosperous future for all. Importantly we hope it gives the reader an insight into the needs and aspirations of our residents and the ways in which Council is attempting to provide the infrastructure sought by both residents and visitors alike.



Our successes

Council has continued with planning for the Library and Office redevelopment project which commenced early in 2006. Subsequent funding of \$350,000 from the Federally funded Regional Partnerships Program has seen this project further developed to include new amenities including those for persons with disabilities, a new entrance to the main hall including disabled access (partly funded by a \$15,000 grant from Arts SA), a new kitchen, electrical upgrade and replacement roof for the building including cyclone tie downs. This redevelopment of the only large hall and offices on the island will provide a resource that will meet the needs of our residents for many years to come.

Funding has also been committed by the Federal Government towards the upgrade of the American River Boat ramp following the successful submission of a funding application by the American River Progress Association. Council also received a funding allocation from the SA Boating Facilities Fund to further develop the American River Boatramp. In total stage 1 of this project will cost about \$250,000 the majority of which has been through grant funding with additional funding from the local community.

After protracted delays in renegotiating the lease over Christmas Cove it will be possible to commence stage 2 works early in the new financial year.

As is reported elsewhere in this report Council has negotiated a contract for the collection and disposal of the Islands waste with a contract being awarded to a private service provider. This new initiative commenced on the first of July 2006.

Other success stories will be included elsewhere in this report however it is worth noting that Kangaroo Island is the first Council in South Australia to adopt By-Laws relating to the management and control of cats with a requirement that all cats must be registered, micro-chipped and other than breeding animals desexed.

Strategic Planning

Kangaroo Islands strategic plan was developed following extensive community consultation in 2002 and was expected to have a life of 5 years.

As a “living” document the plan has served us well in focusing on the needs of the island for a five-year period. Council has now undertaken an extensive review of the adopted strategic plan and, after consultation with other interested parties and with the new State strategic plan developed an entirely new plan, which will be published early in the new financial year.

Location

Kangaroo Island is located serviced by a ferry from two commercial carriers leaving a single airline. The variety of landscapes provide Kangaroo Island a variety of soil types, opportunities. As the site of centre of the Island Penneshaw and American the majority of the Kangaroo Island is strategic economic KI Development Board by attracting and retaining base and provide While maintaining and tourism development quality facilities and



some 15kms off the southern tip of the Fleurieu Peninsula and is Cape Jervis and regular commercial flights from Adelaide provided by however during the year one of these carriers ceased operations thus providing regular passenger services to the island. coupled with natural geological features and unique flora and fauna with a multitude of attractions for visitors. The Island is also graced with which support agricultural production and numerous value adding the first settlement in South Australia Kingscote remains the principal administration and economic activity. Three other townships located at River to the east of the Island and Parndana in the central area make up populated areas with major services being offered in these townships. dedicated to securing its long-term viability as a community through development efforts. Working in partnership with the community and Council actively seeks to expand the economic base of the community commercial and industrial enterprises that contribute to the economic employment appropriate for the community. traditional services, added emphasis is also given to the social, cultural of the Island to ensure residents and visitors are provided with high services for their well-being and enjoyment.

Our economy

• Agricultural endeavors on the Island have traditionally consisted of sheep for wool and meat, grain, beef cattle, fishing and honey production. The range of potential lucrative markets has however, prompted many to seek out new opportunities. Tourism remains a major industry on the Island and forestry is expanding rapidly. Current alternative industries on the Island include a range of product such as marron, abalone, grapes for wine, cheese, and olive oil. These industries are helping to diversify the economic base of the Island, and with value adding being actively pursued the future for our various agricultural industries looks bright. Kangaroo Island has long been known as an idyllic setting to live offering a unique and relaxed lifestyle. Modern amenities and services and a desire to embrace change, is coupled with an appreciation and preservation of the natural environment, heritage and values characteristic of the site of the first European settlement in South Australia.



MAYOR'S REPORT 2005-2006

The Kangaroo Island Council is pleased to present the annual report for 2005-2006. This report offers the opportunity to reflect on the last 12 months, its challenges and achievements, and to look towards the plans for the following year.

Council's role in this era is complex and multifunctional. Our resources, both Financial and Human are limited, and are directed to priorities that are achievable and affordable. The Kangaroo Island Council has begun reviewing its Strategic Plan, with a focus on sustainable and achievable outcomes. We have also begun working with the Local Government Association who are keen to help us, in partnership with State Government, find a solution to our long term financial security.

A major achievement for the term has been the new Waste Management Plan for KI, which was endorsed by Council in November 2005. Following a difficult and complex planning and consultation process over the last 3 years, the Council has developed an innovative and fully compliant recycling service to all residents on the Island, which began in July of this year. Other special projects include

- The airport security upgrade funded by the Commonwealth Government.
- The initial investigation and consultation of the American River Community Wastewater Management Scheme (formerly STEDS)
- The continuing development of the award winning Town Centres Project.
- The Council Office and Library upgrade. This refurbishment has been extended following grant funding of \$350,000 to include the toilets, kitchen, ramps and re roofing of the hall, and will be completed at the end of 2006.
- The commencement of a General and a Heritage Planning Amendment Report to update our Development Plan.

The Senior Managers have detailed the various programmes and activities of their Departments in the following pages. In all cases, the Council set these programs with tight budget constraints, and our Managers and staff are to be congratulated for the outcomes they have achieved within these constraints.

The membership of the Council has undergone significant upheaval in the last year, leaving the Council three members short, and due to changes in the Act, unable to hold a by-election. In March we saw Mayor Michael Pengilly, successfully contest the seat of Finniss, and was elected to Parliament. We thank Michael for his many years of service to Local government on KI and wish him well in his new position. The Council sadly farewelled Cr Mike Hobbs, who passed away suddenly on April 27th 2006. Mike continues to be greatly

missed as a committed Councillor and as a dear friend. Cr Scott McDonald also resigned in April due to an extended overseas holiday and we thank Scott for his contribution.

Mr Nick Brown has completed his first year as CEO of the KI Council. Through his leadership and example, the Council is setting new standards of service and performance and we thank him for his untiring efforts. The future is positive, although the challenges remain. The opportunity to secure a sound future for the Island, remains high on the Council agenda. The term of this Council finishes in November and I acknowledge and thank my fellow Councillors for their commitment and dedication during a particularly challenging term of office.

Jayne Bates Acting Mayor KI Council

CHIEF EXECUTIVE OFFICER'S REPORT

I commenced duties as Kangaroo Island Council's CEO on Monday 11 July 2005 and the past 12 months have passed very quickly. The last year has been very challenging for Council and I believe the future will be equally as challenging with a number of important matters to be resolved by Councillors and staff. I have provided a brief summary of important events over the past year.

Waste Management

Council's Integrated Waste Management Plan has been adopted and many of the plan strategies are now implemented. After careful consideration of the many waste management issues Council has proceeded with:

- Transport of waste to the mainland
- Island wide waste and recycling collection
- Introduction of a 2 bin system
- Contracting of waste collection to Solo Resource Recovery
- Introduction of waste management charges

The implementation of the Integrated Waste Management Plan has come at considerable cost however it has put Council at the forefront of modern waste management practices.

Rates

Council introduced new waste management charges in the 2005/06 financial year to cover the implementation of the waste management strategies. Council adopted a budget, which incorporated the new waste management charges with a reduction in the general rate to offset the new charges. Unfortunately Council raised a significant amount of general rate income above the budgeted amount due to an administration problem. Council received considerable feedback from ratepayers over the 2005/06 rates and Council resolved in February 2006 to provide a discretionary rate rebate to ratepayers.

Kingscote Library/Hall/Office Redevelopment

The long awaited redevelopment of the Kingscote library, hall and Council office commenced in March 2006 and is due for completion in December 2006. Council has been successful in obtaining a \$350,000 regional Partnerships Program grant and these funds will be used to upgrade the community hall toilets, kitchen and roof. The redevelopment will provide a much-improved facility for the use of the community.

Staff

Council has experienced significant staff changes over the past two years and many of the changes have occurred in senior roles. The current senior staff have all been in their roles for a minimum of twelve months and this stability will allow smoother operations in the future. I would like to thank all staff for their considerable support over the past year.

Financial Sustainability and Strategic Plan

Local Government conducted an independent inquiry into the long-term financial sustainability of Councils in South Australia and Kangaroo Island Council is one the 26 Councils who are considered to be unsustainable in the long term. Councillors and staff are well aware of Council's financial state. Council's Strategic Plan is under review and a major objective will be to plan for the financial sustainability of Kangaroo Island Council.

I would like to thank the former Mayor (Michael Pengilly), the acting Mayor (Jayne Bates) and the Councillors for the support they have collectively provided me over a challenging year. We will continue to strive to provide leadership and direction and deliver cost effective services to our community.

Nick Brown, Chief Executive Officer

<i>COMMITTEE</i>	<i>MEMBERSHIP</i>
AIRPORT MANAGEMENT COMMITTEE	MAYOR, CRS RICHARDS, BRAUER, TURNER & BOXALL
CHRISTMAS COVE MANAGEMENT COMMITTEE	MAYOR, CR WICKHAM, H Willson, I Willson, R Knight & L Field & Advice from CCSM & TSWM
COMMUNITY PARTNERSHIP GRANTS PROGRAM ADVISORY COMMITTEE	MAYOR, CRS RICHARDS & DAVIS. Advice from CEO & CDO
COMMUNITY WASTEWATER MANAGEMENT COMMITTEE (CWMC)	CRS TURNER, RICHARDS, DAVIS, BOXALL & BRAUER, CEO, TSWM, PMO & HO
DEVELOPMENT ASSESSMENT PANEL	MAYOR, CRS BOXALL, BRAUER, DAVIS, WICKHAM, TURNER & KIDB REP (Pierre Gregor) & NRMB REP (Jackie Kelly)
FINANCE COMMITTEE	MAYOR, CRS WICKHAM, BOXALL & RICHARDS, CEO, CCSM & TSWM & FO
KI COUNCIL OFFICE ACCOMMODATION PROJECT MANAGEMENT COMMITTEE	MAYOR, CRS BOXALL, RICHARDS, TURNER, CEO, CCSM, TSWM, LIBRARY MGR, COMMUNITY DEVELOPMENT OFFICER

LOT 101 PENNESHAW WORKING PARTY	MAYOR, CR WICKHAM, CEO, CCSM & TSWM
PENNESHAW PENGUIN MANAGEMENT PLAN	MAYOR & D ROWLEY (PMO), DE&H REP, PENNESHAW PROGRESS ASSOC REP, H WILLSON & G TRETHERWEY.
ROADSIDE VEGETATION MANAGEMENT CONSULTATIVE COMMITTEE	MAYOR, CRS DAVIS, RICHARDS, WICKHAM, D ROWLEY (PMO), A REP OF KI FLORA & FAUNA, NRMB, TOURISM KI, BOTANIST, KI ECO ACTION, DEHAA & TRANSPORT COMMITTEE
SWIMMING POOL COMMITTEE	CRS BRAUER & TURNER, CCSM, PMO, R PAIN, R ELLSON & A HADLAND
TOMM COMMITTEE	MAYOR, CR TURNER, CEO, TOMM PM, INDUSTRY REP(X1), KIDB REP(X1), TOURISM KI REPS (X2), NRMB REP (X1) SA TOURISM COMMISSION REP (X1), COMMUNITY REPS (X2), DEH REP (X1)
TOWN CENTRES COMMITTEE	MAYOR, CRS BRAUER, DAVIS & RICHARDS, &K STOVE (PENNESHAW PA), K SOUTHERLAND (ADVANCE KCT), C MAY (PARNDANA PA), T WILLIAMS (AMERICAN RIVER PA) & ADVICE FROM THE PLANNING OFFICER & CDO

ASU WORKPLACE CONSULTATIVE COMMITTEE	CEO & CCSM
AWU WORKPLACE CONSULTATIVE COMMITTEE	CEO, CCSM & TSM
BUILDING FIRE SAFETY COMMITTEE	H WELZ, A WILKSCH, P HARMER (BUILDING SURVEYOR) & M ACALISTER (SA CFS)
COMMUNITY PASSENGER NETWORK COMMITTEE	CR DAVIS
CORELLA COMMITTEE	CR BOXALL
KI COMMUNITY HOUSING	CR DAVIS
KI DEVELOPMENT BOARD COMMITTEE	CR TURNER
KI DISTRICT BUSHFIRE PREVENTION COMMITTEE	MAYOR, CR BOXALL & FPO
KI NETWORK	CCSM
PENNESHAW COMMUNITY BUSINESS CENTRE	MAYOR BATES
TOURISM KI	MAYOR (CR TURNER proxy)
LGA OF SA	MAYOR (Deputy Mayor proxy)
SOUTHERN & HILLS LGA (Executive & General Meetings)	MAYOR & CEO (Deputy Mayor proxy & CCSM 2 nd proxy)

SENIOR EXECUTIVES

Chief Executive Officer

Incumbent - Nick Brown from 11th July 2005

Remuneration Contract of \$97,000 plus superannuation

Benefits

Unrestricted private use of a motor vehicle

Mobile telephone

Corporate & Community Services Manager

Incumbent – Tony Jarvis

Corporate & Community Services Manager since 20/5/03

Responsibilities - Manage Corporate Support and Business Services, Financial Services, Public liability risk management, Budget co-ordination, Manager of Library services, Community Development, and Community Passenger Transport network.

Remuneration MOA Award Senior Officers Level 4 plus superannuation

Benefits

Unrestricted private use of a motor vehicle

Mobile Telephone

2 return trips to mainland for self and immediate family pa.

