

Kangaroo Island Council

Annual Report 2013 - 14

Kangaroo Island Council - 2013 - 2014 Annual Report

Kangaroo Island Council
43 Dauncey Street
KINGSCOTE SA 5223

Phone: (08) 8553 4500
Fax: (08) 8553 2885
Email: kicouncil@kicouncil.sa.gov.au
Web: www.kangarooisland.sa.gov.au



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Welcome

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What is the purpose of the Annual Report?

Kangaroo Island Council produced this Annual Report in accordance with the *Local Government Act 1999*, to provide you with a summary of our performance against our Strategic Plan 2010 - 2014.

Who is this Annual Report for?

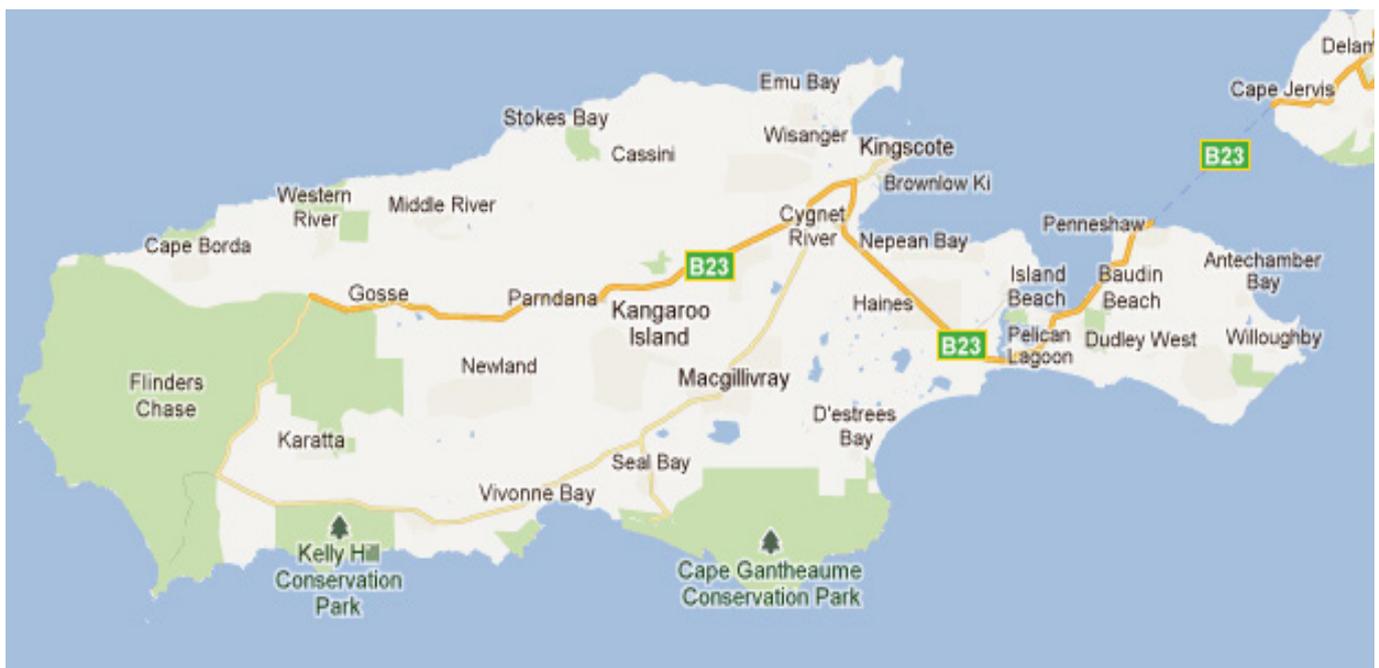
- Rate-payers
- Residents
- Government Agencies
- Visitors
- Potential Investors
- Any other interested stakeholders

Kangaroo Island Council

Kangaroo Island Council was formed in 1996 after the amalgamation of the District Council of Dudley and the District Council of Kingscote.

Kangaroo Island

Kangaroo Island - a pristine island full of natural beauty



Located 15 kilometres from the tip of the southern coast of the Fleurieu Peninsula in South Australia, Kangaroo Island lies 110 kilometres south-west of Adelaide.

With a coastline of some 509 kilometres, Kangaroo Island has long been known as an idyllic setting in which to live. Kangaroo Island offers a unique and relaxed lifestyle, modern amenities and services coupled with an appreciation and preservation of the natural environment, heritage and values characteristic of the culture of the first European settlement in South Australia.

Geography and Environment

At 55 kilometres wide and 155 kilometres east to west, Kangaroo Island is Australia's third largest island and is renowned for its scenery, geographic features and unique flora and fauna. It was isolated from mainland Australia by post-glacial rising sea levels about 12,000

years ago and it has retained many plants and animals no longer found on the mainland.

There are a number of settlements varying in size and facilities, including Baudin Beach, Emu Bay, Island Beach, Stokes Bay, Nepean Bay and Vivonne Bay. The township of Kingscote remains the principal centre of the Island's administrative and economic activity.

Parndana provides services to the western end of the Island, American River and Penneshaw respectively in the east and on the Dudley Peninsula. Penneshaw is the home of the Sealink Ferry Service terminal connecting Kangaroo Island to the mainland.

Beginnings

The discovery and naming of Kangaroo Island is credited to Matthew Flinders, Captain of the Investigator who came ashore on the north coast in March 1802. Soon afterwards French

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Captains Nicholas Baudin, aboard the corvette *Le Geographe* and Jacques Hamelin of the *Le Naturaliste*, mapped most of the southern and western coastline of the Island. This explains the predominance of French names along the Southern coast.

Kangaroo Island was uninhabited by Aboriginal people at the time of discovery by Matthew Flinders and Nicholas Baudin. The Kaurna, Ramindjeri and Ngarrindjeri peoples from nearby mainland South Australia all have a cultural interest in Kangaroo Island. Their traditional association with Kangaroo Island is mythological, with the Island identified as the land of the spirits and the place of the departed where people come to have their spirits cleansed before departing to the after-life.

It was almost a century after European settlement when the first indigenous hand tools were first discovered on Kangaroo Island. Since that time, numerous locations have been described and documented with evidence of Aboriginal occupation on Kangaroo Island. Tools and evidence of Aboriginal occupation has been dated as late as 15,000 BC and early as 4,000 BC (SIC Lambert, 2002).

How Aboriginal people came to Kangaroo Island and why they left all remains a matter of speculation and theory, however it is known that Kangaroo Island did have a population of Aboriginal people prior to being discovered by Matthew Flinders and Nicholas Baudin.

Settlement

Not long after discovery, Kangaroo Island was settled by Europeans who were mostly deserters from whaling ships, ex convicts and sealers. These people brought with them Aboriginal women abducted from both the nearby mainland and from Tasmania (SIC Lambert, 2002). This is known as the second stage of

Aboriginal occupation of Kangaroo Island and there are many artefacts on Kangaroo Island that reflect this occupation. Many families on Kangaroo Island can trace their ancestry back to this time.

The first official settlers arrived on 27th July 1836, disembarking from the *Duke of York* at Reeves Point, near Kingscote. This became the first settlement in South Australia, but due to lack of water and suitable building timber it was largely abandoned after four years in favour of Adelaide, with only a limited population remaining on the Island.

Industry Development

For the next fifty years the Island's natural resources were in high demand from the developing mainland. This led to the establishment of various enterprises such as sealing, whaling and the export of salt and skins.

Other industries attempted included timber cutting, saw milling, eucalyptus distilling, yacca gum harvesting and brick making. During the 1880's and 1890's there was a slow increase in the use of land for pastoralism, mainly focusing on wool, but barley and other grain crops were also grown. By the early twentieth century, attempts at mining coal, basalt, tin, silver, lead and gold proved unsuccessful with the exception of quarrying for gypsum, which was the basis of a substantial operation at two sites near Pelican Lagoon.

The Island developed slowly. The population of 598 in 1891 was only half that of the 1,113 in 1947. However, after the establishment of a War Service Land Settlement Scheme, it doubled again to 2,167 in 1954. The pastoral industry slowly became more productive with Government support to the 174 ex-soldiers and their families who farmed the newly developed central plateau. The township of Parndana

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was established to service this new part of our Community.

Economic Prosperity

Today Kangaroo Island has a diversity of commercial and industrial enterprises that contribute to investment in infrastructure and employment. The Island's soil types and temperate climate support agricultural production. Primary industries consisting mostly of sheep, wool, grains, fishing, aquaculture and forestry continue to be a significant contributor to the Island's economy valued at more than \$100 million.

In recent times, diversification from traditional production has led to expansion of the economic base. For example, in 2001, Kangaroo Island was declared Australia's eighteenth wine region and now has some 28 growers and more than a dozen wine labels.

Simultaneously, the Island's pristine environment has supported the development of high quality food and a niche gourmet product industry including cheeses produced from a sheep dairy, honey from the purest strain of Ligurian bees in the world, olive oil, free-range eggs, eucalyptus and lavender oils, quality fish and seafood such as farmed marron, abalone, barramundi and oysters.

Tourism has developed from its early beginnings in 1880 and is today one of the main economic drivers. The Island is promoted internationally as a premier eco-tourism destination and trades on its 'clean green' image and unique nature based experiences.

These include pristine beaches, native bushland and 21 national and conservation parks covering more than 30% of the Island.

Natural Environment

Visitors enjoy varied, dramatic scenery and unique flora and fauna. There are over 850 native plants on Kangaroo Island with over 400 different species found within Flinders Chase National Park. Free from rabbits and foxes, the Island provides natural habitat for platypus, goanna, rare but increasing numbers of glossy black cockatoos, sea lions, pelicans, penguins, tamar wallabies and the Island's own sub-species of kangaroo. Its waters are also home to the iconic but elusive leafy-sea dragon.

At all levels, the Community is strongly committed to managing and protecting its unique natural environment. Kangaroo Island Community Education boasts an award-winning marine environmental education program and Council is a key partner in the internationally recognised Tourism Operational Management Model (TOMM). There are numerous associations and groups which focus on conservation, coast care and land management.



Flagstaff Hill, Kingscote

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Kangaroo Island

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Recreation, Culture and Community

Kangaroo Island has a relaxed atmosphere with all the essential services and facilities of a larger regional centre. Residents are friendly and share a strong sense of Community spirit.

The Island offers a wide range of cultural and recreational activities to residents and visitors. Sports and social clubs cater for a range of opportunities including Island-wide competitive team sports, walking and gardening clubs, the annual Motor Fest and the KI Racing Carnival.

There is a vibrant arts Community offering regular events, festivals and exhibitions and many commercial outlets and galleries offering local art for sale.

Services and Community Activities

As with many remote or rural communities, Kangaroo Island boasts one of the highest rates of volunteerism in Australia. Thirty-eight percent of people over the age of fifteen participate in volunteer Community activities such as Rotary, Lions, Ambulance, CFS, SES, local radio, Progress Associations, local heritage and history museums.

On the regular social calendar are the Kingscote and Parndana Shows, the monthly Penneshaw Farmers Market, Penneshaw Community Market,

KI Cup, KI Players Production, Art Feast, Easter Art Show, Motor Fest, Speed Shearing Competition, bi-annual Field Day, fishing and sailing competitions, the annual Street Party and Christmas Parade. Other popular activities include surfing, yachting, canoeing, diving, snorkeling, fishing and bird watching.

The Kangaroo Island Library is well resourced providing access to a large collection of books, DVDs, CDs, videos, magazines, internet/email, photocopy, fax facilities and membership to a book club. In May this year, Kangaroo Island Library became a One Card member providing residents and visiting tourists access to library collections across South Australia.

The Kangaroo Island Community Health Service provides a range of health programs and facilities including emergency services, a thirty bed hospital, aged care facilities, allied health and social support services. The privately owned Kangaroo Island Medical Clinic also offers a range of health services, with visiting practitioners and specialists providing primary and preventative health care services.

Day care services, pre-school, primary and secondary education is offered at campuses across the Island and further education is offered by private providers.



American River

Vision, Mission and Values

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Kangaroo Island Council Vision, Mission, Values & Behaviours

Our Vision

A confident, growing and cohesive Community:

- Benefiting from a thriving economy based on strong tourism and primary production sectors;
- Preserving our unique heritage;
- Sustainably managing our natural environment

Our Mission

To provide leadership, direction and responsible stewardship of resources and delivery of efficient cost-effective key services to our Community

Our Values and Behaviours

- Creativity and Innovation
- Equality
- Accountability and Transparency
- Sustainability
- Service Orientated
- Participatory

Kangaroo Island Council

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Mayor

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Jayne Bates OAM
Mayor

The role of Local Government on Kangaroo Island continues to be challenging and complex, and this year has been no exception. The year has been extremely busy fulfilling our core role, maximizing the outcomes of funding opportunities, completing significant land use/planning reforms and continuing the important role of advocacy for our Community. The Council's role incorporates a wide range of activities and within these pages, you will find a summary of the area of work and focus, however I would like to highlight some major areas of achievement.

In partnership and with the valuable support of the Kangaroo Island Futures Authority, the Council has continued to work on planning and funding opportunities for the critically important Airport upgrade; the Rockhopper; energy security and cable replacement; the Kangaroo Island Brand and business activation projects. The Council has also been a strong supporter of the legislation for the proposed Kangaroo Island Commissioner. We have worked with the State Government to refine and amend the legislation to strengthen the voice and input of the Community, and it is expected the legislation will be considered by Parliament prior to the end of 2014.

The Council has successfully delivered a State Funded \$500,000 innovative Solar Project including the installation of solar tracking panels at the Airport and an array on the Council offices in Kingscote creating significant savings to the operating costs of both facilities. In

addition, electric vehicle charging stations were installed in 5 locations across the Island, and 3 Electric vehicles were added to our fleet, all within the State funding allocated. The success of this project has already seen the purchase of electric cars by Community members, due to the accessibility of the charging points.

We have continued to build and strengthen the valuable partnership with our Community organisations. The continuation of the Councils two grants programs has seen many great local projects reach completion due to the availability of funding and the tireless work of the volunteers within our many organisations.

In June of 2013, a major rain event in the Haines and MacGillivray area was the beginning of many months of significant flooding for that area affecting every part of that Community's day to day lives and businesses. With the support of the Office of State Recovery and all Island Agencies, the Council established an Island Flood Recovery Committee to support the Community through the long period of inundation.



Mayor Bates OAM recharging one of the new 3 Nissan Leaf electric vehicles during the launch of the project at the Kangaroo Island airport

Mayor

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The State Government has recognised the limitations of Council's resources and has supported our efforts with funding for a coordinator position, long term planning for the area and significant funding to ensure the roads can be repaired and reinstated.

After 8 years in the role of Mayor of this Council, I will be stepping down at the November Elections this year. It has been an extraordinary privilege to have worked in this position with so many positive and passionate Elected Members, Staff and members of this Community who continue to work tirelessly across all areas and aspects of the Island.

The many, many volunteers I have had the privilege of working with are an inspiration and remain the driving force for this Island. Thank you one and all for your service to the many and varied organisations on this Island.

There have been many people within business and the various boards and agencies on and off the Island who have offered great support and guidance and I thank you sincerely for the assistance given so freely over many years.

Finally I would like to recognise the enormous contribution of the majority of Elected Members, the CEO and our staff who have worked tirelessly to support and benefit this Community throughout the year.



Mayor Bates OAM and Councillor Bec Davis presented with flowers after sitting their last Council meeting

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Chief Executive Officer

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Andrew Boardman
Chief Executive Officer

It is always hard to sit down and think back across a year packed full of activity and progress and then condense the best and most relevant into a brief introduction for our Annual Report, however the looking back often illuminates the good work we have done and reminds us of the areas we still need to work on.

2013-14 has again been a year of continued consistent effort to improve the way we work with the Communities and Agencies we engage with – the Island Community as a whole and the State (to a lesser extent) Federal Governments. We have worked hard this year to extend the cooperation and joint ventures we have with Community Groups around the Island and we have seen some significant progress in working more closely to achieve common goals and to help both the Council and Community dollars stretch as far as they can.

The Community Capital Infrastructure Grants Program was successfully launched in January 2013 and resulted in over \$165,000 being distributed to Community Groups for key infrastructure projects around the Island in financial year 2012-13 – in financial year 2013-14 we allocated a further \$150,000 which was fully drawn by March 2014.

The combined years to-date have delivered close to \$830,000 in project value into our Community leveraging the great volunteerism together with 'other people's money' (grants and sponsorship) – this is an exceptional result. The program in 2013-14 continued to benefit groups across the Island with projects being

completed in Kingscote, Parndana, American River and in the west end of the Island with the Western Districts Community. The program is available again in 2014-15 (\$200,000) and we expect to see plenty of additional projects implemented around the Island co-funded by Council.

There has been a continuing emphasis on improving Council's abilities to deliver core business services for the Community with Staff focusing on getting the basics right and building capacity into the business to be able to make the necessary changes to improve and grow our ability to do more with less. Given the small number of ratepayers for the land area and asset base that we are responsible for; Council must be very prudent with its revenue base when managing operations, services and assets (principally roads and association infrastructure) as our ratepayer-based revenue does not meet actual need. In effect, whilst Council manages operations with a small operating cash surplus, we are not able to fund the depreciation provisions required to maintain assets in an appropriate, fit for purpose, sustainable manner.

Cost control and efficiency is a given and the challenge going into 2013-14 was to minimise increases in operational expenditure. In addition to this there needed to be a strong focus on maximising revenues from existing streams and the continuation of work focused on investigating alternate, non-traditional revenue opportunities. It is pleasing to note that the works started in 2011-12 on managing our asset accounting in a more appropriate manner is continuing to deliver further reductions and refinement in our depreciation accrual in 2013-14.

The headline performance against the original budget is outlined in Table 1 below.

Chief Executive Officer

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There is still much to do to turn the finances around and Council is working closely with State Government Departments, with the assistance of the Kangaroo Island Futures Authority (KIFA), to consider options that may exist around responsibility / ownership and management of roads on Kangaroo Island – sealed or unsealed – with a view to either reducing the impact on the Council by either recognising that additional funding is required for Council to manage or alternatively recognising that it is appropriate for the State to assume greater responsibilities for roads and their management on the Island. As with everything, this is a complex area and Council Grant funding from the Commonwealth Government is impacted in positive and negative ways by small changes in the structure of ownership and responsibility for assets and it is important that we do not gain on one hand but lose on another. Modelling is underway as this is being written which will enable the new Council (elected in early November 2014) to consider whether this is an economically positive move and determine whether to proceed with this initiative or not.

Having the Kangaroo Island Futures Authority (KIFA) in place for the third year has continued to enable Council to work much more collaboratively with State Government Departments and we have seen significant progress in a number of areas – particularly in the area of planning with several pieces of work undertaken which will create a better environment for investment and development across the Island.