Planning Manager

Incumbent - Paul Emes

Manager since 11th April 2005

Responsibilities-Planning & Environmental Services

Remuneration MOA Award Senior Officers Level 5 plus superannuation

Benefits

Weekly travel to and from Adelaide

Mobile Phone

.

COUNCILLOR ALLOWANCES

All Elected Members receive allowances and are reimbursed expenses in accordance with the provisions of Sections 76 and 77 of the Local Government Act 1999. For the year ending 30th June 2006 the Mayoral Allowance was \$14,000pa, Deputy Mayoral allowance \$6,000 and Councillors Allowances \$5,000. Members were reimbursed expenses incurred in travelling to Council and Committee meetings in accordance with the provisions of Section 77 of the Local Government Act, 1999.

Council also pays the cost of Elected Member attendance at training, conferences and seminars related to council activities.

REPRESENTATION QUOTA

The representation quota for Kangaroo Island has been determined to be 493 which has been calculated by dividing the total number of electors (4938) by the number of elected representatives including the Mayor (10).

Corporate Governance

The aim of Corporate Governance is to ensure the highest level of governance and community leadership. Good governance underpins the Australian democratic system of which local governments are the first level and focuses around the issues of accountability, transparency, fairness, stewardship, responsibility, mandate, consultation and balance. Put simply it is about ensuring the organisation is run properly, goals are achieved and public monies are managed with high standards of propriety and probity. Corporate governance is a framework that enhances planning and reporting practices, assists leadership and management and drives improved performance moving beyond compliance to focus on meeting strategic objectives and operational goals. Council operations are governed through three themes. Firstly, elected representatives of the community are responsible for developing the vision and policy direction of Council. Secondly participative democracy is promoted by encouraging an active and engaging community and thirdly administrative arrangements, structures and processes that facilitate the implementation of Council's decision making.

Role of Councillors

The Local Government Act 1999 establishes the framework for Council's operations. Local Government has the jurisdiction to make laws for, and otherwise ensure, the good rule and government of its territorial unit. Under the Act Councillors have the responsibility for representing the overall public interest of Kangaroo Island. They also participate in deciding the facilities, services and enterprises that are appropriate for an area; formulate, adopt and review strategic and operational plans and the policies and goals of Council. In the office of Mayor, additional responsibility is given for presiding at Council meetings and the orderly conduct of such meetings, ensuring local government decisions are implemented and representing the local government at civic or ceremonial functions. With the exception of the CEO Councillors have no direct line of control over staff or matters of an operational nature. The role of Councillors is therefore restricted to matters of a strategic policy or planning.

Role of Chief Executive Officer

Under the Local Government Act 1999 the Chief Executive Officer is given responsibility for the day-to-day management of the local government affairs to implement policies and decisions. Council's organisation has been structured into functional departments to ensure clear responsibility and accountability for the provision of services. The Department Heads have been delegated authority from the Chief Executive Officer for their respective departments to improve the efficiency of operations and ensure accountability.

Strategic Planning

Strategic Planning is an ongoing process. Council is required to adopt a Strategic Plan.

This document establishes the guiding framework and identifies the goals, objectives and strategies to be pursued by Council to meet the needs and aspirations of the community.

Considerable effort was put into establishing the 2002 Strategic Plan. During the reporting period the Kangaroo Island strategic plan has been comprehensively reviewed and will be adopted by Council during the 2006-2007 financial year.

To execute the Strategic Plan, each department develops an annual operational plan. These plans specify targets to measure successful completion of objectives. The activities identified in the operational plans provide the framework for the preparation of Council's annual budget. Departmental units are responsible for the preparation of budgets and these are submitted to the Senior Management Team for consideration. The Senior Management Team is responsible for reviewing all budgets, the services to be provided to the community and the impact of the budgets upon Council's financial position. The budgets are then presented to Council for their consideration. The budgets are reviewed at quarterly intervals and amendments made which reflect current needs. Council also has a Planning Scheme that sets out the policies and controls for the use, development and protection of land.

Performance Monitoring and Reporting

The primary tool for external accountability is the Annual Report. An Annual Report is prepared each year to show the community and interested users how successful Council has been in achieving the strategic goals and objectives outlined in the Strategic Plan. The report contains detailed financial and non financial information about Council's activities and performance.

Performance Management

A Performance Management and Review System continues to be developed for universal implementation at all staff levels and in accordance with the provisions of Councils enterprise agreements. Not only does the system link performance of officers to the strategic and operational direction and initiatives of Council, but also encourages effective on the job performance, assists work areas to achieve operational goals, enables regular, detailed and objective feedback on work performance and ensures continued development of officers through the identification of training, education and career development needs. The Performance Enhancement program (PEP) will encourage the effective delivery of services by a competent and well-managed workforce.

Senior Management Team

The team is responsible for reviewing performance and ensuring structure, culture and resources are aligned to meet key priorities and agreed outcomes.

Mission Statement: The Management Team will strive to achieve the greatest possible organizational efficiency by maximising departmental coordination and clearly identifying organizational priorities.

Definition of the Management Team Role: As managers, the following protocols must be given emphasis

- Management through consistency, cost effectiveness, alignment with strategic and operational plans, communication between departments, respect and conflict resolution
- Continuous Improvement
- Communication
- Co-operation

Emphasis must be given to these essential fundamentals both individually and collectively to promote and foster the successful growth and development of the organisation.

The Management Team is responsible for:

- Championing effective leadership and management
- Promoting a culture of continuous improvement
- Ensuring a strategic approach across all departments
- Communicating expectations to divisions and officers
- Helping shape advice and discussing programs
- Reviewing organisation and departmental performance measures and trends
- Reviewing progress against operational plans and budgets
- Implementing systems and processes in accordance with best practice standards
- Adopting a results oriented focus
- Sharing ideas and information

Regular (weekly) meetings of the Management Team consisting of the Chief Executive Officer, Corporate & Community Services Manager, Community Facilities Manager, Technical Services Manager, Finance Officer, Planning Manager, Librarian and Airport Manager are conducted to consider matters important to the implementation of Council's direction.

Ethical Framework – Codes of Conduct

The Codes of Conduct have been adopted by Council these codes provide a framework for behaviour, actions and decisions of both Councillors and staff. They promote five ethical principles: respect for persons, respect for the law and system of government, integrity, diligence, and economy and efficiency. The code applies to all Councillors, employees, contractors and consultants. These Codes of Conduct are reviewed annually.

Continuous Improvement

Council has a strong commitment to the continuous improvement of financial and management practices and administrative processes through the implementation of best practice models. Operations are subject to ongoing review and opportunities are provided to staff to raise their awareness and knowledge of trends through appropriate training mechanisms.

Risk Management

Risk Management establishes a process for identifying, analysing and mitigating risks that could prevent us from effectively achieving our business objectives, priorities and outcomes. Effective risk management has gained prominence in recent years and is recognised as a key tool in good governance. Risk management is incorporated into day-to-day operations however, continuing reviews of our risk management strategies to ensure risk management and monitoring is embedded into the fabric of management activities. Council has also adopted a Risk Management Policy (Non-Feasance) that is used as a mechanism to mitigate the potential for Council to be held liable for acts and omissions, which may be outside the general control of Council, or its officers.

External Audit

Each year Council's operations including the financial statements are subject to an external review by the Council's independent auditors. During the financial year 2005/2006 the audit contract expired and Council sought tenders for the ongoing audit of Council's financial activities. A number of tenders were received and the management team made recommendation to Council that Dean Newbery & Partners be appointed as Council's auditors for the next five year period, this recommendation was subsequently ratified by Council and the contract let.

Business Activities and competitive neutrality

The principle of competitive neutrality is based on the concept of a 'level playing field' between persons competing in a market place, particularly between the private and public sector. Essentially the principle is that government business should operate without net competitive advantages over other businesses as a result of public ownership. The process involves fully costing activities and accounting for the advantages and disadvantages of public ownership within the parameters set by legislation, available resources and staffing levels. Included in this process is the application of costed overheads to all private works and works carried out for other Government Departments and Agencies.

Regional Consultation

The Mayor, Councillors and senior management participate in external organisations and regional forums such as Southern & Hills Local Government Association, Local Government Association, User groups etc to promote and foster co-operation between Councils and users of services.

Community Consultation Policy

Council has adopted a Community Consultation Policy. This policy facilitates an open and accountable process where individuals and groups have a formal opportunity to influence the outcomes of a policy or decision-making process. Through this opportunity the community is provided with a forum for participation in decision-making thereby promoting co-operative partnerships and more accountable public administration. The purpose of this policy is to formalise a set of principles to be adhered to in matters that potentially affect the income, welfare and enjoyment of life by residents or the environment.

In addition to this process individual ratepayers or groups are encouraged to attend Council meetings and to make presentations to council on local issues.

Informing our Community

Council informs the community of its day-to-day activities by issuing news releases, publication of brochures and the distribution of periodic newsletters. The local press also attends each public meeting of Council and provides the public with an overview of the

discussions entered into at each meeting. Council maintains a website www.kangarooisland.sa.gov.au that contains information concerning Council. Publications such as the Strategic Plan, Agendas & Minutes, Fees & Charges, Rating Policy, and Annual Report provide details of Council's plans and activities and are publicised as being available. These documents are also available on our website together with information relating to current issues. Members of the community are welcome to attend Council meetings and are advised to visit the Council website to ensure that they are fully informed about activities of Council.

Corporate Services

The Corporate & Community Services Department continues as the administrative arm of Council and provides a range of services to both external and internal customers. Whilst there have been a number of staff changes during the year these changes have mainly been internal and, as such, have been effected with minimum disruption to Councils operations.

The department has continued to embrace new technological advances and this has seen the introduction of a number of new information technology initiatives. During the year our Records Officer has initiated the introduction of an electronic records management strategy which will be fully implemented throughout Council in the 2006-2007 Financial year. Whilst the introduction of this technology will have positive benefits for the whole of Council its introduction has not been without its problems and I acknowledge the many hours of work that our Librarian/customer service manager and Records staff have put in to ensure the smooth introduction of this technology. It should also be noted that we have again received support from Alexandrina Council both in the introduction of electronic records management and in the overall maintenance and continued upgrades of our I/T hardware and software. Without this ongoing support small councils such as ours would not be able to take full advantage of current technology and all that it has to offer.

During the year a consortium of Councils (including Kangaroo Island) was fortunate enough to be recipients of a significant Federal Government grant which will further enhance the use of I/T and ultimately allow our ratepayers to access their individual property details, planning and building applications, rates etc via the internet at any time. These technological advances should enable our customer service to be improved and enable efficiencies of scale to be achieved, which should ultimately reduce council's costs.

During the forthcoming year it is intended that we will build further on our co-operative arrangements with other Councils and provide more formal links in areas that currently cause us some concerns.

The year under review also saw Councils grant funding application for \$350,000 towards the upgrade of community facilities achieving a successful outcome with the member for Mayo, Hon Alexander Downer presenting Council with a cheque during May.

I would also like to take this opportunity of thanking all staff for their hard work in what has been a very trying year and look forward to the year ahead as being a year where we can consolidate our position and move forward with a positive attitude.

Tony Jarvis,
Corporate & Community Services Manager.

Annual Statement 2005-2006

Tourism Optimisation Management Model (TOMM)

TOMM is a community-initiated process, which aims to monitor the impact of tourism on the Kangaroo Island community from a variety of perspectives. TOMM is co-funded and supported by a number of agencies, including the Kangaroo Island Council, as major contributor, Tourism Kangaroo Island, South Australian Tourism Commission, Kangaroo Island Natural Resource Management Board, Kangaroo Island Development Board, and the Department for Environment and Heritage. These agencies are all represented on a Management Committee along with the Community and Tourism Industry.

There have been several notable achievements for TOMM over the past twelve months, including:

- Release of the 2004-2005 Visitor Exit Survey results
- Release of the 2005-2006 resident Survey results
- Release of the 2004-2005 Annual Report: providing an update on the achievements and challenges for TOMM
- Compilation of Visitor Numbers to Kangaroo Island
- Provision of consultancy services to a project for the Terengganu Development Institute (Malaysian State Government Agency): providing TOMM advice for the Terengganu Coastal and Islands Study, conducted through Sea Resources Management, including a field trip to Malaysia.
- Commencement of the “Leave Only Footprints” program: a project that will strengthen the environmental indicators for TOMM, and develop links between the tourism industry and natural resource managers. The Leave Only Footprints program is co-funded by the State and Commonwealth Government’s Natural Heritage Trust through the Kangaroo Island Natural Resource Management Board and TOMM Stakeholders (Kangaroo Island Council, Tourism Kangaroo Island, Kangaroo Island Development Board, Department for Environment and Heritage, Kangaroo Island Natural Resource Management Board, Industry and Community).
- Completion of an Implications Workshop, inviting key stakeholders to look more closely at TOMM data and the implications of indicator reporting and possible management solutions.
- Commencement of the TOMM website upgrade.
- International sustainable tourism publication titled “*Monitoring for a Sustainable Tourism Transition: The Challenge of Developing and Using Indicators*”. TOMM is represented in Chapter Nine of this publication, with a 30-page overview of the program including TOMM background, the development of TOMM, implementation of TOMM, evaluation and lessons learnt.

- Development Strategic Tourism Plan for Kangaroo Island
- Attendance and presentation to Regional Tourism Convention, Busselton, Western Australia

Annual Statement

2005-2006

Community Development Officer

The Community Development Officer is a 0.6 FTE position within the Environmental Services Department of Council. Key Achievements for this position for the year, included:

- Youth Week 2005 – Youth Expo Event for over 120 students from three campuses on the Island, celebrating young people, and learning over four sessions including sexual health, drug and alcohol awareness, dance and drumming. More than six agencies assisted in putting this event together.
- Socially Speaking – a program under the auspice of Council, supporting families living with Autism Spectrum Disorder. Community Awareness session run with over 100 people attending.
- Youth Forum – Establishment of a Youth Services Forum, meeting monthly to coordinate the provision of youth services on the Island and provide an opportunity for young voices to be heard.
- YAC FEST – three young people attended a forum in Adelaide with over 150 young people from South Australia, providing an opportunity to learn and discuss common issues.
- Recreation Sport and Open Space Strategy – this included the development of a Youth Recreation Strategy and Management Guidelines for Council.
- Successful funding application to Arts SA to assist with providing disabled access to the Community Hall in Kingscote.
- Town Centres – Launch of phase one of the Town Centres Project, and assistance with community consultation for phase two – Urban Implementation projects.
- Kids Help Line Training – run in conjunction with Kangaroo Island Community Education and the Kangaroo Island Health Service.

- Group Insurance Pilot – meeting with Local Government Risk Services in an attempt to progress a group Insurance Scheme for the Island.
- SA Great nominations and awards – over 24 nominations were submitted, with Kangaroo Island winning seven out of the nine categories for its region.
- Progressing KI – a forum for Progress Association to come together and discuss the opportunity for joint projects, common issues and network to find solutions.
- Youth Week 06 – A music event held with over 100 students attending, in conjunction with SAPOL, the Kangaroo Island Health Service and FWS.

There are a multitude of other projects supported by Council CDO, some of these include:

- Parndana Oval Gates
- Penneshaw Youth and Community Park
- Reeves Point re-development
- Review of Penneshaw Progress Association Constitution

Library Services 2005-2006

The Kangaroo Island Library continues to offer a wide range of library and information services to the Kangaroo Island Community. Over 2,100 residents are registered borrowers of the Library and offers over 18,400 items for loan.

Library Usage

Since 1st July 2005 the Library has recorded 35,409 loans, being lower than loans recorded in 2004-2005. This is primarily the result of the disruption to services caused by the relocation of the library. Over 1,600 items were added to the collection during the past year and a major tidy of the collection saw an equivalent amount withdrawn from the collection. Interlibrary loans continue to be vital to meeting the reading and information needs of residents with 1,872 interlibrary loans received this year.

RENOVATIONS

In March 2006 the library relocated to the Town hall complex so work could begin on renovating the old library. Volunteers and staff worked solidly for a week to pack move and unpack the Library ready for opening in the Town Hall. Staff and borrowers are looking forward to the coming year and the return to the Library's original location.

BEYOND LOANS

The Penneshaw Annex continues to provide excellent service to the Dudley Peninsula residents. A readers group has been meeting weekly throughout the year, discussing a variety of titles supplied through the Public Libraries interlibrary loan system.

The "Little ones love books" program, a joint project between the Child and Youth Health nurse, the Early Learning Coordinator and the Library, ran throughout 2005 and proved very successful with 30 Library bags containing parental and childhood literacy information distributed to new parents. From this project, weekly storytelling sessions were introduced with 467 parents, babies and pre-schoolers participating between December 2005 and June 2006.

The Friends of the Library continue to be a vital part of the Library and the 2005 Short Story Competition proved very successful with an increase in the Open Section entries and over 100 entries received from in the School Section. The Friends of the Library visited the State Library of South Australia in September 2005. The visit included a tour of the library and afternoon tea hosted by the Friends of the State Library. The visit enabled both library staff and the Friends to experience the wealth and hospitality of the State Library.

On the 1st July 2005, the Friends hosted a Big Book club Literary Event with guest speaker Eva Sallis, author of Marsh Birds. The event was held in the Banquet Room with over 50 guests joining the Friends of the Library for a light supper and a glass of wine, before settling down to torch light with Eva and her story of refugees and the writing of Marsh Birds. The Friends of the Library hosted their second Big Book Club Literary Event on 24th January 2006 at the Ozone Seafront Hotel. At the time, the Mouth Flat fires were raging preventing guests from the Dudley Peninsula from attending. Fiona McIntosh, writer of a series of fantasy novels, enthralled and involved her listeners in talk of history, fantasy and writing.

AIRPORT

Airline News

Regional Link (operating under Emu Airways Banner) ceased operation into Kingscote on 9 November 2006. Qantaslink commenced daily flights between Adelaide and Kingscote and weekend flights between Kingscote and Melbourne on 18 December 2005.

Unfortunately they ceased operation on June 28 2006 leaving Regional Express as the sole Regular Passenger Transport airline operating between Adelaide and Kingscote.

Passenger Movements

Final passenger numbers for 2005/2006 reached 54,727 adults and 402 children. This equates to 54,928 adult equivalent movements and shows a drop of **9.29%** when compared to 2004/2005 adult equivalent movements of 60,550.

Aircraft Movements

Aircraft Movements were down from 9,534 in 2004/2005 to 6,600 in 2005/2006. This could be attributed partly to the change in aircraft used by Regional Link initially and then Qantaslink only having one scheduled flight per day.

Security

The Commonwealth Government has funded expenditure of \$135,770.46 to cover the capital cost of security infrastructure at Kingscote Airport.

Infrastructure changes include new security fencing along the landside/airside barrier, some surveillance equipment, signage, new airside access procedures and secure baggage handling areas for airlines.

These changes are now complete and are not expected to impede the travelling public.

Airport Staff have received Dotars funded training to operate hand held metal detection equipment. This equipment will be used upon notification from Dotars that there is a heightened security alert. However airport staff are empowered to conduct training sessions on the use of the equipment at flight times other than heightened alerts.

Compliance

Annual Airport Safety Inspection was conducted by Airport Technical Services and there were no areas listed for improvement.

Annual Civil Aviation Safety Authority Inspection was conducted and passed.

A new Airport Manual has been produced to comply with the new Civil Aviation Safety Authority (CASA) legislation. Part of the transition into the new legislation required the Kangaroo Island Council to apply for certification of the Aerodrome which was achieved on 13 March 2006.

The year ahead

Issues on the table for the next financial year include: -

- Maximising commercial opportunities at the airport.
- Continued monitoring of a security program.
- Continued implementation of a Safety Management System.
- Installation of Pay and Display machine in the airport carpark for overnight parking.
- Conduct training sessions for airport staff involved in hand held metal detection wanding of passengers.

Project Management Officer

**Technical Services
2005/06 Annual Reports**

Staff Management

Following the resignation of the Technical Services Manager in July 2005, the Technical Services Department underwent a minor structural review where all AWU staff reported to the Works Manager (John Fernandez) who set day to day work programs with the Team Leaders. This has resulted in increased responsibilities for all staff involved.

The Project Management Officer focussed primarily on strategic project management programs such as Waste, Community Wastewater Management Schemes, Roadside Vegetation and Community Land Management.

It is envisaged that in 2006/07 there will be change in roles throughout the department which will commence to focus staff on areas which are currently missed such as Community Wastewater Schemes.

Community Land Management

In late 2005/06 Council contracted Shannon Architects and Partners to develop a Camping Strategy for Kangaroo Island Council reserves. This strategy will set the direction for camping in Councils reserves into the future and is regarded as a key direction document for Council and the community.

Council was successful in obtaining a Community Water Grant for the installation of new irrigation systems throughout many Council reserves including-

- North Terrace Penneshaw
- Kingscote Cemetery
- Kingscote Oval
- Hospital Beach Foreshore Area

The development of a strategic management plan for parks and gardens is a requirement to ensure they continue to meet the community's needs and are managed efficiently by Council.

Waste Management

In 2005/06 Waste Management was again a key focus for officers within the Technical Services Department. In November 2005 Kangaroo Island Council endorsed the new Waste Management Plan for Kangaroo Island.

In 2005/06 this plan was the driver behind a number of major changes to the way waste is managed on Kangaroo Island. On or by 30 June 2006 the following had occurred-

- Solo Resource Recovery commencing a Garbage and Recyclable Collection Service for all Kangaroo Island residents including the provision of new mobile bins
- Closure of the Penneshaw and Parndana Waste Transfer Stations
- Construction of Bulky Waste Compounds
- Site modifications at the Kangaroo Island Resource Recovery Centre
- Construction, and leasing of in 2006/07, a Composting Facility
- KESAB continuing the education of Kangaroo island residents
- Kangaroo Island Resource Recovery Centre opening all day every day

In 2006/07 it is expected that waste management will not change dramatically. This year will primarily be consolidation of current practices.

Community Wastewater Management Schemes (CWMS)

In 2005/06 works primarily focussed on laying the foundations for some exciting projects to be undertaken in the next 3-5 years. These included-

- The proposed American River Community Wastewater Management Scheme initial public consultation process
- The Parndana Wastewater Reuse Program study, which will see CWMS and Stormwaters, combined to be reused in Parndana, focussing on the oval.
- Setting the directions for the Kingscote Community Wastewater Management Scheme by-
 - Undertaking a connection audit
 - Updating the maps of the scheme
 - Determining the future of the lagoon system
 - Setting parameters for the reuse scheme
- Establishing parameters for extensions to the schemes and developers connecting to the schemes

The management of Septic Tanks and the associated biosolid material was formalised by-

- Establishing processes to ensure all septic tanks are desludged every 4 years
- Commenced the construction of a Biosolid receival facility that will enable this material to be composted into a garden mulch or fertilizer

In 2006/07 these schemes will be upgraded and processes established to ensure Council meets its environmental and community requirements.

Roadside Vegetation

The roadside vegetation management program continued in 2005/06. Council was successful in obtaining funding from the Bushfire Mitigation Program which saw the program outputs almost double.

Native Vegetation Council advised in June 2006 their proposed amendments to the new Roadside Vegetation Management Plan. Some of the amendments proposed are considered unworkable and Council will continue to negotiate with the Native Vegetation Council.

Community Services

Many community organisations are involved in the management of Council land. In 2005/06 Council Officers continued to be actively involved with community organisations to assist in their projects and ensure the projects can be managed by Council sustainably.

Council assisted the community with a number of key projects including-

- Reeves Point Upgrade
- Baudin Beach Toilet
- American River Playground (preliminary stages)
- Boat Ramp upgrades

Council will continue to assist community organisations in establishing facilities that meet their needs but can be managed by Council sustainably.

Technical Services Manager Report

During the course of the 2005/06-year an organisational structural review of the Technical Services Department has been undertaken. This investigation has produced initiatives, which will be implemented in the 2006/07 year. These include a review of the Patrol Grading operational activities, renewing the objectives of the Mechanical Workshop and adjustment of the field staff activities.

Sealed Road Capital Works completed:

- Resealing of sections of Birchmore Highway, South Coast Road, Playford Highway and Wedgewood Road.(Total of 19.8 Km)
- Sealed road construction of Brownlow Crescent and Warrawee St
- Regular maintenance of all sealed roads

Unsealed Road Capital construction

- In excess of 24 Km of unsealed road resheeting including Island Beach Road, Baudin Beach streets, Cape Borda Rd, Cape Willoughby Rd, Mt Taylor Rd & Knofel Drive.
- Patching sections of various unsealed roads

CWMS (formerly STEDS) construction

- Installation of pipe & connections to Brownlow Cres & Troubridge St(part)
- Annual maintenance & service to Pump Stations
- Operation of the Effluent Re-use Scheme

Stormwater Drainage Construction

Hawthorne Ave. drainage installation as a part of the Emu Bay Stormwater Drainage Management Plan

- Culvert installation on North/South Rd
- Causeway /Culvert repair Franks Rd

Footpaths

- Reinstate footpath Murray St at Medical Centre
- Reconstruction of footpath Giles St

Depot/Workshop

- Construction of a Washdown Bay to EPA requirements
- OH&S upgrade of workshop commenced.
- Appointment of an Apprentice Mechanic to cater for long term requirements

Staff Training

- Nine staff commenced Certificate in Civil Construction 3(Plant) apprenticeship
- Staff training in Workzone Traffic Management (compulsory)
- Two staff completed training in OH&S representatives certification

Plant Replacement

With a limited amount of funds available for upgrades of ageing plant, one Backhoe and one light truck were replaced in 2005/06. While most Council plant is in reasonable order, maintenance of older plant has an impact on the mechanical workshop expenditure. While this was closely monitored during the year and a satisfactory result was achieved, it became evident that regular upgrades of plant & equipment assist in maintaining lower costs in necessary repairs.

Fuel

- ULP & Diesel prices rose approximately 15cents per litre during the course of the financial year to June 30th. It was pleasing to note that this was slightly lower than predicted and, coupled with a close monitoring of plant overtime, the impact of the fuel increases was able to be minimised.

THE ENVIRONMENTAL SERVICES DEPARTMENT

The Environmental Services Department's primary role is to administer and provide technical advice on various responsibilities under numerous Acts, Regulations, Council Policies as well as relevant Standards and Codes. These duties include strategic spatial planning, assessing applications for development (building work, land uses, land division, septic installations and other aspects), compliance, bushfire prevention and the provision of professional advice to a range of stakeholders including Council, State Government Agencies, allied professionals, tradespeople and the community.

The Environmental Services Department being responsible for a diverse range of services, is highly regulated by an array of complex and often contradictory forms of state government legislation. These statutory regulations and associated reporting requirements continue to grow in size and complexity and in order to carry out its responsibilities the department's staff work continuously at maintaining an up to date working understanding of a range of professional disciplines including, but not limited to, environmental and social science, surveying, civil engineering, law and information technology. As demonstrated in previous years, the volume of work is ever increasing and coupled to the community's high expectations our dedicated staff have remained committed to achieving the highest levels of customer service possible.

In an environment of continuous legislative change the department has continued to evolve and significantly improve its performance, largely due to the efficiency gains achieved in the areas of administrative process and our rapidly developing I.T support systems.