KIFA and Council are working on the Island power situation and are working closely with SA Power Networks (South Australian Power Distribution Service Provider) in the design of their bid to the Australian Energy Regulator for capital work upgrades for the network on the Island for the period 2015-2020. This application needs to be completed and submitted in late 2014 and is centred around the need for a higher standard of service being required which would then be served by a new sub-sea cable and upgrades to the on-Island distribution network infrastructure to increase power availability, capacity and security for the Community – particularly around the extensive single wire earth return network (SWER) that covers most of the rural areas of the Island.

In conjunction with this there has been a lot of work continuing evaluating the renewable energy options for the Island as means of creating interim capacity for growth. There are several initiatives that are approaching maturity and hopefully we will see these move forward in 2014-15.

Council and Regional Development Australia Adelaide Hills, Fleurieu and Kangaroo Island in partnership with Renewables SA, designed and delivered an iconic, innovative approach to renewable power and green energy use based around the Kangaroo Island Airport. A \$500,000 grant for the establishment of innovative solar power generation was made available by Renewables SA and work commenced in 2012-

TABLE 1

	2013-14 Final Budget	2013-14 Audited Accounts	
Operational Revenue	\$ 11,976,501	\$ 12,929,341	8.0% over budget
Operational Expenditure (Ex Dep'n)	\$ 12,494,026	\$ 12,239,432	1.5% over budget
Operational Surplus/Deficit (Cash)	-\$ 517,525	\$ 689,909	
Depreciation	\$ 4,368,234	\$ 4,368,235	7.7% under budget
Overall Operational Position	-\$ 4,885,759	-\$ 3,678,326	24.7% under budget

Chief Executive Officer

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13 on the installation of 50KW of high efficiency tracking solar panels to the airport (around 75% of our total power needs at the airport) together with 14KW of solar panels at our Dauncey Street Offices.

This work was completed in mid-2013 with the second phase of the project being a network of public electric vehicle chargers and three electric vehicles following in early 2014 running on green power. The project will see significant net savings to the Council for power at the two main locations together with the establishment of the infrastructure essential for electric vehicles to become a viable choice for use on Island. The vehicles are available for commercial hire and Council / Community use and this network is the first regional rural network established and one that has seen Island residents take up the positives associated with electric vehicles with two private vehicles now in use about the Island. Just as this report is being written, we are pleased to note that this project has been recognised by KESAB in their Annual Awards with the Council being the Category Winner for Environmental Sustainability in 2014.

Once again the volume and range of work being undertaken by Council staff at all levels is exceptional – there is a genuine willingness to go the extra mile by all staff and their commitment to the changes we will continue making in the business is very much appreciated – no-one likes change and yet it is the one great constant in life. Staff engagement in this process – whether through direct participation, ideas, observations and general support for each other adds enormous value to our organisation and whilst everyone accepts there is much that can be done better, we are definitely moving forward.

There has been continued work to further strengthen and develop Council staff capabilities and capacity in 2013-14 – the final stage of the organisational review was

completed in early 2014. Council moved into the new financial year fully staffed with, what are considered to be, the right blend of skills,



One of the 3 Nissan Leaf electric vehicles recharging at new charge point installed the Kangaroo Island Airport experience and knowledge to implement essential legislative requirements; identify and create efficiencies and cost savings and to ensure that we have a set of policies and processes in place to support the business needs now and for the future. The “hump” of work acknowledged to exist in 2013-14 is being systematically addressed and this is planned to continue in 2014-15.

Significant work has been undertaken in and around Workplace Health and Safety in the organisation and we were the recipient of a \$10,000 Award in recognition of the work carried out by this Council in the area of Risk Management. In addition to this, the audit carried out in 2013-14 by representatives of the Local Government Risk Management Services (the group that manage Local Government self-insurance for South Australia), has seen a significantly increased rebate payment (up by over \$20,000) due to the organisation working

Chief Executive Officer

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on compliance, risk reduction and heightened safety awareness in the workforce.

More importantly, we are able to report that in 2013-14 Kangaroo Island Council outdoor staff reported no Lost Time to Injuries (LTI's) with only one LTI reported from inside staff – a great result and one to celebrate.

Much as it would be nice to report a startling transformation of Council's financial situation, there is no quick, single solve all solution. A continuous and consistent approach in house to reducing costs, building capacity and skills to get efficiencies and ultimately reduce costs together with a focus on existing and new revenue opportunities is the default option. Working as closely as possible with Community groups to optimise the benefit of Council spend will ensure that we get the best "bang for buck".

This, coupled with continuing advocacy and collaboration with State and Federal Governments, addressing asset ownership; responsibility for, and costs of, management of that asset and the possibility of joint funding options that reflect our 4th Icon status and contribution we present to Tourism Australia and State Tourism visitor targets and revenue generation opportunities will ensure that this Community and its Council will be sustainable in the future.

Kangaroo Island Council

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Council

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Principal Role of Council

A Council is, under the system of local government established by the *Local Government Act 1999*, established to provide for the government and management of its area at the local level and, in particular:

- To act as a representative, informed and responsible decision-maker in the interests of the Community.
- To provide and coordinate various public services and facilities and to develop its Community and resources in a socially just and ecologically sustainable manner.
- To encourage and develop initiatives within its Community for improving the quality of life of the Community.
- To represent the interests of its Community to the wider Community.
- To exercise, perform and discharge the powers, functions and duties of local government under this and other Acts in relation to the area for which it is constituted.
- To provide infrastructure for its Community and for development within its area
- To promote its area and to provide an attractive climate and locations for the development of business, commerce, industry and tourism
- To establish or support organisations or programs that benefit people in its area or local government generally
- To manage and, if appropriate, develop public areas vested in, or occupied by Council
- To manage, improve and develop resources available to the Council
- To undertake other functions and activities conferred by or under an Act

Functions of Council

- To plan at the local and regional level for the development and future requirements of its area.
- To provide services and facilities that benefit its area, its ratepayers and residents, and visitors to its area (including general public services or facilities).
- To provide where possible for the welfare, well-being and interests of individuals and groups within the Community.
- To take measures to protect its area from natural and other hazards and to mitigate the effects of such hazards.
- To manage, develop, protect, restore, enhance and conserve the environment in an ecologically sustainable manner, and improve amenity.

Roles of the Elected Members, CEO and Executive Leadership Team

The *Local Government Act 1999* prescribes the legal framework which gives Councils the power to make local laws and also determines the roles and responsibilities of the elected representatives. The Mayor and nine Councillors serve four year terms, and set the strategic direction of the Council. The Mayor is the chair of Council meetings, ensuring Council decisions are implemented, and also represents Kangaroo Island at government, civic and ceremonial functions.

Council's Executive Leadership Team provide advice to the Elected Members. The Chief Executive Officer, along with his Executive Leadership Team and Staff deliver, monitor and implement the day to day services to facilitate the implementation of Council's decision making and strategic plan.

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Elected Members

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Jayne Bates OAM

Mayor

Phone: 8553 1087
Mobile: 0427 530 080
Email: jayne.bates@bigpond.com



Peter Clements

Deputy Mayor

Mobile: 0488 552 510
Email: wedgetaildown@bigpond.com



Malcolm Boxall

Councillor

Phone: 8553 9016
Mobile: 0427 616 200
Email: mfboxall@hotmail.com



Rosalie Chirgwin

Councillor (Resigned July 2012)

Council Policy allows for single Councillor vacancies without by-election being required.



Graeme Connell

Councillor

Phone: 8553 2369
Mobile: 0408 806 272
Email: gcr.connell@bigpond.com



Bec Davis

Councillor

Phone: 8553 5359
Mobile: 0428 108 968
Email: becdavis75@gmail.com



Peter Denholm

Councillor

Phone: 8553 1343
Email: peter.denholm@bigpond.com



Ken Liu

Councillor

Mobile: 0428 322 005
Email: ken.liu@bigpond.com



Graham Walkom

Councillor

Phone: 8553 7161
Email: grahamwalkom@gmail.com



Joy Willson

Councillor

Phone: 8553 1065
Mobile: 0438 876 811
Email: joy.don2@bigpond.com

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Elected Members

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Elected Member Attendance Summary

A total of 12 Council meetings, 17 Informal Gatherings and 17 Special Council meetings were held during the 2013-14 period. The following table outlines the attendance of each Councillor at all meetings.

COUNCILLOR	MEETING TYPE	% ATTENDANCE	TOTAL
Mayor Jayne Bates OAM	Council	92%	11
	Informal Gathering	92%	16
	Special Council	94%	14
Cr Malcolm Boxall	Council	100%	12
	Informal Gathering	94%	16
	Special Council	88%	15
Cr Rosalie Chirgwin*	Council	N/A	N/A
	Informal Gathering	N/A	N/A
	Special Council	N/A	N/A
Cr Peter Clements	Council	92%	11
	Informal Gathering	53%	9
	Special Council	76%	13
Cr Graeme Connell	Council	92%	11
	Informal Gathering	82%	14
	Special Council	100%	17
Cr Bec Davis	Council	92%	11
	Informal Gathering	71%	12
	Special Council	71%	12
Cr Peter Denholm	Council	83%	10
	Informal Gathering	76%	13
	Special Council	76%	13
Cr Ken Liu	Council	67%	8
	Informal Gathering	47%	8
	Special Council	29%	5
Cr Graham Walkom	Council	50%	6
	Informal Gathering	24%	4
	Special Council	24%	4
Cr Joy Willson	Council	92%	11
	Informal Gathering	94%	16
	Special Council	94%	16

* Formally resigned 11 July 2012

Elected Members

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Councillor Allowance

Councillor allowances for the reporting period of 2013-14 were set in August 2010 by the Remuneration Tribunal and incorporate the CPI increase. The following table outlines the actual allowances for Elected Members over the 2013-14 period.