Activity within the building industry and development pressure has remained buoyant with the number of development applications lodged with Council again comparable to the previous year. For the twelve months to 30th June 2006 Council assessed 281 development applications as well as 61 land division applications.

The core professional areas of responsibility within the Environmental Services Department are;

- Development Planning
- Building Surveying
- Environmental Health
- Community Development
- Bushfire Prevention

DEVELOPMENT PLANNING

- Development Assessment

Pursuant to the Development Act and Regulations 1993, Kangaroo Island Council is the relevant authority for most forms of Development Assessment and Strategic Planning on the Island. All development must be assessed against the relevant provisions of development control contained within the Kangaroo Island Development Plan, and the Environmental Services Department under delegated authority is charged with the task of assessing the vast majority of development applications received. The more contentious applications and/or applications that significantly vary from the relevant provisions of development control are assessed by Council's Development Assessment Panel. The Development Assessment Panel (DAP), established under Section 56A of the Development Act 1993 comprises 6 Councillors and 2 community members and meets on a monthly basis to deliberate and determine development applications.

This year was another busy year for the DAP with some 55 applications going before the panel for assessment with the remaining 287 being dealt with under delegation by the Environmental Services Planning Manager under delegation.

- *Plan Amendment Reports*

The Kangaroo Island Council Development Plan is the principle document used to control development across the island, and Pursuant to Section 30 of the Development Act 1993 the Development Plan must be reviewed at least every 3 years. The last time this review was completed and endorsed by Council was in June 2004.

This review identified the need to update Kangaroo Islands Development Plan in a number of key areas. Initially Council resolved to implement Development Plan amendments targeting policies relevant to the four key townships of Kingscote, Penneshaw, American River and Parndana. Also in response to a recent Heritage study of these townships it was intended to undertake plan amendments to update and further include buildings and structures of local and state heritage value into the Kangaroo Island Development Plan. As the process began working towards these changes opportunities to expand the scope of the plan amendments arose through the assistance of the State Government departments Planning SA and Heritage SA. These opportunities in the form of financial and technical assistance have since enabled Council to expand the proposed plan amendments to encompass issues concerning not only

Residential, but Rural, Coastal, Commercial, Retail and Recreational related development whilst also broadening the Heritage plan amendments to include areas of interest island wide.

These plan amendments following on from an extensive public consultation period to be held over the 2006 Christmas holiday period should be completed by June 2007.

- **Kangaroo Island Urban Improvement Projects**

In 2005 Council in collaboration with the community completed a visionary document referred to as an Urban Design Framework (UDF) outlining future directions for the long-term development of the Island's four main townships. In the UDF a number of urban improvement projects were identified and since then Council working closely with the four townships Progress Associations have steadily worked towards planning and designing a number of these projects of which are now entering the implementation/construction stage. With assistance from the community, government and non government organisations, these public works should begin construction throughout 2006-2007 and be the start of many more community based urban improvement projects to be undertaken in keeping with the objectives of UDF for many years to come.

Again as mentioned in last years annual report a special thanks must go to the projects Steering Committee for donating their time, relentless efforts and ongoing resolve in order to see the projects continued progression towards successful completion. Well done!

Building Section Annual Report June 2005 to June 2006

The Building section is apart of the Environmental Services Department sharing its resources with the office sections within the department (Health and Planning).

The building section is aware of the Kangaroo Island Strategic Plan 2002 and strives to meet its goals and objectives where relevant.

The building section is keenly aware of customer service and endeavours to be professional, courteous and efficient. It endeavours to up skill and maintain its required continuing professional development while staying within the constraints of budget.

This report will not draw a comparison with the preceding year as the building officer was not employed for the entirety of that year.

1. Number of development application requiring building rules consent – 210 – of these 62 were done by private certification.
2. Number of inspections carried out – 55 (8 commercial, 47 residential). The inspection numbers fall within Councils policy of inspections.
3. Number of Certificates of occupancy issued – 5
4. Number of Building Fire Safety Committee meetings – 3 number of premises inspected as part of the Building Fire Safety Committee – 20 (note some inspections were multiple inspections over the period of the 3 meetings)
5. Building Officers attended 4 meetings of the regional Australian Institute of Building surveyors, one state conference of the Australian Institute of Building Surveyors and one state conference of the Australian Institute of Environmental Health. All of the above were held within South Australia.
6. Staffing levels within the Building section remain as one part time Building Officer, one full time assistant Building Officer who shares duties with the Planning section and office co-ordination: one full time administration assistant who shares duties with all other officers. Both the assistant Building Officer and Administration assistant are covering the loss of a full time Environmental Services coordinator.
7. Legislative changes to the Building Code include
 - Energy efficiency provisions to cover class 5 – 9 buildings
 - Energy efficiency provisions for housing increased to 5 star equivalent
 - Sustainability policies relating to hot water services and rainwater tanks

8. Notifications of building work at various stages, supplying the required statement of compliance or certificates of occupancy still are not being attended to by builders/owners. Further education and liaison will need to take place to address the problem.

9. There were no issues under the occupations Health and Safety provisions or the provisions under the Freedom of Information Act.

10. Budget:

- Expenditure June 2004 to June 2005 \$153,449
- Income June 2004 to June 2005 \$16,387
- Expenditure June 2005 to June 2006 \$142,649
- Income June 2005 to June 2006 \$20,422

11. 3 Notices were issued pursuant to Section 84 of the Development Act.

ENVIRONMENTAL HEALTH

1. Disease Control

Monitoring of Pools and Spas to Minimise the Incidence of Water-borne Illnesses

Pools and spas are regularly monitored to ensure compliance with the relative standards.

Monitoring to Minimise the Incidence of Legionnaires Disease

There are no cooling towers currently operating on Kangaroo Island.

Public spa pools are checked as part of the usual swimming pool inspection.

There are no warm water systems on the island.

Monitoring and Control of Waste Control Systems (eg Septic Tanks, Community Wastewater Management Systems [CWMS and formerly STEDS]).

The number of applications to install septic tank systems has increased slightly on last year, with a growing number of applications having been made through the Department of Health (DoH) for the new Biolytix filtration systems. The DoH has now given approval for Councils to approve these systems themselves.

The installation of CWMS (STEDS) connections to those allotments in Kingscote currently not connected has continued, with Brownlow Crescent and part of Troubridge Road being serviced during the year. Council will also connect a further 40 allotments in 2006/2007. The taking of easements for some of these extensions is expected to cause some problems.

The public consultation on the proposed new CWMS for American River has now been conducted. Daniel Rowley is now handling all of this.

Once again Council did not have sufficient water to satisfy the demands of Rodney Bell, the Golf Club and the Racing Club, although the number of new CWMS connections coming on line will assist in this area. This year has been extremely dry and demand for irrigation water may be even higher for 2006/2007.

Immunisation Programs

The Kangaroo Island Immunisation Service, a joint partnership between the Community Health Service and Council, provides a free immunisation service through a childhood clinic at the Cook Centre, Kingscote on the first Thursday of each month, between 2 and 4pm. School age children and adults are also welcome to avail themselves of this service by appointment. Charges apply to some adult immunisations.

The Kangaroo Island Immunisation Service also runs a school based immunisation program for Kangaroo Island.

Communicable Diseases

During the past year there have been the following communicable diseases notified for people living on Kangaroo Island:

<i>Disease</i>	<i>No. of cases for the year 2005 /2006</i>
Barmah Forest virus infection (a mosquito-borne disease)	9
Ross River virus infection	3
Campylobacter infection (a form of gastroenteritis)	10
Hepatitis A infection	1
Pertussis (whooping cough)	14
Salmonella infection (food-borne disease)	5

Cryptosporidium infection	1
Shiga toxin-producing E.coli	1
Pneumococcal infection	1
Varicella virus (chicken pox)	24

Monitoring and Control of Vectors and other Pests

Mosquito Control:

As can be seen from the figures above, there have been a number of cases of both Ross River Virus disease and Barmah Forest Virus disease reported on KI during the past twelve months. It is unknown whether this is an indication of an actual increase in the incidence of the diseases, or simply an indication of better detection.

Council has now purchased two mosquito traps with which it plans to ascertain what different types of mosquito are present on KI and in what numbers. If necessary, testing of the mosquitoes may also be undertaken to determine if they are carrying these diseases. The snag in this is that we are still trying to find a source of dry ice with which to bait the traps.

European Wasps:

There were no recorded sightings of European wasps on Kangaroo Island during the year.

Rats & Mice:

There have been very few reports so far this year of the presence of both mice and rats.

Bees, Midge flies, vinegar flies, other flies:

There have been no reports of problems caused by these insects during the year.

2. Food Safety

Food Premises are normally inspected on a regular basis. Due to a knee injury to the EHO, the number of formal inspections for the past year has been restricted to those establishments where the risk of food poisoning is considered to be higher due to the type of food processed/served, and in cases where a complaint may have been received. A number of informal inspections has also been made by the EHO during travels around the island. There have been some very pleasing responses made by some food businesses to suggestions made by the EHO for the upgrading of facilities, and a number of other businesses have sought advice on upgrading existing premises and setting up new premises. The new fish shop/ processing facility recently opened by Eddy Rademacher and Tina Kleeever is an excellent example of how to do things correctly.

There were three food complaints received by Council during the year and these were investigated thoroughly.

3.ENVIRONMENTAL MANAGEMENT AND SUSTAINABILITY

Contaminated Land

Council does not have a contaminated land register. However, any information relating to possible contaminated sites in the townships is noted for future reference. The EPA released a Draft Site Contamination Bill during the year and this sets out some of the responsibilities and time lines applicable for some of the contaminated sites. Due to the difficulty of taking action against former property owners, it has become apparent that any cleanup action is requested before a property changes hands if possible.

Monitoring of Air Quality (including noise)

There were no complaints about bird scarers during the year.

There has been an ongoing problem at Brownlow throughout the winter months with a claim of health related problems from wood burning heaters. The General Inspectors have spent a large amount of time speaking to the complainant and the neighbour with the suspect heater. Despite this, an enquiry was received from the office of the Ombudsman and a report on the matter was prepared by the CEO. The problem is still occurring, although the General Inspectors have thoroughly gone through the correct running procedures with the heater owner and the need to use only dry wood. Despite many visits by the GIs and drive-by inspections by the EHO, no smoke problem has actually been observed by Council staff. There is nothing else that Council can do as there is no legislation other than the Environment Protection Act that covers this type of thing. Unfortunately because of the sensitive nature of the problem, with many other people also using wood heaters, it is extremely unlikely that the EPA will take any punitive action.

Early in 2006 Council received a complaint of oil contamination of the beach below Brownlow Road. A subsequent inspection by the EHO determined that the oil appeared to be waste sump oil and it was tracked back to a house in the Nepean Pines Estate. The EHO and one of the GIs made a visit and the matter was discussed with the householder. There was evidence of oil having been poured into the stormwater drain on the property and an Infringement Notice was subsequently issued. No clean-up order was issued in this case as much of the oil had already been dispersed by stormwater.

Subsidiaries

The Kangaroo Island Council does not have any Subsidiaries established under Section 42 of the Local Government Act, 1999.

The Kangaroo Island Council is party to the Southern & Hills Local Government Association, a regional subsidiary established under Section 43 of the Local Government Act, 1999. Other Council's involved are the Adelaide Hills Council, Alexandrina Council, District Council of Mount Barker, Rural City of Murray Bridge, City of Victor Harbor, Barossa Council and District Council of Yankalilla.

Community Land Management Plan

The Community Land Management plans were finalised during the reporting year and the contents of the plans adopted by Council. The adoption of these plans followed an extensive public consultation process undertaken by Council and with the full cooperation of both community groups and individual community members.