ELECTED MEMBER	ALLOWANCE	REIMBURSEMENTS
Mayor Jayne Bates OAM	\$ 35,244.00	\$ 13,186.80
Deputy Mayor Peter Clements	\$ 10,660.62	\$ 3,519.56
Cr Malcolm Boxall	\$ 8,694.00	\$ 1,151.44
Cr Rosalie Chirgwin*	\$ 0.00	\$ 0.00
Cr Graeme Connell	\$ 8,694.00	\$ 0.00
Cr Bec Davis	\$ 8,694.00	\$ 1,596.56
Cr Peter Denholm	\$ 8,694.00	\$ 3,153.88
Cr Ken Liu	\$ 8,694.00	\$ 253.82
Cr Graham Walkom	\$ 8,694.00	\$ 0.00
Cr Joy Willson	\$ 8,694.00	\$ 3,550.52

* Formally resigned 11 July 2012

Internal Review of Decisions

Pursuant to Section 270 of the *Local Government Act 1999*, Council received no applications for internal review of Council decisions.

Report of the Use of Confidentiality Provisions

Refer to Statutory and Legislative Section in Annual Financial Statement (attached).

Good Governance

What is good governance? It is an extremely important aspect of any organisation, be it government, commercial or private enterprise. It is the setting of ideals and values for customers and clients or in Council's case, residents, ratepayers and Community members in general.

It necessitates ethics, clarity, equity, transparency and demands honesty and integrity.

The Kangaroo Island Council has ensured good governance by conducting reviews and audits across all departments of the Council. This has been followed by the development and implementation of processes in line with a continuous improvement philosophy.

Good government has been achieved not just by meeting compliance, but also by leading the local government sector along with 5 other Councils in SA with our involvement in the Internal Control / Good Governance pilot; Stage 1 being Audit, and Stage 2 being the sustainable management system. This process and system is being overseen by the Audit Committee.

Elected Members

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Ethics

The Kangaroo Island Council's Elected Members' Code of Conduct and Employees' Code of Conduct provide a system of moral principles governing the appropriate conduct of Council. These are underpinned by five principles of ethics, which guide and direct Council in all of their practices and operations.

The five principles are:

- Respect for persons
- Respect for the law and the system of government
- Integrity
- Diligence
- Economy and efficiency

In addition, the administration of Council reinforces and demonstrates a 'value system' that includes amongst others:

- We are honest in our dealings with others
- We always demonstrate commitment and diligence in our efforts
- We are fair and even-handed in our dealings with others
- We have a sense of urgency on matters related to health and safety

Representation Quota

In June 2010 the Local Government Association confirmed the representation quota for Kangaroo Island to be 323. This is determined by dividing the total number of electors (3,237) by the number of elected representatives (10). This compares with a state average quota of 1636 across metropolitan Adelaide, rural and regional councils of South Australia. The next review of representation quota is due to be complete by November 2016.

Involving our Community

Council meetings over this period have been held on the second Wednesday of each month, with the exception of January which was held on the third Wednesday of the month. All meetings times and locations were advertised in *Council Matters* in 'The Islander' newspaper.

Eight of the 12 meetings throughout the year were held in the Council Chambers in the Kingscote offices, with the remaining four held in American River, Parndana, Penneshaw and the Western End. These regional Council meetings held outside of Kingscote were commenced with a Community session to provide Community members of our more remote areas the opportunity to meet with the Elected Members prior to the start of the Council meeting. The public are encouraged to attend all Council meetings.

Each month the Council agenda and minutes are posted on the Council website or available to read at the main Council office, Penneshaw Community Business Centre, Parndana Post Office and American River Post Office.

At ordinary meetings of Council, formal provision is made for 'questions from the gallery'. 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.

Elected Members

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Planning and Decision Making

In accordance with the *Kangaroo Island Council Public Consultation Policy* and adherence to our commitment of transparent, accountable and responsive decision making, public consultation was strongly demonstrated through 2013-14.

During the development of the 2010 - 2014 Kangaroo Island Council Strategic Plan, a forum was held attracting approximately eight attendees titled: *Future Search: United in our Future*. Representation was inclusive of residents, ratepayers, members of Community groups, Government agencies, Elected Members and Employees of Council.

Future Search enabled a broad spectrum of Kangaroo Island Community representation to provide input into the direction and goals for the Council and the outcome set the platform for the development of this Strategic Plan.

Each and every "common ground" item identified from the session was incorporated into the Kangaroo Island Council four year Strategic Plan. Furthermore, a direct flow-on effect occurred with the development of the 2013-14 Business Plan and budget.

Invitations for other consultative opportunities, along with information and communication of Council plans and opportunities, have been regularly issued and advertised via Council's weekly article in '*The Islander*' newspaper - '*Council Matters*', through the twice yearly newsletter '*KI Matters*', as well as all information, documentation and outcomes being made available on our website.

Looking Forward

Council completed an extensive engagement with all elements of our Community in the compilation of a new 4 year strategic plan. This plan, accepted in draft by the outgoing Council, at the time of writing this report is currently out for public consultation with the intent of taking this and any feedback received to the new Council early in 2015 for adoption. The plan aligns to our *Long Term Financial Plan* aiming at sustainability by 2024.

Kangaroo Island Council

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Committee Representation

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COUNCIL COMMITTEES (Section 41)	MEMBERSHIP
Awards & Grants Assessment Panel	Cr Davis, Cr Denholm, Cr Connell and Mayor (ex-officio) <i>(term of Council)</i>
Audit Committee	Mayor, Cr Willson, Cr Walkom, Cr Clements and Mr Bill Cossey <u>Advice</u> - CEO, DBS, FM, DASI and APM
Boating Facilities Committee	Mayor, Cr Connell, Cr Denholm, Representatives from American River, Emu Bay, Shoal Bay, Baudin Beach & Penneshaw <u>Advice</u> - DASI, APM and TPM
Community Passenger Network Committee	Cr Davis, Representative from Transport Industry, Education Sector, Employment Sector (2) and Health Sector (2) <u>Advice</u> - CAM
Finance Committee	Mayor, Cr Willson, Cr Clements, Cr Boxall & Cr Davis <u>Advice</u> - CEO, DASI, DBS and FM
Kangaroo Island Youth Council Committee	Cr Connell, Cr Davis, Rep from KICE (6), Youth (3), KI Youth Partnership and KICE Adult <u>Advice</u> - CAM
Community Centres Committee	Mayor, Cr Willson, Cr Connell, Cr Liu, Cr Denholm & Cr Walkom, Representatives from Progress Associations - Penneshaw, Kingscote, Parndana and American River <u>Advice</u> - CEO, DASI, DBS, DSA, TPM, CAM, Planning SA Representative and Project Consultants

REGIONAL SUBSIDIARIES (Section 43)	MEMBERSHIP
Southern and Hills LGA [Executive and General Meetings]	Mayor and CEO (Proxy first Deputy Mayor, second ASGM)
Fleurieu Regional Waste Authority	Cr Boxall (proxy Cr Denholm) and ASGM

DEVELOPMENT ACT	MEMBERSHIP
Development Assessment Panel	Panel of 7 Members comprising 3 appointed Elected Members (appointed separately), Independent Chair and 3 Independent Representatives
Building Fire Safety Committee	Development Officer Building and Compliance, Development Services Manager, Representative from SA CFS and Consultant Building Surveyor
Strategic Planning and Development Policy Committee (Section 101A)	Full Council

Committee Representation

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INTERNAL OPERATIONAL COMMITTEES	MEMBERSHIP
Airport Safety	CEO, Airport Services Coordinator, Airport Administration Officer (ex-officio), Representatives of Regional Express, DOIT, Royal Flying Doctor Service, Hertz KI, Budget KI, SAPOL and KI Transfers
Airport Security	CEO, Airport Services Coordinator, Airport Administration Officer (ex-officio), Representatives of Regional Express, DOIT, Royal Flying Doctor Service, Hertz KI, Budget KI, SAPOL and KI Transfers
Kingscote Aerodrome Emergency Committee	Representatives of KIC, SAPOL, SA Ambulance Service, KICFS, KISES, Emergency Management Australia, Regional Express and Families SA
Workplace Consultative Committee	HRRM, HRC, ASU Employee Representative, AWU Employee Representative and 2 Employee Representatives
OHS&W Committee	HRRM, WCAS, WHSC and 4 WHS Employee Representative

EXTERNAL COMMITTEES / BOARDS	MEMBERSHIP / COUNCIL REPRESENTATIVE
Indigenous Reference Group	DASI
KI Bushfire Management Committee	CEO or Nominee
KI Community Housing	Cr Davis and CAM
KI Emergency Services Advisory Group	CEO or Nominee
KI Emergency Services Operational Group	CEO or Nominee
KI Health Advisory Council	CAM
KI Multi-Day Walk Coordinating Committee	CEO
KI Natural Resources Management Board	DASI (non voting representative)
KI Ports Management Group	Mayor and CEO
LGA of SA	Mayor (Proxy Deputy Mayor)
LGA State Executive Committee	Mayor
LGFA	Mayor
National Sea Change Taskforce	Mayor and CEO
Penneshaw Community Business Centre	Mayor
Regional Development Australia	Deputy Mayor Clements
Southern and Hills LGA Roads Working Party	ASPM
Tourism KI	Mayor (Proxy Cr Clements)
Tourism Optimisation Management Model	CAM
Water Task Force	Cr Boxall
ZEMC	DESM