Competition Principles

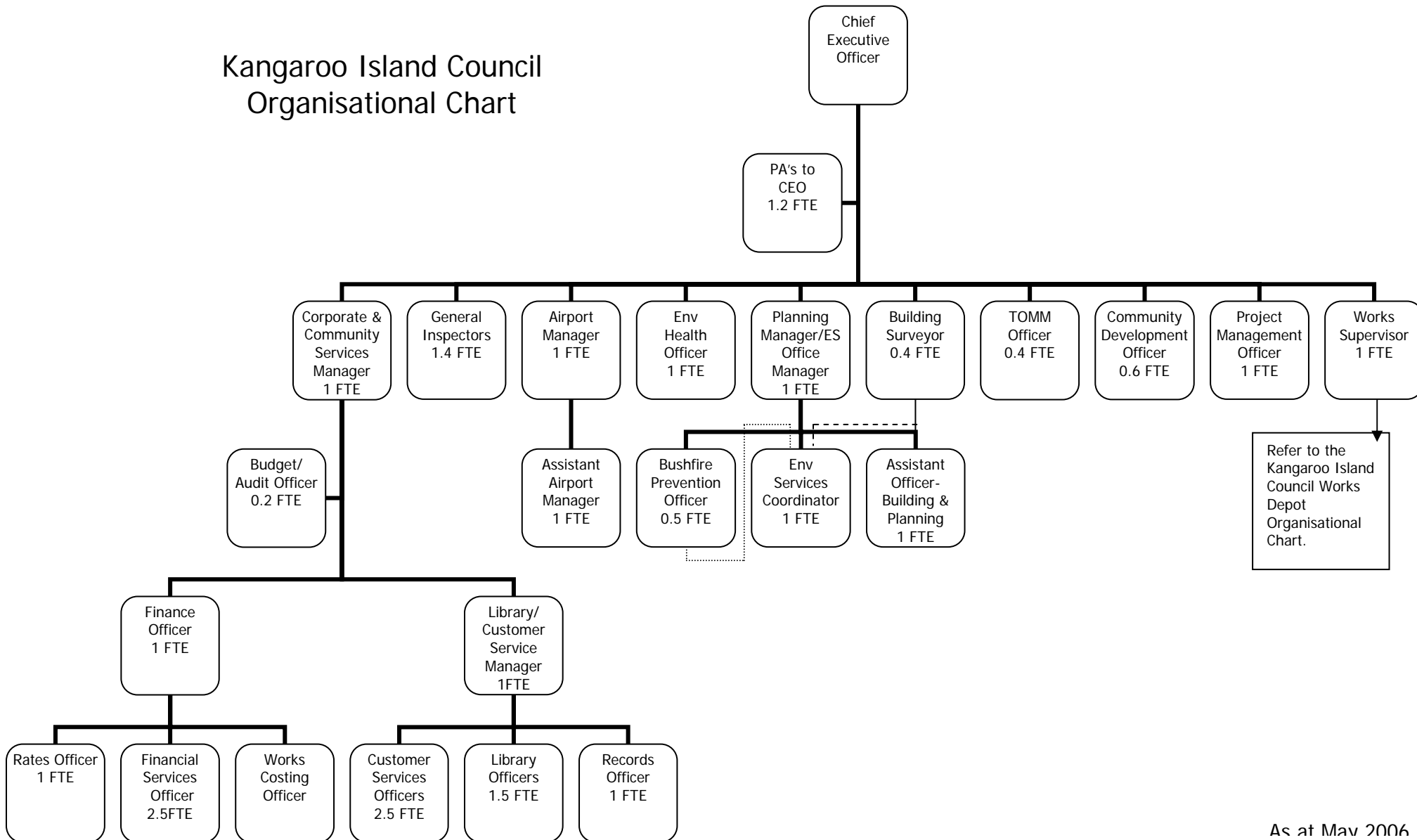
By-Laws During the financial year 2005-2006 the Dog and Cat By-Laws have been gazetted and are currently being implemented.

Competitive Neutrality Council has adopted Full Cost Attribution principles and has determined its “private works” rates in accordance with these principles so eliminating any competitive advantages that might have accrued to Councils operations. With the exception of Kingscote Airport Kangaroo Island Council does not operate any separate commercial undertakings.

Elected Members Training and Development Elected members attended a number of training and development meetings/workshops/sessions and conferences as follows:

- Local Government Association (SA) conference
- Australian Local Government conference
- SA Local Government Grants Commission workshop
- Development Assessment Panel training
- CEO Local Government Association workshop
- Integrated Strategic Tourism Plan workshop
- Strategic Management Plan workshops
- Planning workshops
- Rates meetings
- State Strategic Plan workshop
- State Marine Park workshop

Kangaroo Island Council Organisational Chart



As at May 2006

**2005-2006
RATING POLICY
Adopted 4th July 2005**

INTRODUCTION

This document sets out the policy of the Kangaroo Island Council for setting and collecting rates from its community. The policy covers:

- method used to value land
- adoption of valuations
- business impact statement
- Council's revenue raising powers
- differential general rates
- fixed charge
- single farm enterprises
- service charges
- pensioner concessions
- unemployed persons concessions
- payment of rates
- late payment of rates
- sale of land for non-payment of rates
- remission and postponement of rates
- rebate of rates
- disclaimer

CONTACT DETAILS FOR FURTHER INFORMATION

Tony Jarvis, Corporate & Community Services Manager on 85534521
fax 85532885, e-mail: tjarvis@kicouncil.sa.gov.au
Kangaroo Island Council,
43 Dauncey Street,
KINGSCOTE S.A. 5223

KANGAROO ISLAND COUNCIL

Monday to Friday 9am to 5pm

Or

Post:

Kangaroo Island Council,

PO Box 121,

KINGSCOTE SA 5223

Or

Penneshaw Community Business Centre

Middle Terrace

PENNESHAW SA 5222

Monday to Friday 9.00a.m. to 5.00p.m.

Saturday 9.00a.m. to 12 noon

STRATEGIC FOCUS

In setting its rates for the 2005/2006 financial year the Council has considered the following:

1. the current strategic plan, which was adopted in February 2003. The strategic plan was developed following extensive community consultation program;
2. the current economic climate and relevant factors such as inflation and interest rates;
3. the specific issues faced by our community, which are:
4. the need to maintain and improve levels of service
5. the need to maintain and improve infrastructure
6. the need to facilitate economic development and growth
7. the budget for the 2005/2006 financial year;
8. the additional cost to Council associated with complying with the Local Government Act, 1999, and providing for quarterly billing for rates.
9. the impact of rates on the community, including:
10. householders, businesses and primary producers;
11. for the 2005/2006 financial year the Council has decided to decrease its rate in the dollar for all property to compensate for the imposition of waste management charges.

The strategic management plans and the Council's budget are available for inspection at the Council office and Penneshaw Community Business Centre

The Council regularly conducts public consultation on a broad range of issues relating to the future directions of the area using its Community Forum for such consultation.

Representation at that Community Forum comes from a broad range of community organisations. However Council also encourages feedback at anytime from any individual or representative body and such comments may be sent to:

Chief Executive Officer
Kangaroo Island Council
PO Box 121
KINGSCOTE SA 5223
kicouncil@kicouncil.sa.gov.au

ANNUAL ADOPTION OF THE RATING POLICY

Section 171 of the Local Government Act 1999 requires a Council to prepare and adopt each year, in conjunction with setting the rates, a rates policy. The policy must be available at the principal office of the Council and a summary version must be distributed with the rates notice.

This policy is available for inspection at contact locations listed.

METHOD USED TO VALUE LAND

The Council may adopt one of three valuation methodologies to value the properties in its area. They are:

Capital Value – the value of the land and all of the improvements on the land.

Site Value – the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements.

Annual Value – a valuation of the rental potential of the property.

The Council has decided to continue to use capital value as the basis for valuing land within the Council area. The Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

the equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth;

property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value;

the distribution of property values, based on capital values, throughout the Council area is such that there is greater equity and a more even distribution of rate burden.

ADOPTION OF VALUATIONS

The Council has adopted the valuations made by the Valuer-General as provided to the Council at 4th July 2005. If a ratepayer is dissatisfied with the valuation made by the Valuer-General then the ratepayer may object to the Valuer-General in writing, within 60 days of receiving the notice of the valuation, explaining the basis for the objection, provided they have not:

- a) previously received a notice of this valuation under the Local Government Act 1999, in which case the objection period is 60 days from the receipt of the first notice; or
- b) previously had an objection to the valuation considered by the Valuer-General.

The address of the Office of the Valuer-General is:

Office of the Valuer-General

GPO Box 1354

ADELAIDE SA 5001

email: objections@saugov.sa.gov.au and the telephone number is 1300 653 345. Please note that the Council has no role in this process. It is also important to note that the lodgement of an objection does not change the due date for the payment of rates.

NOTIONAL VALUES

Certain properties may be eligible for a notional value under the Valuation of Land Act 1971 where the property is the principal place of residence of a ratepayer. This can relate to certain primary production land or where there is State heritage recognition. A notional value is generally less than the capital value and this will result in reduced rates, unless the minimum rate already applies. Application for a notional value must be made to the Office of the Valuer-General.

BUSINESS IMPACT STATEMENT

The Council has considered the impact of rates on all businesses in the Council area, including primary production. In considering the impact, Council assessed the following matters:

1. The need to continue to improve existing infrastructure.
2. The continued review of Council's Plan Amendment Reports to facilitate business development.
3. Council's policy of facilitating local economic development with increasing funding of the KI Development Board.
4. Council's policy of improving services to tourists and the promotion of local business through funding of the Kangaroo Island Tourist Information Centre.
5. Specific Council projects for the coming year that will principally benefit

business:-

- Additional cost of maintaining rural roads as a result of Tourism, grain carting and forestry.
- Improved economic outlook for primary producers

COUNCIL'S REVENUE RAISING POWERS

All land within a Council area, except for land specifically exempt (e.g. crown land, Council occupied land and other land prescribed in the Local Government Act 1999 – refer Section 147 of the Act), is rateable. The Local Government Act provides for a Council to raise revenue for the broad purposes of the Council through a general rate, which applies to all rateable properties, or through differential general rates, which apply to classes of properties. In addition, Council can raise separate rates,

for specific areas of the Council or service rates or charges for specific services. The Council also raises revenue through fees and charges, which are set giving consideration to the cost of the service provided and any equity issues. The list of applicable fees and charges is available at the contact locations noted above.

DIFFERENTIAL GENERAL RATES

The Council has decided to impose differential general rates on the following properties:

All land classified as being used for residential on the basis that:

a) Residential properties receive daily services and should contribute to the provision of infrastructure that will provide long term benefit to all.

All land classified as being used for commercial, industrial and primary production on the basis that:

a) All business land use should be rated at the same level.

b) Commercial rate payers benefit from the tourism industry and therefore should contribute more to the provision of services and infrastructure for tourists.

c) The provision and maintenance of infrastructure to isolated primary production properties is more expensive.

d) Emerging primary production industries, e.g. Grain, forestry and viticulture are placing greater demands upon Council's infrastructure.

On land classified as being vacant land on the basis of:

a) The average vacant allotment pays an amount slightly lower than that paid by occupied land on the basis that they do not receive daily services.

b) That the owners of vacant allotments should make a reasonable contribution to infrastructure provided for the long term benefit of all other land.

At its meeting of 14th July, 2005 the Council decided to raise rate revenue of \$3,122,000 in a total revenue budget of \$12,010,808.

Council has set differential rates as follows: -

Residential land uses – .25 cents in the dollar

Commercial, Industrial and Primary Production land uses – .37 cents in the dollar

Commercial Other .35 cents in the dollar

Vacant Land – .62 cents in the dollar

Other – .40 cents in the dollar to raise the necessary revenue.

Land use is used as the factor to apply differential rates. Land Use Codes as determined by the Valuer General are the classification used by Council in determining the differential rate.

Objections to the decision may be lodged with the Chief Executive Officer, Kangaroo Island Council, PO Box 121, Kingscote SA 5223. The objection must be made within 60 days of receiving notice of the land use and set out the basis for the objection and details of the land use that (in the opinion of the ratepayer) should be attributed to that property. The Council may then decide the objection as it sees fit and notify the ratepayer. A ratepayer also has the right to appeal against the Council's decision to the

Land and Valuation Court. It is important to note that the lodgement of an objection does not change the due date for payment of rates.

FIXED CHARGE

A Council may impose a Fixed Charge, provided that it has not imposed a Minimum Rate. Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one fixed charge is payable by the ratepayer. The Council has decided to impose a fixed charge of \$275.

The fixed charge is a component of the total rates levied.

SINGLE FARM ENTERPRISES

The Local Government Act, 1999 provides for certain exemptions from the fixed charge for single farm enterprises.

Single farm enterprises are defined as:-

“A reference to a single farm enterprise is a reference to two or more pieces of ratable land -

(a) which -

(i) are farm land; and

(ii) are farmed as a single enterprise; and

(iii) are occupied by the same person or persons, whether or not the pieces of land are contiguous; or

(b) which -

(i) as to all the pieces except one, are farm land farmed as a single enterprise occupied by the same person or persons; and

(ii) as to one piece contiguous with at least one of the other pieces, is the principal place of residence of that person or one of those persons.”

The exemptions for all but one fixed charge for “single farm enterprises” are available to primary producers only upon application. To gain any exemptions due applications are required annually and prior to the 1st July in the year of exemption. Late applications will not be considered.

SERVICE CHARGE

The Council provides a septic tank effluent disposal system to most properties in Kingscote and Parndana. The full cost of operating and maintaining the service for this financial year is budgeted to be \$551,291. This includes \$180,500 for principal and interest payments on loans raised to upgrade the Kingscote STED scheme and an additional \$60,000 grant in respect of a feasibility study of the American River STEDS.

The Council will recover this cost through the imposition of service charges as follows:-

Area of the townships of Kingscote and Brownlow:-

Vacant Land \$375

Occupied Land \$375

Areas of the township of Parndana:-

Scheme 2 (as defined)

Vacant Land \$375

Occupied Land \$375

Scheme 3 (as defined)

Vacant Land \$375

Occupied Land \$375

Scheme 4 (as defined)

Vacant Land \$375

Occupied Land \$375

SERVICE CHARGES WASTE

The Council will introduce a Waste Management Charge in respect of the management of waste for the whole of Kangaroo Island. This charge has been determined to be \$185 for all rateable and non-rateable land. For land deemed to be contiguous for the purposes of rating, only one waste management charge will be levied.

In addition to the Waste Management Charge a separate Waste Services Charge (Collections) will be levied on all properties where a collection service is available. This charge has been set at \$100 per property except for land deemed to be contiguous for the purposes of rating, only one waste services charge will be levied. Where more than one occupied building is located on land

considered to be able to receive a collection Council reserves the right to impose additional charges in respect of these occupied buildings. This provision also applies to strata or other community title properties.

Where the service is provided to non-ratable land, a service charge is levied against the land. Details on what constitutes a service charge for each Property Unit, and other information about the scheme, are available from Leanne Parker, Rates Officer on 85534500.

PENSIONER CONCESSIONS

An eligible pensioner may be entitled to a rebate on Council rates and water and effluent charges where applicable. Application forms, which include information on the concessions, are available from the Council at the contact locations listed on the first page. They are also available from the SA Water Corporation and its District Offices or the Department of Human Services. An eligible pensioner must hold a Pension Card, State Concession Card or be a T.P.I. Pensioner. They must also be responsible for the payment of rates on the property for which they are claiming a concession.

Applications are administered by the State Government. Payment of rates should not be withheld pending assessment of an application by the State Government as penalties apply to unpaid rates. A refund of rates will be paid to an eligible pensioner if Council is advised that a concession applies and the rates have already been paid.

OTHER CONCESSIONS

The Department of Human Services may assist eligible persons, including State Seniors Card holders, with the payment of Council rates for their principal place of residence (remissions are not available on vacant land or rental premises). Please contact your nearest Department of Human Services office or the Kingscote Public Library for details and eligibility criteria.

PAYMENT OF RATES

The Council has determined that the payment of all rates will be by four equal quarterly installments due on the 2nd day of September 2005 and the 2nd day of December 2005, March 2006 and June 2006 respectively.

Ratepayers may pay more than one installment at a time if they wish.

Rates may be paid:

In person, at the Council office, Kingscote and Penneshaw Community Business Centre during the opening hours as listed on Page 1.

By post to the Council at PO Box 121, KINGSCOTE SA 5223

Through any Bank using B-Pay facilities.(Debit Card only) or by EFTPOS

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard payment arrangements is invited to contact Leanne Parker, Rates Officer, on 85534500 to discuss alternative payment arrangements. Such inquiries are treated confidentially by the Council.

The Council has adopted a policy that where the payment of rates will cause a ratepayer demonstrable hardship, the Council is prepared to make available extended payment arrangements.

LATE PAYMENT OF RATES

The Local Government Act provides that Councils impose a penalty of a 2% fine on any payment for rates, whether installment or otherwise, that is received late. A payment that continues to be late is then charged an interest rate, set each year according to a formula in the Act, for each month it continues to be late. The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow Councils to recover the administrative cost of following up unpaid rates and to cover any interest cost the Council may meet because it has not received the rates on time. For the 2005/2006 financial year this rate is 0.73%

The Council is prepared to remit penalties for late payment of rates where ratepayers can demonstrate hardship.

The Council issues a final notice for payment of rates when rates are overdue i.e. unpaid by the due date. Should rates remain unpaid after the issue of the final notice then the Council refers the debt to a debt collection agency for collection. The debt collection agency charges collection fees that are recoverable from the ratepayer. When the Council receives a payment in respect of overdue rates the Council applies the money received as follows:

- first – to satisfy any costs awarded in connection with court proceedings;
- second – to satisfy any interest costs;
- third – in payment of any fines imposed;
- fourth – in payment of rates, in chronological order (starting with the oldest account first).

REMISSION AND POSTPONEMENT OF RATES

Section 182 of the Local Government Act permits the Council, on the application of a ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates he/she is invited to contact Tony Jarvis, Corporate & Community Services Manager, on 85534521 to discuss the matter. Such inquiries are treated confidentially by the Council.

REBATE OF RATES

The Local Government Act requires Councils to rebate the rates payable on some land. Specific provisions are made for land used for health services, community services, religious purposes, public cemeteries, the Royal Zoological Society and educational institutions. Discretionary rebates may be applied by the Council under Section 166 of the Act.

SALE OF LAND FOR NON-PAYMENT OF RATES

The Local Government Act provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to notify the owner of the land of its intention to sell the land, provide the owner with details of the outstanding amounts, and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month.

APPLICATION OF THE POLICY

Where a ratepayer believes that the Council has failed to properly apply this policy it should raise the matter with the Council. In the first instance contact Leanne Parker, Rates Officer, on 85534502 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they should write to the Chief Executive Officer, Kangaroo Island Council, PO Box 121, Kingscote SA 5223.

DISCLAIMER

A rate cannot be challenged on the basis of non-compliance with this policy and must be paid in accordance with the required payment provisions.

COUNCIL'S MANAGEMENT DOCUMENTS

Registers and Codes available for inspection

The following documents are available for public inspection at the Council's Kingscote and Penneshaw Offices at no charge. Members of the public may purchase copies of these documents and the charges are shown below.

DOCUMENT	FEE
Annual Report	\$10.00
Council and Committee Agendas	\$8.00
Council and Committee Minutes	30 cents per page
Council Budget	30 cents per page
Annual Financial Statements	30 cents per page
Corporate Plan	\$5.00
Strategic Plan	\$5.00
Policy Manual	30 cents per page
Rating Policy	\$5.00
Public Consultation Policy	30 cents per page
Code of Conduct – Council Members	30 cents per page
Code of Conduct - Employees	30 cents per page
Code of Practice Access to Council and Council Committee Meetings and to Council Documents	\$5.00
Internal Review of Council Decision Procedures	\$5.00
Contracts and Tenders Policy	30 cents per page
Order Making Policy	30 cents per page
Council By-laws	30 cents per page
Council Committees -Reporting and Accountability Requirements Register	30 cents per page

KANGAROO ISLAND COUNCIL

Supplementary Development Plans	30 cents per page
Register of Community land (available on CD)	\$5.00 per CD
Register of By-Laws	30 cents per page

Available only at Kingscote offices

Register of Roads	
Members Register of Interest (Upon written application)	30 cents per page
Staff Register of Interest (Upon written application)	30 cents per page
Planning Applications (by consent)	
Planning Application Register	30 cents per page
Building Application Register	30 cents per page
Register of Elected Members	
Allowances and Benefits	30 cents per page
Register of Employees	
Salaries/Wages/Benefits	30 cents per page
Assessment Book	40 cents per page
Kangaroo Island Waste Management Plan	\$5.00
Roadside Vegetation Management Plan	\$5.00
Airport Master Plan	\$5.00

Council also maintains an Officer's Register of Interest however this is only accessible to Members of Council pursuant to Section 118 of the Local Government Act, 1999.

FREEDOM OF INFORMATION

Information Statement

The Local Government Act, 1934, Section 65r, requires the Council to produce an Information Statement annually, which shall contain specific information about the Council. That information is contained within this Annual Report and as such it should also be considered as Council's 2005-2006 Information Statement.

Information requests

Requests for other information not included in the preceding section, will be considered in accordance with the Freedom of Information provisions of the Local Government Act, 1934. Under this legislation, an application fee and search fee must be forwarded with the completed request form, as provided for in Reg. 275 of 1991 unless the applicant is granted an exemption.

If Council refuses access to a document it must issue a Certificate under Section 65zy of the Local Government Act, 1934 stating why the document is a restricted document. Kangaroo Island Council has not issued any Section 65zy Certificates during 2004-2005.

Freedom of Information Request Forms should be addressed to:

Freedom of Information Officer
Kangaroo Island Council
PO Box 121
KINGSCOTE SA 5223

FREEDOM OF INFORMATION (Cont)

Applicants will be responded to as soon as possible within the statutory forty-five days of Council receiving the properly completed, Freedom of Information Request Form, together with the applicable fees.

Amendment to Council Records

A member of the public may gain access to Council documents to make amendments covering their personal affairs by making a request under the Local Government Act. A member of the public may then request a correction to any information about themselves that is incomplete, incorrect, misleading or out of date.

To gain access to these Council records a member of the public must complete a Freedom of Information Request Form as indicated outlining the records he/she wishes to inspect.

All meetings of the Council are open to the public and anyone is welcome to attend a Council meeting and observe proceedings. At the ordinary meeting of Council provision is made for “questions from the gallery” during which members of the public may ask questions of the Council. Guidelines for this opportunity exist and must be observed. Members of the public may also seek a deputation to a Council meeting by making an application in writing to the Chief Executive Officer. Approval for such deputations rests with the Mayor.

Council has also adopted a Public Consultation Policy, copies of which are available for perusal and/or purchase. This Policy outlines the steps that Council will take to inform its community in certain circumstances and it outlines the process available for the communities involvement in the decision making processes of the Council.

In certain circumstances Council may find it necessary to discuss some matters “in-confidence”. The Local Government Act, 1999 makes provision for this and in addition Council has adopted a Code of Practice for access to Council and Council Committee meetings and Council documents. Copies of this Code of Practice are available for public perusal and/or purchase.

During the twelve months to 30th June 2006 the Council used the confidentiality provisions of the Act and its Code of Practice as follows:-

1. Number of occasions each of the provisions of section 90(3) and section 91(7) were utilised: 21
2. Number of occasions each of the provisions of section 90(3) and section 91(7) were utilised, expressed as a percentage of total agenda items considered: 3%

3. An indication of any particular issues that contributed to the use of confidentiality provisions on more than one occasion –

Personnel Matters	3
Legal Issues	4
Commercial Matters	6
Tenders	3
Financial Matters	5

4. An indication of the categories of section 90(3) that were used most frequently.

Subsection (a) -	7
Subsection (b) -	5
Subsection (d) -	1
Subsection (g) -	5
Subsection (k) -	3

5. Number of occasions that information originally declared confidential has subsequently been made publicly available - 17

Number of occasions that information declared confidential has still not subsequently been made publicly available and the reason for this in each case - Nil.

Council has also adopted procedures for the internal review of its decisions and any person aggrieved by a decision of the Council may seek a review of that decision by following these procedures. They are also available for public perusal and/or purchase.

ADOPTION AND DISTRIBUTION

Pursuant to the requirements of the Local Government Act, 1999 this Annual Report was adopted by the Kangaroo Island Council at a special Council meeting held on the 8th day of November 2006



A full copy of this report will be provided to each member of the Council, the Presiding Member of both Houses of Parliament, the SA Local Government Grants Commission, Parliamentary Library and the State Library. Copies are made available for public perusal at the Kingscote and Penneshaw Council Offices and at the Kingscote Public Library. Copies may also be purchased at either of the Council Offices.



KANGAROO ISLAND COUNCIL

ANNUAL FINANCIAL STATEMENTS

year ended 30 June 2006



KANGAROO ISLAND COUNCIL

INCOME STATEMENT

for the year ending 30 June 2006

	Note	2006	2005
Operating Revenues			
Rates - General	3	3,860,487	3,827,826
Rates - Other	3	1,675,442	421,050
Statutory Charges	4	131,724	127,636
User Charges	5	757,832	714,551
Operating Grants & Subsidies	6	2,506,894	1,850,569
Investment Revenue		181,603	140,819
Reimbursements	7	605,536	387,077
Gain on Disposal of Assets		0	60,357
Other Revenue		184,194	250,041
Total Operating Revenue		9,903,712	7,779,926
Operating Expenses			
Finance Costs	8	268,125	242,133
Employee Benefits	9	3,119,599	2,914,839
Contractual Services	10	1,331,407	1,134,576
Materials	11	1,128,221	1,071,911
Depreciation	12	3,219,182	3,050,692
Loss on Disposal of Assets		123,444	0
Other expenses	13	1,726,902	1,046,888
Expenses capitalised	14	(257,510)	(323,170)
Total Operating Expenses		10,659,370	9,137,869
Operating Surplus/(Deficit) Before Capital Revenues		(755,658)	(1,357,943)
Capital Revenues			
Capital Grants & Subsidies	15	467,192	111,745
Physical resources received free of charge	16	3,143,400	0
Net Surplus/(Deficit) resulting from Operations		2,854,934	(1,246,198)

The Income Statement should be read in conjunction with the accompanying notes.

KANGAROO ISLAND COUNCIL

BALANCE SHEET

As at 30 June 2006

	Note	2006	2005
Current Assets			
Cash and Cash Equivalents	17	3,228,627	1,675,070
Prepayments		20,893	15,361
Trade and Other Receivables	18	718,159	601,534
Inventories		137,813	106,295
Total Current Assets		4,105,492	2,398,260
Current Liabilities			
Trade and Other Payables	19	657,595	557,038
Short Term Provisions	20	184,955	45,000
Short Term Borrowings	21	517,648	484,869
Total Current Liabilities		1,360,198	1,086,907
NET CURRENT ASSETS/(CURRENT LIABILITIES)		2,745,294	1,311,353
Non-Current Assets			
Land	22	7,079,474	6,685,000
Buildings	22	5,535,312	5,554,141
Infrastructure	22	36,008,778	34,656,732
Plant & Equipment	22	1,909,193	2,132,509
Furniture, Fittings & Office Equipment	22	274,983	235,553
Other	22	104,537	119,636
Work In Progress	22	712,443	0
Total Non-Current Assets		51,624,720	49,383,571
Non-Current Liabilities			
Long Term Provisions	20	179,343	231,539
Long Term Borrowings	21	3,870,003	2,997,651
Total Non-Current Liabilities		4,049,346	3,229,190
NET NON-CURRENT ASSETS/(LIABILITIES)		47,575,374	46,154,381
NET ASSETS		50,320,668	47,465,734
Equity			
Accumulated Surplus		9,618,771	9,966,330
Reserves		40,701,897	37,499,404
EQUITY		50,320,668	47,465,734

The Balance Sheet should be read in conjunction with the accompanying notes.