Kangaroo Island Council

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Commonly Used Acronyms

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LEGEND - COUNCIL PERSONNEL	
ASM	Assets Program Manager
CEO	Chief Executive Officer
CMA	Community Affairs Manager
DASI	Director Asset Services and Infrastructure
DBS	Director Business Services
DESM	Developmental and Environmental Services Manager
DSA	Developmental Services Advisor
ELT	Executive Leadership Team
EM	Elected Members
EO	Executive Officer
ESM	Environmental Health Officer
FM	Finance Manager
FPO	Fire Prevention Officer
GI	General Inspector
HR	Human Resources
TPM	Technical Programs Manager
WHS	Workplace Health and Safety

LEGEND - OTHER	
BCP	Business Continuity Plan
CFS	Country Fire Service
CPN	Community Passenger Network
CWMS	Community Wastewater Management Scheme
DAC	Development Assessment Commission
DAP	Development Assessment Panel
DEWNR	Department for Environment, Water and Natural Resources
DPA	Development Plan Amendment
DPTI	Department of Planning, Transport and Infrastructure
DMITRE	Department for Manufacturing, Innovation, Trade, Resources and Energy
EPA	Environment Protection Authority
ERD	Environment, Resources and Development
FRWA	Fleurieu Regional Waste Authority
FWS	Finding Workable Solutions
FY	Financial Year
KIC	Kangaroo Island Council
KICHA	KI Community Housing Association
KIBMC	Kangaroo Island Bushfire Management Committee
KIHS	KI Health Service

Commonly Used Acronyms

Kangaroo Island - a pristine island full of natural beauty

LEGEND - OTHER (CONT.)	
KIFA	Kangaroo Island Futures Authority
KIHS	KI Health Service
KINRM	Kangaroo Island Natural Resource Management
KIPMG	KI Ports Management Group
KPIs	Key Performance Indicators
KIRRC	KI Resource Recovery Centre
LG	Local Government
LGA	Local Government Association
LGS	Local Government Services
MOU	Memorandum of Understanding
NV Council	Native Vegetation Council
PAR	Plan Amendment Review
PDs	Position Description
PDP	Personal Development Plan
RDA	Regional Development Australia
RDIF	Regional Development Infrastructure Fund
RPT	Regular Passenger Transport
SA Govt	South Australian Government
SATC	South Australian Tourism Commission
SHLGA	Southern and Hills Local Government Association
SOP	Safe Operating Procedure
TKI	Tourism Kangaroo Island
TOMM	Tourism Optimisation Management Model
URPS	Urban and Regional Planning Solutions
YAC	Youth Advisory Committee
ZEMC	Zone Emergency Management Committee

Kangaroo Island Council

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Departments and Senior Staff

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Kangaroo Island Council Administration

The administration of Kangaroo Island Council is made up of three distinct departments, Asset Services & Infrastructure, Business Support and Development Services. At the time of writing this report, Development Services now sits within the Infrastructure and Asset Services portfolio creating two distinct departments, each with a Director reporting directly to the Chief Executive Officer.

Chief Executive Officer

Andrew Boardman (Aug 2011 -)



The Chief Executive Officer is responsible for the administration and implementation of Council directions (resolutions, Strategic Plan and Annual Business Plan). The CEO is also responsible for the employment and management of Council's staff.

Director of Business Support

Ted Botham (April 2013 -)



Business Support is responsible for finance, HR/Risk and WH&S functions, customer service, library, records, CPN, cemeteries, youth and community affairs. The department provides support to the CEO and DASI for the effective running of the business.

Director of Asst Services and Infrastructure

Chris Smith (November 2013 -)



Asset Services and Infrastructure is Kangaroo Island Council's biggest department both in annual budget and employee numbers, is responsible for the 'works' side of Council. They build and maintain roads, infrastructure, parks and gardens.

The Kingscote Airport is a major asset in this department. Also part of Asset Services is Environmental Services which includes General Inspectors, Fire Inspectors, Dog and Cat Management and Environmental Health.

Manager of Development Services

Aaron Wilksch (Nov 2012 -)

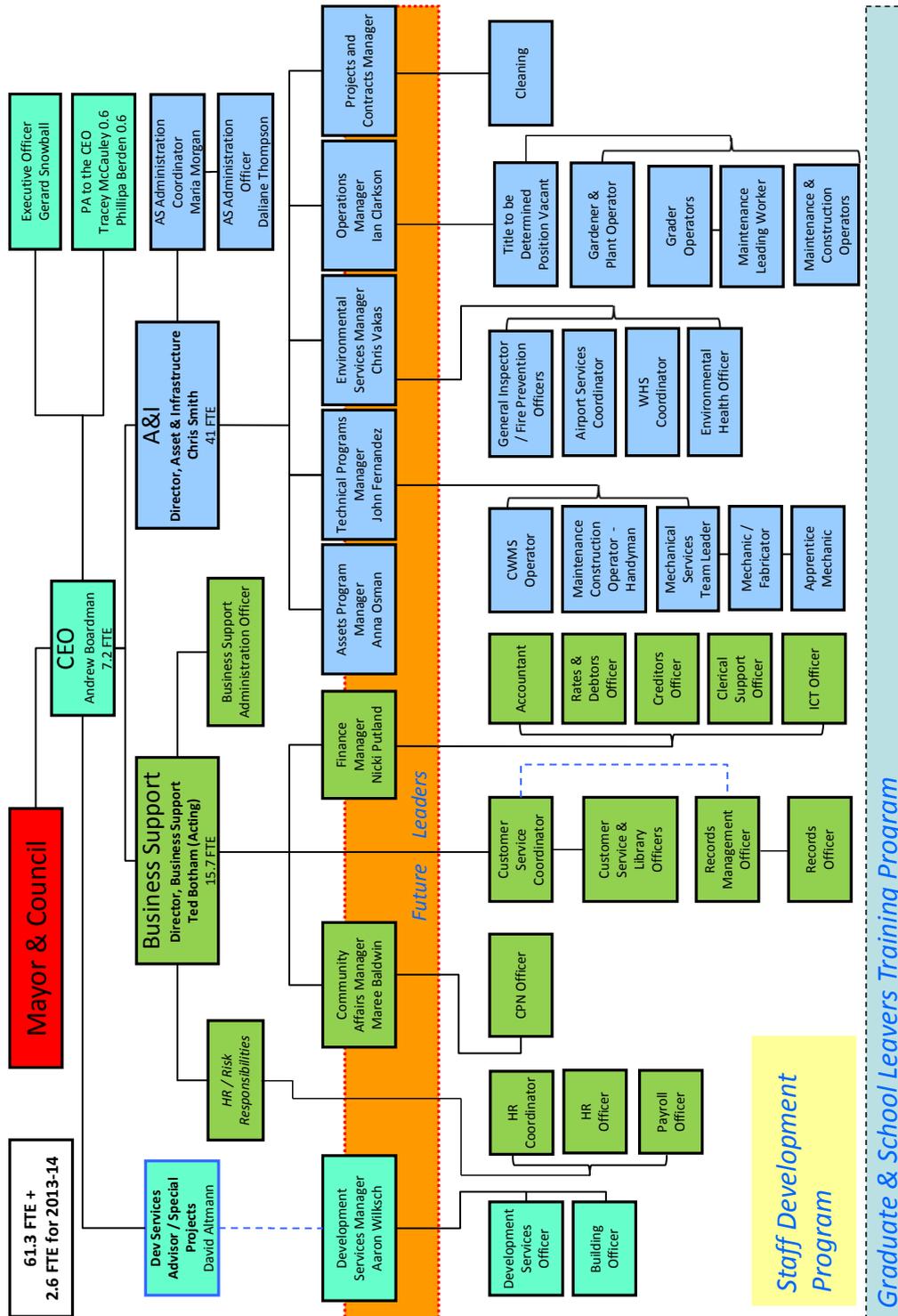


Development Services are responsible for the management and implementation of the Kangaroo Island Development Plans. Development Services deal with land divisions and sub-divisions, building of houses and commercial premises, septic tank approvals along with building inspections.

At the time of writing this report, Development Services has taken responsibility for Environmental Health to form Development and Environmental Health Services.

Organisational Structure

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Asset Services and Infrastructure

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Chris Smith
Director of Asset Services
and Infrastructure

Our team looks after the “works” side of Council.

This Business Unit is responsible for:

- Safety of our workforce and the public we serve
- Asset management and works planning
- Building and maintaining roads
- Infrastructure such as buildings and camp grounds
- Airport, boating facilities including jetties, boat ramps and the marina
- Sewer systems, water reuse and rubbish (delivered by FRWA)
- Parks, gardens, reserves, cemeteries, ovals and playgrounds
- Environmental health, fire protection, General Inspectors (Rangers)
- Emergency management
- Dog and cat management

Overview

The Asset Services and Infrastructure Department (Asset Services) employs 41 full-time staff as well as casual employees to meet peak demands. The responsibility and diversity of the Business Unit includes the capital and operational elements: Project Management, Asset Management, Leases and Licenses, Waste Management and Community Wastewater Management Systems.