KANGAROO ISLAND COUNCIL

STATEMENT OF CHANGES IN EQUITY for the year ending 30 June 2006

	2006	2005
Accumulated Surplus		
Balance at beginning of Period	9,966,330	11,212,528
Operating Surplus/(Deficit)	2,854,934	(1,246,198)
Transfers from Reserves	86,183	0
Transfers to Reserves	(3,288,676)	0
Balance at End of Period	9,618,771	9,966,330
Asset Revaluation Reserve		
Balance at beginning of Period	37,499,404	37,499,404
Revaluations this Period	0	0
Balance at End of Period	37,499,404	37,499,404
Office Redevelopment Project		
Balance at beginning of Period	0	0
Transfers to Reserve	250,000	0
Transfers from Reserve	0	0
Balance at End of Period	250,000	0
American River STEDS (CWMS)		
Balance at beginning of Period	0	0
Transfers to Reserve	100,000	0
Transfers from Reserve	(63,419)	0
Balance at End of Period	36,581	0
Special Projects Reserve		
Balance at beginning of Period	0	0
Transfers to Reserve	736,000	0
Transfers from Reserve	0	0
Balance at End of Period	736,000	0
Marina Berths Reserve		
Balance at beginning of Period	0	0
Transfers to Reserve	9,121	0
Transfers from Reserve	0	0
Balance at End of Period	9,121	0

KANGAROO ISLAND COUNCIL

STATEMENT OF CHANGES IN EQUITY for the year ending 30 June 2006

	2006	2005
Airport Reserve		
Balance at beginning of Period	0	0
Transfers to Reserve	781,933	0
Transfers from Reserve	0	0
Balance at End of Period	781,933	0
Roads to Recovery Reserve		
Balance at beginning of Period	0	0
Transfers to Reserve	253,578	0
Transfers from Reserve	0	0
Balance at End of Period	253,578	0
Rates Reserve		
Balance at beginning of Period	0	0
Transfers to Reserve	91,963	0
Transfers from Reserve	0	0
Balance at End of Period	91,963	0
CWMS Reserve		
Balance at beginning of Period	0	0
Transfers to Reserve	220,098	0
Transfers from Reserve	0	0
Balance at End of Period	220,098	0
Waste Management Reserve		
Balance at beginning of Period	0	0
Transfers to Reserve	112,178	0
Transfers from Reserve	0	0
Balance at End of Period	112,178	0
Committed Funds Reserve		
Balance at beginning of Period	0	0
Transfers to Reserve	733,805	0
Transfers from Reserve	(22,764)	0
Balance at End of Period	711,041	0
Total Reserves	40,701,897	37,499,404
TOTAL EQUITY	50,320,668	47,465,734

STATEMENT OF CHANGES IN EQUITY
for the year ending 30 June 2006

2006

2005

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

KANGAROO ISLAND COUNCIL

STATEMENT OF CASH FLOWS for the year ending 30 June 2006

	Note	2006	2005
Cash Flows from Operating Activities			
Receipts			
Interest Received		181,603	143,300
GST Collected		220,971	207,655
GST Refund from ATO		444,365	413,466
Other		8,416,216	7,337,021
Payments			
Interest on Loans		(268,125)	(269,816)
GST Paid		(544,683)	(412,886)
GST Remitted to the ATO		(182,402)	(199,250)
Other		(5,646,336)	(5,756,562)
Net Cash Provided by Operating Activities	23	2,621,609	1,462,928
Cash Flows from Financing Activities			
Receipts			
Loan Principal received		1,369,403	0
Payments			
Loan Principal repaid		(464,272)	(420,867)
Net Cash Inflows/(Outflows) from Financing Activities		905,131	(420,867)
Cash Flows from Investment Activities			
Receipts			
Capital grants/contributions		467,192	111,745
Sale of Property, Plant & Equipment		123,444	217,377
Payments			
Purchase of Property, Plant & Equipment		(2,563,819)	(2,050,936)
Net Cash Inflows/(Outflows) from Investment Activities		(1,973,183)	(1,721,814)
Net GST (Received)/Paid			
Net Increase (Decrease) in Cash Held		1,553,557	(679,753)
Cash at beginning of Reporting Period		1,675,070	2,354,823
Cash at end of Reporting Period		3,228,627	1,675,070

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

1 Statement of Significant Accounting Policies

Basis Of Accounting Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, and the requirements of the Local Government Act 1999.

The financial report covers the Kangaroo Island Council as an individual entity in South Australia under the Local Government Act 1999.

The financial report of the Kangaroo Island Council as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Council in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

First-time Adoption of Australian Equivalents to International Financial Reporting Standards

The Council has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005. In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied.

These accounts are the first financial statements of the Council to be prepared in accordance with AIFRS.

The accounting policies set out below have been consistently applied to all years presented.

The Kangaroo Island Council has however elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement. Refer Note 27 Change in Accounting Policy for further details.

On transition to AIFRS, there were no adjustments to equity or profit or loss between previous Australian GAAP and AIFRS.

The Local Government Reporting Entity

All material funds, through which the Council controls resources to carry on its functions are reported in the Financial Statements.

In the process of reporting on the Council as a single unit, all transactions and balances between those material funds (for example, loans and transfers between funds) have been eliminated. Amounts received as tender deposits and retention amounts controlled by Council are in the amounts disclosed as creditors within current liabilities.

Acquisitions of Assets

The cost method of accounting is used for the initial recording of all assets. Cost is determined as the fair value of the assets given as consideration plus costs incurred in preparing them for use.

Non-monetary assets received as grants or donations are recognised as assets and revenue at their fair value on the date of receipt.

Fair value means the amount for which an asset could be exchanged between a knowledgeable buyer and seller in an arm's length transaction.

Non-Current Assets Constructed by the Council

The cost of non-current assets constructed by the Council includes the cost of all materials, in conjunction with direct labour used on the project and a proportion of variable and fixed overheads.

Revaluation of Non-Current Assets

All non current assets, other than receivables, land held for resale, land under roads and investments were revalued to their fair value being current cost less accumulated depreciation as outlined in **Note 21**. Current cost with an asset, means the lowest cost at which the gross service potential of that asset could currently be obtained in the normal course of operations.

Revaluations do not result in the value on non-current assets exceeding the net amount expected to be recovered through the net cash inflows arising from their continued use and subsequent disposal ("recoverable amount").

Where the value of a non-current asset is greater than its recoverable amount, the asset is devalued. The revaluation decrement is recognised as an expense in the operating statement except where it reverses a previous increment. In this situation the revaluation decrement is taken from the asset revaluation reserve.

The expected net cash flows included in determining recoverable amounts of non-current assets are discounted to their present values using a market determined, risk adjusted discount.

Depreciation of Non-Current Assets

All non-current assets having a limited useful life are depreciated over their lives in a manner that reflects the consumption of the service potential. Land is not a depreciable asset.

Depreciation is recognised on a straight-line basis, using rates that are reviewed each reporting period.

The straight line depreciation rates include:-

Buildings	30 - 50 years
Reserve Furniture	12 - 15 years
Structures	14 - 20 Years
Furniture & Fittings	1 - 7 Years
Motor Vehicles & Plant	4 - 10 Years
Sealed & Unsealed Road Construction & Surface	5 - 50 Years
CWMS Drainage	40 - 50 Years
Stormwater Drains	40 - 50 Years
Waste Management	30 - 50 Years
Library	6 - 10 Years

Impairment of Assets

At each reporting date, the Council reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, Council estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Maintenance and Repairs

Maintenance, repair costs and minor renewals are charged as expenses as incurred.

Employee Entitlements

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

The superannuation expense for the reporting period is the amount of the statutory contribution the council makes to the employees' superannuation plan.

Provisions

Provisions are recognised when Council has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Revenue Recognition

All revenue is recognised when the transaction is completed. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

Rates, Grants, Donations and other Contributions

Rates, grants, donations and other contributions are recognised as revenues when Council obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. Control over assets received by way of grant(s) is normally obtained upon their receipt or upon prior notification that a grant has been secured. The timing of control commencement depends upon the arrangements between the grantor and Council.

Unreceived contributions over which Council has control are recognised as receivables.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in [Note 5](#).

The notes also disclose the amount of contributions recognised as revenues in a previous reporting period that were obtained for Council's operations in the current period.

Income Tax

The Council is exempt from Income Tax under Section 50 – 25 of the Income Tax Assessment Act 1997.

Inventory

Inventories are valued at the lower of cost and net realisable value.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the item of expense.

Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to Council, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Financial Instruments

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the Council's intention to hold these investments to maturity. Any held-to-maturity investments held by the Council are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

KANGAROO ISLAND COUNCIL

Notes to and forming part of the Financial Statements for the year ending 30 June 2006

2 Functions/Activities Report

OPERATING REVENUES	RATES	STATUTORY CHARGES	USER CHARGES	GRANTS & SUBSIDIES	REIMBURSEMENTS	OTHER	TOTAL
Business Undertakings	0	0	599,936	0	572,066	55,716	1,227,718
Community Services	0	273	26,076	97,491	287	16,691	140,818
Culture	0	0	7,615	29,094	0	2,013	38,722
Economic Development	0	0	18,948	57,350	0	4,568	80,866
Environment	0	6,788	82,279	177,145	2,249	69,958	338,419
Recreation	0	0	2,526	0	8,736	1,754	13,016
Regulatory Services	0	123,158	148	25,000	11,653	5,101	165,060
Transport	0	0	6,333	507,156	0	1,620	515,109
Depot	0	0	0	0	89	0	89
Governance	0	0	0	1,613,658	10,191	0	1,623,849
Support Services	0	0	0	0	0	0	0
Other Revenue	5,535,929	1,505	13,971	0	265	208,376	5,760,046
Total Operating Revenues	5,535,929	131,724	757,832	2,506,894	605,536	365,797	9,903,712

OPERATING EXPENSES	EMPLOYEE COSTS	CONTRACTUAL SERVICES	MATERIALS	FINANCE CHARGES	DEPRECIATION	OTHER	TOTAL
Business Undertakings	210,910	134,176	142,156	0	274,431	129,360	891,033
Community Services	181,913	113,968	26,625	0	32,185	66,585	421,276
Culture	152,822	41,673	12,211	0	98,418	48,913	354,037
Economic Development	30,203	64,679	174	0	10,311	68,867	174,234
Environment	257,833	456,608	120,702	0	122,415	126,918	1,084,476
Recreation	89,779	86,922	85,903	0	332,847	61,208	656,659
Regulatory Services	358,407	216,494	4,037	0	593	53,953	633,484
Transport	300,478	117,020	67,227	0	1,894,426	134,592	2,513,743
Depot	672,612	52,195	610,859	0	411,608	145,551	1,892,825
Governance	478,325	30,622	19,186	0	41,948	155,187	725,268
Support Services	386,317	17,050	33,146	0	0	77,770	514,283
Other Expenditure	0	0	5,995	268,125	0	523,932	798,052
Total Operating Expenses	3,119,599	1,331,407	1,128,221	268,125	3,219,182	1,592,836	10,659,370

Net Surplus/(Deficit) resulting from Operations **(755,658)**

KANGAROO ISLAND COUNCIL

Notes to and forming part of the Financial Statements for the year ending 30 June 2006

	2006	2005
3 RATES GENERAL		
General Rate Revenue	3,815,739	3,802,105
Fines	25,852	13,857
Legal	18,896	11,864
Total Rates General	3,860,487	3,827,826
RATES OTHER		
Community Waste Water Management Systems	515,902	421,050
Waste Management Separate Rate	1,159,540	0
Total Rates Other	1,675,442	421,050
4 STATUTORY CHARGES		
Building Application Fees	33,025	21,402
Development Application Fees	42,287	51,359
Dog & Cat Registration Fees	21,980	18,575
Septic Tank Fees	23,738	22,161
Other Statutory Charges	10,694	14,139
Total Statutory Charges	131,724	127,636
5 USER CHARGES		
Aerodrome Fees	361,191	350,618
Lease Fees	155,860	179,618
Garbage/Effluent Collection	70,750	52,661
Property Rents	89,883	65,673
Cemetey Fees	11,350	6,927
Rates Searches	13,070	11,250
Caravan Park Fees	12,672	5,871
Other User Charges	43,056	41,933
Total User Charges	757,832	714,551
6 OPERATING GRANTS & SUBSIDIES		
State Government Grants & Subsidies	386,081	351,900
Commonwealth Government Grants & Subsidies	2,120,813	1,498,669
Total Operating Grants & Subsidies	2,506,894	1,850,569

KANGAROO ISLAND COUNCIL

Notes to and forming part of the Financial Statements for the year ending 30 June 2006

	2006	2005
Contributions recognised as revenues during the reporting period in respect of which expenditure in the manner specified by the contributor had yet to be made at the reporting date include:		
Roads to Recovery (R2R)	253,578	0
Transport SA Blackspot Funding	90,762	0
American River STEDS (CWMS)	36,581	0
TOMM Operating	31,248	38,500
KI Heritage Review	20,415	0
Dog & Cat Management Board	11,857	0
TOMM Leave Only Footprints	9,500	0
Kingscote Yacht Club Wall	5,000	0
Shipwreck Heritage Trail	4,333	18,000
Community Sport & Recreation Network	1,364	0
Home & Community Care (HACC)	0	2,074
Socially Speaking Autism	0	9,330
Town Centres	0	60,000
Youth Services	0	4,766
Recreation & Sport Open Spaces Strategy	0	14,177
ROSES - Reeves Point Project	0	9,220
	464,638	156,067
7 REIMBURSEMENTS		
Private Works	566,072	300,322
Insurance Claims	0	11,612
Other Reimbursements	39,464	75,143
Total Reimbursements	605,536	387,077
8 FINANCE CHARGES		
Interest Paid - LGFA Loans	268,125	242,133
Total Finance Charges	268,125	242,133
9 EMPLOYEE COSTS		
Salaries & Wages	2,276,001	2,277,422
Leave Entitlements	551,115	349,500
Superannuation	243,576	229,050
Allowances	48,907	58,867
Total Employee Costs	3,119,599	2,914,839

KANGAROO ISLAND COUNCIL

Notes to and forming part of the Financial Statements for the year ending 30 June 2006