Asset Services is responsible for the construction and maintenance of:

- 253 kilometres of sealed road network
- 1,066 kilometres of unsealed road network

Asset Services also operates a contract to undertake maintenance on 110 kilometres of the Department of Planning, Transport and Infrastructure sealed road network.

Strategies

Council is challenged with sufficient funds to perform its entire works and to maintain assets in line with the outputs of our asset management plans.

Three broad overarching strategies were deployed mid year to address issues primarily with road maintenance (and construction), workforce and plant efficiencies:

1. **Material selection:** Ensuring that materials being used to construct and maintain roads are in specification. This has encouraged the pre-crushing, blending and testing of road materials before application. This has been in part supported by our pavement trials which are detailed elsewhere in this report.
2. **Drainage:** Most pavements will remain stable if dry. Much of our road network requires further work to maintain optimal shape of the road surface and drain the water off the roads. This program was accelerated during the year but is a work in progress as we report.
3. **Workforce and plant efficiency:** During the year emphasis has been placed on getting the right teams and the right culture into the organisation. It is pleasing to note the fine calibre of our workforce and their willingness to improve outcomes. Whereas this is still maturing, the foundations are well laid and the benefits are showing in the main work group performing our road maintenance activities. Plant efficiencies are being closely studied as the aging fleet has been placing increasing pressures on our workshop staff to keep plant rolling.

Asset Services and Infrastructure

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Further strategies are being developed to address:

1. **Asset Management and Vegetation:**
These strategies are detailed under asset management for ring roads and levels of service. A number of micro strategies are rapped into our Native Vegetation Management Plan.
2. **Safety:** During the year the works teams have been trained on safe work practices with particular emphasis on being able to identify hazards, assess risk and implement controls to ensure a safe work place. The extension of this process is a detailed job safety analysis and individual plant risk assessments.

Safety and Contracts

This encompasses management of safety across the workforce, tendering and contract implementation, management of the General Inspectors, management of the Kingscote Aerodrome, care of the SODAR system, Fire Prevention Officer for the Island, member of Bushfire Management Committee, Council representative of the Zone Emergency Management Committee, Council representative on KIESOAG (Kangaroo Island Emergency Services Group) and management of the Parks and Gardens Team.

Safety

Council in the last year has made great advances in the field of Safety. Asset Services marked 12 months lost time injury free in June with beanies presented to the workforce. The change in culture within the workforce is highly evident now with safety becoming one of the first thoughts prior to commencing a task. Personnel are now willing to ask how to complete their tasks in a safe and timely manner. The aim is for all staff to have a safety focus in all of their tasks and for them to use the

internally developed "Home Safe" system when carrying out tasks that are out of the norm. All Council staff are now engaged in an E-Learning program consisting of three units of national accredited training. Two of the units are safety related and the other customer service orientated. These units form part of each employees' professional development.

Contracts

Major contracts issued this year:

- Cleaning of Council facilities
- Christmas Cove redevelopment
- DPTI works (East West Road, Wedgewood and Hickman Roads)
- McGillivray Flood Recovery (Year 1)
- Vegetation clearance (Cape Willoughby Road)

Christmas Cove boat ramp and parking facilities are going through an upgrade co-funded by the South Australian Boating Facilities Committee and Council. The works will provide significantly better access and parking in this area.



Christmas Cove Redevelopment

Asset Services and Infrastructure

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The cleaning contract with Wayne Cleaning Systems commenced this year and has now incorporated all Council offices and the aerodrome as well. There has been a great amount of positive feedback in regards the level of cleanliness of Council facilities since the start of this contract.

General Inspectorate

Fire Prevention

We have been working to better inform rate payers in Island Beach/Sapphire town and Vivonne Bay to let the residents know what is expected of them under the *Fire and Emergency Services Act 2005* and how to achieve this prior to fire season opening.

The gardening team have been actively carrying out fuel reduction activities in the townships to establish them as demonstration sites for rate payers to see what is required. Council has commissioned the groomer so that works in regards to clearing of roadside verge can be carried out more efficiently.

Boat Ramps

Christmas Cove is undergoing major works and Emu Bay boat ramp will undergo works in late 2014. Boat ramp income increased by 15.75% in the 13/14 financial year attributed to more visibility of the General Inspectors during peak tourist times.

Camp Grounds

The condition of and infrastructure provided at Council camp grounds are a draw card for tourists and islanders alike and this is represented by income increasing by 8%.

With the popularity of the American River camp ground with locals and boaties has meant that

we now have coin operated showers to ensure that we recoup some of our costs for water. We are looking at doing similar at the Brown Beach and Vivonne Bay camp grounds as we have large groups using the showers that are not actually staying at the camp ground.

Signs prohibiting fires will be installed at all campgrounds at the start of the fire season.



American River Camping Ground

Dog and Cat Management

The revenue from this area was down by 8%. Council have noticed an increase in unregistered animals in the townships and take every opportunity to follow up on previous registrations that have not reregistered. The numbers of animal complaints are down slightly on the previous year.

Council has instigated a "Dob in a Feral Cat" campaign to get some statistics of the number of sightings. Council along with DWENR and the NRM Board are pooling data and discussing the best methods for control of the population.

Asset Services and Infrastructure

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Discussions are underway for an "Off Leash" area in the Brownlow area. Funding will be sought via grants from the Dog and Cat Management Board.

Parking

Parking continues to be an issue during the peak season in both Kingscote and Penneshaw. The Department of Transport and Infrastructure in conjunction with Council revised the plan for North Terrace in Penneshaw to include more parking by extending the current parking area to include 45 degree parking creating a parking area for 43 vehicles.

Similarly Council are looking to rationalise the parking in Kingscote.

Parks and Gardens

The parks and gardens personnel have been combined into a team that has been used as a strike team. The team enters a township and carries out all tasks, from mowing and snipping to weed spraying and vegetation trimming. The team has also been engaged in carrying out fire prevention works in the townships to demonstrate compliance with the *Fire and Emergency Services Act*.

SODAR Station

Council has installed a Sodar weather station on Cape Willoughby Road. SODAR is similar to SONAR but the sound travels through air rather than water. The station measures temperature, wind speed and direction at three heights and the amount of sunlight and the strength. This data is being compared to the Bureau of Meteorology data from Cape Willoughby lighthouse with the aim of better mapping the localised weather on the island, and what, if any renewable energy platforms would possibly work here.

Airport

Regular public transport passenger numbers through the aerodrome have again declined in 2013-14, continuing the trend experienced in the past 6 years. This continues to pose challenges with the reduction in passenger levy income available for asset maintenance. However, it is pleasing to inform that the planned RAAF Hercules aircraft movements as reported to be likely in 2012-13 Annual Report, were approved for operations on a controlled basis. These movements were onto our unsealed runways and generated significant additional income to the weight based landing revenue stream which is applied to aircraft not conducting activities for regular passenger or passenger charter services.

A successful emergency field exercise, simulating a helicopter crash and response was carried out in October 2013 with support from all local emergency response agencies, inclusive of particularly invaluable contribution of Community oriented volunteer members.



Kingscote Aerodrome Chopper Exercise, 27 October 2014

Asset Services and Infrastructure

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Council is progressively undertaking work to address some technical issues as identified through CASA surveillance visit in late 2013. Pre-emptive of this visit was the plan to engage local contractors to install additional apron edge lighting to more clearly delineate the movement area leading to the parking bays near the terminal. This work was successfully completed in June 2014.

With appropriate processes in place to retain the integrity of our aerodrome assets, we are able to continue to support the private sector with Pavement Concession approvals provided for a variety of corporate and business aircraft that exceed our published pavement ratings.

While not yet finalised through our fully consultative approach, we await final approval for the go ahead for name change of our aerodrome to Kingscote/Kangaroo Island. The Department of Infrastructure and Regional Development have already accepted a fully revised Transport Security Plan (TSP) inclusive of this name change proposal. The opportunity was taken to complete a full review of the TSP ahead of the mandatory review timeframe, to incorporate this change as well as others necessary to remain compliant.

The Council continues to keep an interactive approach with our major regulators to ensure safe compliant facilities are maintained.

Asset Management

The role of asset management in the organisation is broadening and reaching into many areas of the business. Focus continues on the development of asset management systems and data to develop programs, understand better the real whole of life costs and the risks in shifting funding priorities based on revised levels of service. The ring road strategy for transport assets has driven a reclassification of the road

network to direct appropriate funding to essential road links. Condition based monitoring is being used to aid a risk based approach to asset management.

Revaluation of transport assets has been completed to ensure valuation rates reflect capital renewal costs, current condition and deterioration patterns. A detailed capture of all CWMS and storm water assets down to component level has been undertaken and valued for accurate accounting, asset programming and whole of life cost purposes.

MacGillivray Flood Recovery roadwork's project under the National Disaster Relief and Recovery Arrangements (NDRRA) continues with \$1.3m funding in 2013-14 with a further \$2.9m in 2014-15. Year 1 of the recovery program engaged contractors to repair Woods Road, Seagers Road, Three Chain Road, Destrees Bay Road, Loverings Road, Halls Road, Milkys Road, Moores Road and Mouth Flat. Kangaroo Island Council has been the inaugural claimant of the new funding arrangements which has resulted in the amendment of some of the processes based on Council's experiences. The LGA continue to liaise with Council as guidelines are reviewed.

Grant funding is also a focus for asset management as work continued on the update of the 2020 Transport Plan for the Southern & Hills Local Government Association.

Roads

The MacGillivray floods presented Council with major challenges and a massive diversion of resources and budget. The initial works completed by Council were in the order of \$0.5 million. The assistance provided by the State Government has provided us with the resources to complete the rehabilitation of the road network. Total damage to roads is assessed at \$5 million.

Asset Services and Infrastructure

Kangaroo Island - a pristine island full of natural beauty

The unseasonably wet winter caused deterioration of roads across the Island. Although MacGillivray was the most affected, the integrity of the network as a whole was significantly reduced as was our capacity to cope in a timely manner. The lack of adequate drainage was recognised as a major contributor and emphasised the need to implement effective and long lasting systems, which has evolved into one of our key strategies.

Clearer understanding of our native vegetation boundaries has enabled the establishment of proper mitre drains, and we have been collecting data across the Island this winter for further work in the 2014-15 season.

Patrol grading has been used effectively, particularly west of Parndana, the result of operator education to cut the roads and pull it in while the moisture is in the material. It was considered counter productive to continue

grading in the summer months, while efforts concentrated on ring roads, intersections, corners, gullies and bridges are were deemed necessary.

Council has had its share of plant breakdowns during the last 12 months, with several major breakdowns pointing to an aging fleet. We have consolidated our tractor fleet. We have purchased another towed roller and a new high pressure drain cleaner, and are currently searching the market for a self propelled multi tyred roller and another backhoe.

Plant Replacement

The following items were attended to in the financial year.

In order to rationalise the fleet tractors, a review was undertaken of current needs, with a view to sharing small tractor capacity between works



Chris Smith, Director of Asset Services and Infrastructure talks to members of the Community who have been affected by the floods during an Information Session held for the Community regarding Flood Recovery

Asset Services and Infrastructure

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depots/townships. Accordingly, two tractors were replaced with one new unit, more suited to current needs.

A drain cleaner, capable of clearing either CWMS or stormwater drains, was purchased, with a range of cleaning heads. This will ensure improved efficiency and reduce the incidence of engaging external service providers, thus reducing cost. As required, the drain cleaner can work in tandem with the in-pipe camera system used by our CWMS team. The combination of these two units working together often saves considerable funds by determining accurately where a problem actually exists in a pipeline.

A review was undertaken of the light truck fleet, and there were two outcomes:

- Swap the two patrol grading trucks between teams: One had accumulated significantly higher kilometres, thus swapping over will equalise the kilometres by the end of design life of these units.
- Rather than trade in one gardening light truck and replace with new, a new clutch and other repairs were undertaken on P321, thus extending its service life.

Our fleet of light vehicles is progressively being replaced with leased vehicles where they have travelled more than 100,000 kilometres. These new vehicles will in the main be Toyota four wheel drives. Further options are being considered with a view to expanding our solar fleet and reducing our carbon footprint.

With the advent of a detailed sealed road maintenance team, there was an increased need to ensure adequate levels of safety for this team, as they work on busy roads across Kangaroo Island, as well as town streets. To this end, an illuminated light bar was purchased, and mounted on the cabin of the service

vehicle. This has delivered an increased level of safety for this team.

Continuing the ongoing push to make improvements to roadside vegetation management, Council staff reviewed various types of tree/branch saw units. The focus is now firmly on trimming the very high and often inaccessible, tree branches that overhang many roads. These are not often found in great number, but do present a hazard to high freight vehicles that service the agricultural and primary production sector on Kangaroo Island. No suitable unit type was located to match the current Council equipment, thus no purchase was pursued. This work will remain with contractors until an affordable solution is found

Technical Programs

The Technical Program Manager delivers a variety of detailed information across a range of projects and programs, to Council staff and for external enquiries. This ranges from civil industry information to detail drawings with regard to roads, stormwater drainage, CWMS, roadside and other vegetation.

This role also deals with Marine facilities, DPTI road interactions, Roadside Vegetation Management Planning and delivery, management of the Council's mechanical workshop, CWMS and maintenance team.

Kangaroo Island Council staff engaged locally and with officers of the Native Vegetation Council to further develop a workable Roadside Vegetation Management Plan (RVMP). An on site tour of several locations was undertaken, and involved several local groups, and the focus was on road safety, clearance envelopes, current legislation and Acts, and preservation of as much vegetation as is practical. There is general consensus that a strong onus exists on Council and the Community to ensure

Asset Services and Infrastructure

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adequate and safe access exists for residents, visitors and general road users as they seek access to education, health, commercial and recreational facilities. It is also important to ensure that the ambience of the Island's vegetation is not lost, rather preserved in unison with other efforts.

Council staff have been active in seeking solutions to the long term viability of all aspects of roadside vegetation management, and considerable work was completed in re-writing the RVMP.

Trial work was done by Council staff in determining if some threatened species can be relocated from an existing Community to another within metres, but far enough to be clear of the roadside vegetation working envelope. It is hoped the outcome of this trial will lead to improved management practices from numerous quarters.

In 2013-14 Council allocated some \$240,000 and managed/treated over 160 km of roadside

vegetation, by contract and in-house plant. While the 'in-house' option is proving to be considerable less costly, it is intended to accelerate the use of Council plant in 2014/15. Again, the vegetation groomer secured by Council was 66% funded externally, thus easing strain on Council funds, while producing a satisfying outcome.

DPTI Program

Works were undertaken to continue the Renewal of Unsealed Roads Program priority list established and agreed by Council in 2010. 2013-2014 saw the completion of Wedgewood & Hickman's Roads, together with the reconstruction of East West Road, Dudley. This continues on from the roads and road sections completed in 2010-11 and 2011-12, namely - North Coast Road from Gap Road to Stokes Bay (34 Km) and Willson's Road, Starr's Road and Elsegood Road (part) (25.3 km).

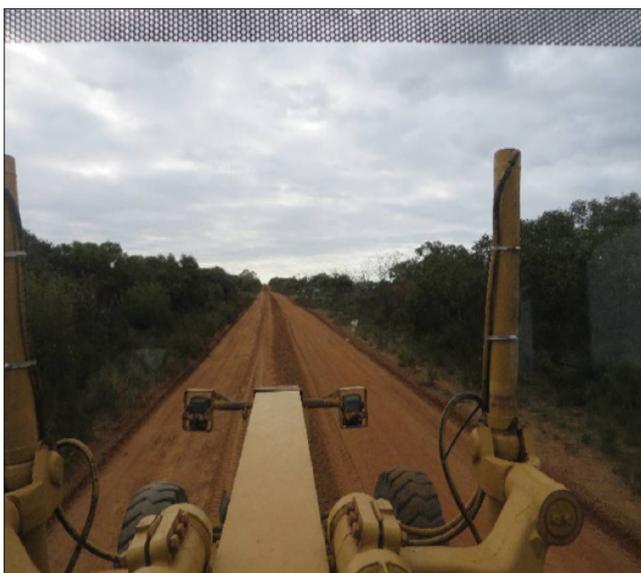
This work is completely externally funded and emanated from the considerable work done by current Council staff following the development of Asset Management Plans in 2008.

Looking forward the program directs the completion of the "Eastern Ring Route" (Cape Willoughby Road & Willson River Road), with Harriet Road next on the list.

These projects have a multiple benefit outcome, and apart from the obvious improvements to Council infrastructure, there is a considerable ongoing boost to the local economy, with local trucks, plant, equipment and residents being employed to undertake these phases of the overall program.

Pavement Stabilisation Trial

The 2013-14 program also saw the implementation of an unsealed road pavement stabilisation trial, with a 1.25 km site on Rowland



Patrol grading and drainage maintenance teams working around the Kangaroo Island road network

Asset Services and Infrastructure

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Hill Highway, bordering Parndana Township selected for treatment and monitoring. A snapshot of the work, again fully externally funded, is below.

Background: Kangaroo Island Council receive an annual allocation of funds from the Department of Transport, Planning and Infrastructure (DPTI) to upgrade unsealed roads across Kangaroo Island. DPTI and Council have undertaken a series of laboratory tests on limestone and ironstone rubble, to determine if additives can be blended with either product to achieve a longer lasting granular pavement.

Limestone: A series of minor trials associated with better blending and mixing of the product was conducted on sections of North Coast Road in Stage 1 of the DPTI program. Improvements to the limestone specification were made during Stage 2 - on Willsons, Starrs and Elsegood Road, with final setting of the limestone specification achieved in Stage 3 on East West Road.

Ironstone: DPTI directed that Council allocate 5% of the annual funding for Stage 3 towards sampling and testing additives that can be blended with ironstone and follow up with a monitoring program to determine any success. Five additive types were selected, based on previous DPTI trials in other parts of SA. These were included and mixed into 5 distinct 250 metre long sections of Rowland Hill Highway, bordering Parndana Township

The binder types selected and mixed by commercial earthmoving equipment were:

- Cement infused at 3% by volume/weight
- Fly ash infused at 4% by volume
- Hydrated Lime included at 3% by volume
- PolyRoads- a synthetic liquid product infused at 3% by volume
- Limestone Marl/Rubble blended at 50/50 with the ironstone.

Expected Outcome

It is hoped to achieve the following from the trial and monitoring:

- Reduce dust nuisance to residents living on the south side of Parndana, plus those elsewhere affected by dust drift.
- Reduce noise nuisance for local residents from vehicles negotiating summer corrugations.
- Produce a pavement layer that holds its moisture content, thus binding together for longer periods and not failing apart and ravelling.
- Provide a pavement surface that holds together longer - thus providing a safer driving experience.
- Provide a higher level of road surface/ pavement that is more cost effective over a longer period to significantly reduced patrol grading and other maintenance.
- Produce a road shape that is able to adequately dispose of stormwater/rainwater to the side drains.
- Provide a better road for freight vehicles that use Rowland Hill Highway as a short cut to the western portion of Kangaroo Island.
- Ensure a better and safer route for tourists and school buses and local residents.