	2006	2005
10 CONTRACTUAL SERVICES		
Contractors	825,663	477,801
Legal Expenses	63,661	158,292
Consultants	429,193	493,485
Auditors Remuneration - Audit & Review of Financial Statements*	5,170	4,998
Auditors Remuneration - Other Services*	7,720	0
Total Contractual Services	1,331,407	1,134,576
*Audit fees paid to John Ewen and Associates		
11 MATERIALS		
Energy	95,069	80,770
Water	54,897	53,946
Equipment not capitalised	1,574	34,112
Parts & Accessories	120,966	157,452
Consumables	855,715	745,631
Total Materials	1,128,221	1,071,911
12 DEPRECIATION		
Plant & Equipment	372,399	239,953
Furniture, Fittings & Office Equipment	67,551	68,041
Buildings	291,273	299,579
Infrastructure	2,468,879	2,424,048
Library Books	19,080	19,071
Total Depreciation	3,219,182	3,050,692

KANGAROO ISLAND COUNCIL

Notes to and forming part of the Financial Statements for the year ending 30 June 2006

	2006	2005
13 OTHER EXPENSES		
Council Grants Expense	183,365	185,134
Insurance (including Workers Compensation)	313,567	229,468
Rates Rebate	523,932	0
Communications	64,967	66,948
Postage & Freight	105,103	42,553
Elected Members Expenses	70,935	77,550
Seminar / Conference / Training Expenses	28,174	26,315
Licences & Subscriptions	99,213	132,076
Travel & Accommodation	87,476	82,144
Fringe Benefits Tax	30,946	31,615
Advertising	27,454	28,042
Debt Recovery	21,408	17,109
Bank Fees & Charges	14,604	6,694
Miscellaneous Expenses	155,758	121,240
Total Other Expenses	1,726,902	1,046,888
14 EXPENSES CAPITALISED		
Overhead & Internal Charges	(257,510)	(323,170)
Total Expenses Capitalised	(257,510)	(323,170)
15 CAPITAL GRANTS & SUBSIDIES		
Capital Grant - Commonwealth Government	0	0
Capital Grant - State Government	467,192	111,745
Total Capital Grants & Subsidies	467,192	111,745
16 PHYSICAL RESOURCES RECEIVED FREE OF CHARGE		
Stormwater	62,280	0
Roads	1,992,370	0
Reserve Furniture	102,750	0
Land	426,000	0
Structures	560,000	0
Total Physical Resources Received Free of Charge	3,143,400	0

KANGAROO ISLAND COUNCIL

Notes to and forming part of the Financial Statements for the year ending 30 June 2006

	2006	2005
17 CASH AND CASH EQUIVALENTS		
Cash at Bank	(207,488)	162,589
Cash on Hand	1,210	910
Total Cash	(206,278)	163,499
INVESTMENTS		
LGFA Deposits	3,434,905	1,511,571
Total Investments	3,434,905	1,511,571
BALANCE AS PER STATEMENT OF CASH FLOWS	3,228,627	1,675,070
18 TRADE & OTHER RECEIVABLES		
Rates Receivable	304,990	193,481
Provision for Doubtful Debts	0	(6,862)
Other Receivables	295,454	313,542
Tax Receivable	61,748	35,854
Accrued Income	55,967	65,519
Total Receivables	718,159	601,534
19 TRADE & OTHER PAYABLES		
Trade Payables	247,418	207,629
Provision for AL-Current	281,578	237,115
Provision for AL - Non Current	0	25,000
Accruals	125,836	87,294
Amounts Received in Advance	2,763	0
Total Trade & Other Payables	657,595	557,038
20 PROVISIONS		
Provision for LSL - Current	184,955	45,000
Provision for LSL - Non Current	179,343	231,539
Total Provisions - Current	364,298	276,539
Provision Movements		
Opening Balance 1 July 2005	276,539	
Additional Provisions raised during the year	45,994	
Provisions used during the year	(41,765)	
Closing Balance 30 June 2006	364,298	

KANGAROO ISLAND COUNCIL

Notes to and forming part of the Financial Statements for the year ending 30 June 2006

	2006	2005
21 Borrowings - Current		
Loans - LGFA	517,648	484,869
Total Borrowings - Current	517,648	484,869
Borrowings - Non Current		
Loans - LGFA	3,870,003	2,997,651
Total Borrowings - Non Current	3,870,003	2,997,651

Borrowing Facilities

Loan Number	%	Maturity	2006	2005
Debenture Loan 3	8.50	15/05/2007	32,514	62,431
Debenture Loan 5	8.10	16/06/2007	48,754	93,787
Debenture Loan 8	6.25	18/05/2009	66,028	85,464
Debenture Loan 9	6.05	18/05/2006	0	34,772
Debenture Loan 12	7.25	16/05/2010	119,218	144,083
Debenture Loan 13	7.25	16/05/2010	282,230	341,094
Debenture Loan 14	6.10	15/03/2008	30,670	44,678
Debenture Loan 15	6.10	15/03/2008	79,479	115,777
Debenture Loan 17	5.95	16/12/2009	55,113	68,890
Debenture Loan 18	5.95	16/12/2009	110,225	137,781
Debenture Loan 19	5.80	16/12/2007	24,791	40,176
Debenture Loan 20	5.67	17/03/2013	90,746	101,047
Debenture Loan 21	6.00	15/04/2013	121,977	135,637
Debenture Loan 22	6.02	15/05/2018	1,123,492	1,185,850
Debenture Loan 23	5.40	16/06/2010	43,160	52,587
Debenture Loan 24	6.70	16/02/2019	261,203	273,493
Debenture Loan 25	6.80	15/06/2019	458,561	479,973
Debenture Loan 26	6.45	15/03/2010	70,087	85,000
Debenture Loan 27	6.25	15/08/2020	636,612	0
Debenture Loan 28	6.25	15/08/2020	342,791	0
Debenture Loan 29	6.73	15/06/2021	165,000	0
Debenture Loan 30	6.73	15/06/2021	225,000	0
Total Borrowings			4,387,651	3,482,520

KANGAROO ISLAND COUNCIL

Notes to and forming part of the Financial Statements for the year ending 30 June 2006

	2006	2005
22 PROPERTY, PLANT & EQUIPMENT		
Land		
Land - At Valuation	6,644,532	6,676,832
Land - At Cost	434,942	8,168
Total Land	7,079,474	6,685,000
Buildings		
Buildings - At Valuation	5,657,776	5,774,064
Buildings - At Cost	747,656	370,943
Buildings - Accumulated Depreciation	(870,120)	(590,866)
Total Buildings	5,535,312	5,554,141
INFRASTRUCTURE ASSETS		
Roads, Bridges & Footpaths		
R,B & F - At Valuation	27,161,647	27,161,647
R,B & F - At Cost	3,977,372	1,222,879
R,B & F - Accumulated Dep'n	(5,402,648)	(3,563,888)
Total Roads, Bridges & Footpaths	25,736,371	24,820,638
Stormwater Drainage		
Stormwater Drainage - At Valuation	785,486	785,486
Stormwater Drainage - At Cost	122,508	10,572
Stormwater Drainage - Accumulated Dep'n	(59,881)	(39,774)
Total Stormwater Drainage	848,113	756,284
Reserve Furniture		
Reserve Furniture - At Valuation	3,078,806	3,079,556
Reserve Furniture - At Cost	1,350,040	1,047,193
Reserve Furniture - Accumulated Dep'n	(901,392)	(574,999)
Total Reserve Furniture	3,527,454	3,551,750
Structures		
Structures - At Valuation	2,594,041	2,596,047
Structures - At Cost	685,843	83,766
Structures - Accumulated Dep'n	(585,859)	(387,674)
Total Structures	2,694,025	2,292,139

KANGAROO ISLAND COUNCIL

Notes to and forming part of the Financial Statements for the year ending 30 June 2006

	2006	2005
Community Wastewater Management Systems		
CWMS - At Valuation	2,640,246	2,640,246
CWMS - At Cost	527,063	475,109
CWMS - Accumulated Dep'n	(236,173)	(157,794)
Total CWMS	2,931,136	2,957,561
Waste Management		
Waste Management - At Valuation	0	0
Waste Management - At Cost	278,360	278,360
Waste Management - Accumulated Dep'n	(6,681)	0
Total Waste Management	271,679	278,360
Total Infrastructure	36,008,778	34,656,732
<p>The valuations were undertaken by Peta Rowe Bachelor Business Property (Valuation) GAPI, of Maloney Field Services. Licensed Valuers as at 30 June 2003.</p>		
Plant & Equipment		
Plant & Equipment - At Valuation	1,183,293	1,219,228
Plant & Equipment - At Cost	1,541,157	1,386,418
Plant & Equipment - Accumulated Dep'n	(815,257)	(473,137)
Total Plant & Equipment	1,909,193	2,132,509
Furniture, Fittings & Office Equipment		
Furn, Fitt & Office Equip - At Valuation	193,303	193,303
Furn, Fitt & Office Equip - At Cost	278,988	172,006
Furn, Fitt & Office Equip - Acc Dep'n	(197,308)	(129,756)
Total Furniture, Fittings & Office Equipment	274,983	235,553
Other - Library Books		
Library Books - At Valuation	154,230	154,230
Library Books - At Cost	7,529	3,548
Library Books - Acc Dep'n	(57,222)	(38,142)
Total Other - Library Books	104,537	119,636
TOTAL PROPERTY PLANT & EQUIPMENT	50,912,277	49,383,571

KANGAROO ISLAND COUNCIL

Notes to and forming part of the Financial Statements for the year ending 30 June 2006

	2006	2005
Work In Progress		
Infrastructure	712,443	0
Total Work In Progress	712,443	0

Asset Movement Schedule

	Land	Buildings	Infrastructure	Plant & Equipment	Furniture & Fittings	Other	TOTAL
Opening Balance	6,685,000	5,554,141	34,656,734	2,132,509	235,552	119,636	49,383,572
Additions	426,774	376,713	3,823,306	288,093	106,982	3,981	5,025,850
Disposals	32,300	104,270	2,383	139,010	0	0	277,963
Revaluations	0	0	0	0	0	0	0
WIP	0	0	712,443	0	0	0	0
Depreciation	0	(291,273)	(2,468,879)	(372,399)	(67,551)	(19,080)	(3,219,182)
Closing Balance	7,079,474	5,535,312	36,721,221	1,909,193	274,983	104,537	51,624,720

Material Capital Commitments as at 30th June 2006.

As at 30 June 2006 there were material capital commitments of \$1,557,581.

These commitments represent capital works contracted for but not completed.

Office Redevelopment	1,386,000
Penneshaw Health Centre	135,000
American River CWMS	36,581

23 Reconciliation Of Increase In Net Assets Resulting From Operations To Net Cash

Inflow From Operating Activities

Net surplus/(deficit) resulting from operations	2,854,934	(1,246,198)
Depreciation expense	3,219,182	3,050,692
Net gain (loss) on disposal of non-current assets	123,444	(60,357)
Physical resources received free of charge	(3,143,400)	0
(Increase)/Decrease in Receivables	(116,625)	(261,038)
(Increase)/Decrease in Prepayments	(5,532)	(13,681)
(Increase)/Decrease in Inventories	(31,518)	12,805
Increase/(Decrease) in Creditors	100,557	68,958
Increase/(Decrease) in Employee Entitlements	87,759	23,492
Capital Contributions	(467,192)	(111,745)
Net Cash Provided By Operating Activities	2,621,609	1,462,928

2006

2005

24 Reserves

Council has a number of financial reserves which are maintained for specific purposes. Details are as follows:

Asset Revaluation Reserve - Records revaluations of non-current assets.

Office Redevelopment Reserve - Sets aside federal community partnerships funds towards the Council office redevelopment.

American River STEDS/CWMS Reserve - Funds provided by the LGA for the potential extension of CWMS to the American River township.

Special Projects Reserve - Council contributed funds towards the Council office redevelopment.

Marina Berths Reserve - Holds contributions from lessees for the marina berths at Christmas Cove Penneshaw.

Airport Reserve - The Airport is a self servicing entity within the Council and any surplus or deficit for the year is accumulated in this reserve.

Roads to Recovery Reserve - R2R supplementary funding which has not been spent during the year.

Rates Reserve - Excess rates collected in prior years, that will be used to offset future rates collected.

CWMS Reserve - CWMS is a self servicing entity within the Council and any surplus or deficit for the year is accumulated in this reserve.

Waste Management Reserve - The Waste Management function is a self servicing entity within the Council and any surplus or deficit for the year is accumulated in this reserve.

Committed Funds Reserve - Unspent funds at the end of the financial year that are to be carried forward for use in the following financial year.

25 ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

(a) Interest Rate Risk Exposure

The Council's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below. Exposures arise predominantly from assets and liabilities at variable interest rates as Council intends to hold fixed rate assets and liabilities to maturity.

	Weighted Average Interest Rate	Floating Interest Rate	1 Year or Less	1 to 5 Years	More than 5 Years	Non Interest Bearing	Total
2006							
Financial Assets							
Cash		(207,488)	0	0	0	1,210	(206,278)
Deposits	5.29%	3,434,905	0	0	0	0	3,434,905
Receivables		0	0	0	0	718,159	718,159
		3,227,417	0	0	0	719,369	3,946,786
Financial Liabilities							
Overdraft		0	0	0	0	0	0
Borrowings	6.47%	0	517,648	1,502,985	2,367,018	0	4,387,651
Creditors & Accruals		0	0	0	0	376,017	376,017
		0	517,648	1,502,985	2,367,018	376,017	4,763,668
2005							
Financial Assets							
Cash		162,589	0	0	0	910	163,499
Deposits	5.25%	1,511,571	0	0	0	0	1,511,571
Receivables		0	0	0	0	601,534	601,534
		1,674,160	0	0	0	602,444	2,276,604
Financial Liabilities							
Overdraft		0	0	0	0	0	0
Borrowings	6.45%	0	464,272	1,522,805	1,495,443	0	3,482,520
Creditors & Accruals		0	0	0	0	294,923	294,923
		0	464,272	1,522,805	1,495,443	294,923	3,777,443