Future

The following items will be achieved in the short and medium term:

- Continue monitoring and measuring the surface profile – quarterly checks.
- Check any loose material or shape deformation that occurs - quarterly checks. Report annually the results to DPTI and Councils consulting pavement engineer
- Determine the most cost effective product and seek to implement its use into annual unsealed road works budgets and programs.

Business Support

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Ted Botham
Director of Business Support

With the departure of two (of the four) members of the Senior Management Team during November / December 2013, a review of the management structure was conducted. During this review and in consultation with the Elected Members, it was decided to introduce a "Two Directorship" model in managing Council's operations.

This effectively means Council have a Chief Executive Officer working directly with a Director of Business Support (support side of the business) and a Director of Asset Services & Infrastructure (delivery end of the business).

Business Support encompasses all support areas of the business including:

- Customer Service / Community Affairs
- Human Resources
 - Risk
 - Safety
- Finance

Customer Service / Community Affairs

As part of the organisational review, Maree Baldwin was appointed as 'Community Affairs Manager' and Danielle Fleet was appointed as 'Customer Services Coordinator'.

During April 2014, work commenced on the new 'Customer Service' module and is expected to go live during July / August 2014. This new module will enhance Council's capabilities in the management of Community notifications and queries.

This area of the business provides services in the following areas:

- Customer Service
- Library
- Records Management
- Grants
- Community Passenger Network
- Community Engagement
- Internal / External Communications
- Cemeteries
- Community Events
- Youth Programs

This department also actively participates in committees such as Health Advisory Committee and the Kangaroo Island Community Housing.

As from 30 June 2014, additional funding was secured to expand the Community Passenger Network (CPN) position from three days per week to five days per week. Our two CPN employees are Anne Ellson and Daliane Thompson and work under the direction of Maree Baldwin.

The Council website continues to be upgraded and kept up to date with new information continually uploaded.

Council has increased the Community Capital Infrastructure Grant by an additional \$50,000 to \$200,000 for 2014-15 and contributing to this decision was the great success of this program during 2013-14. This year Council provided Community Capital Infrastructure Grants totalling \$150,000 thus leveraging \$492,971 worth of work out of the grant monies paid out.

Another 'Grant' funding opportunity provided to the Community by Council is the 'Community Partnership Grants Scheme'. An amount of \$25,000 was made available for Community organisations during this funding round.

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Business Support

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During the year 2013-14, the following organisations received grant funding under the Community Capital Infrastructure Grant program:

- Lions Club of Western Kangaroo Island
- Advance Kingscote Progress Association
- American River Progress Association
- Kingscote Football Club
- Parndana Sports Club
- Parndana Progress Association
- Wisanger Sports Club
- American River Community and Sports Association Inc.

During the year 2013-14, the following organisations received grant funding under the Community Partnership Grants Scheme:

- Penneshaw Maritime and Folk Museum
- American River Progress Association
- Lions Club of Kangaroo Island
- Baudin Beach Progress Association
- Parndana Show Society
- Parndana Soldier Settlement Museum
- Parndana Netball Club
- Parndana Football Club
- Parndana Basketball Club
- Advance Kingscote Progress Association
- Stokes Bay Community Hall
- Australian Volunteer Coastguard Association
- KI Art Feast
- KI Youth Art Feast
- KI Children Services

The Kangaroo Island Library introduced the 'One Card System' during May 2014 and Council acknowledges the efforts of the Customer Service staff and in particular Tanya Tweden, whom managed the development and implementation of the project.

This new system enables users to browse the entire state of South Australia's library collection and also use their Kangaroo Island library card

in any library located in South Australia. Users can also order from other libraries via the on line catalogue.



Customer Service staff celebrating the Library One Card Launch in the Kangaroo Island Library, May 2014

In 2013-14 Council received grant funding from the Office for Youth towards National Youth Week in April 2014. The Kangaroo Island Youth Council, established in November 2013, held a number of successful events ranging from movie nights, drumming workshop and paintball. Each event was managed by the Youth Council with help from Council. Over 150 youth attended events during Youth Week with paintball the most popular event with 109 youth taking part.

Human Resources – Risk & Safety

Staff

The implementation of a 'Two Directorship' model was completed in January 2014 with the appointment of Ted Botham, Director Business Support and Chris Smith, Director Asset Services and Infrastructure.

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Further key appointments were finalised with Sharon Dhuray as Accountant (12 month Contract) replacing Jing Zhang who was with Council for six years. Steve Ryles as Building Surveyor and Health Officer, who successfully replaced Jeff Grinnell after completing a 12 month employment period. Dave Burrows attained the position of Development Officer (12 month Contract), replacing Maddie Dobbin who departed at the completion of her contract. Ian Clarkson became Operations Manager within the Asset Services team and Lidia Pasquale has been appointed as Human Resources Officer. Other staff leaving Council include Ian Woolard, Civil Works Manager after 17 years; Bevan Letton after 18 years; Travis Coppins after 7 years; Jannes Boers after 6 years; Dean Brooksby after 4 years and Andrew Cole after 3 years.

In 2014 we welcomed back Melissa Grimes and Anne Ellson who returned from maternity leave. Anne returned to the role of Community Passenger Network Officer which we have received additional funding for and Melissa taking on the role as Personal Assistant to the CEO.

The implementation of efficiencies within the business and cross organisational training was strong on the HR agenda and as part of this strategy, Emily Larcombe and Daliane Thompson moved across departments as Asset Services Administration Officer and CPN Officer for a 12 month period.

Staff Development

On the job training is a continual process within Council and, in addition to this, we utilise our new online training and external training only used when and where required. This new system will dramatically reduce some of the costs associated with the training and development of our staff as well as contributing to operational efficiencies.

Our Airport staff attended legislatively required training including 'Reporting Officer' and 'Security' training.

After identifying the need for an online training service the 'eLearning' program was introduced to staff with three compulsory units to be completed by all Council employees. These units include Customer Service and Work, Health and Safety training.

Following on from our Position Description (PD) review during 2012-13 we developed and implemented the Personal Development Plans (PDP) for all employees during 2013-14. The PDP is designed to identify competencies required to perform duties and tasks. To assist with the implementation of the PDP, additional online training has and will be utilised. This system will promote opportunities for the personal development of all employees, in turn positively impacting on business efficiency.

The Future Leaders Program has been continued with a program commencing during 2014 in conjunction with consultants McPhee Andrewartha. The objective of the program is to develop skills and capabilities of existing Managers and to better develop relationships between managers across the business.

Workplace Health & Safety

Council employees continue to work effectively but most importantly, safely. During the 2013-14 period Council recorded one Lost Time Injury (LTI) and that injury was sustained by an employee within the Business Support area of the business. There were no LTI's recorded within the Asset Services Department area of the business; a great result for the Asset Services team.

Our comprehensive Risk Register is now fully populated and employees have contributed significantly in achieving this. This register

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identifies all activities conducted within the business (by Council employees) and associated hazards with suitable/applicable controls to enable employees to conduct their work safely. Council received an increase in the workers compensation premium rebate of in excess of \$20,000 and this was directly attributed to the dramatic improvement in our safety performance and in addressing action items identified in the LGAMLS Safety Audit conducted during 2012-13.

Risk Management

The Business Continuity Plan (BCP) was completed and adopted by Council. Key stakeholders nominated in the BCP were trained in the process with the training being conducted by a facilitator from LGA Risk Services.

Council submitted our 'Risk Register' for the South Australian LGA Risk Management Award and was awarded first place. Council received a trophy (pictured below) and \$10,000 in prize money. A great achievement by staff.

Employee Relations

There has been no industrial action taken during 2013-14. The Kangaroo Island Council's Enterprise Bargaining Agreement (EBA) expires November 2014 and negotiations commenced for the new EBA in May 2014.

All staff salaries and allowances are recorded in the Register of Salaries and Allowances and are available for inspection at the Council administration Offices, 43 Dauncey Street, Kingscote SA 5223.

Executive Leadership Team

The Executive Leadership Team (ELT) comprises the Chief Executive Officer (CEO), Director Business Support (DBS) and Director Asset

Services & Infrastructure (DASI). ELT remuneration packages may include provision of a pool motor vehicle for business and private use, laptop, mobile telephone, data service and travel allowance.

Finance

The Finance department has consolidated its work over the last year in continuing the development of the general financial reporting and management of Council during the year, as well having oversight of Council's information and communications technology (ICT) environment.

Council's 2013-14 Annual Financial Statements were formally adopted on 20 November 2014. Deloitte has again issued an unqualified audit opinion that Council's financial accounts for the 2013-14 financial year are represented fairly, in all material respects, and that Council's financial performance for the year ended in accordance with accepted accounting standards and legislative requirements.

This continues Council's desired goal of preserving an unqualified audit position, and reflects well on the efforts of Council staff to provide a foundation of confidence in the ability to provide accurate and timely financial management and reporting.

For the 2013-14 financial year, Council recorded a total net deficit of \$2.7m. This deficit was approximately \$0.9m higher than expected, when compared to the revised Third Quarter 2013-14 budget. This difference was primarily due to unexpected road works required from due to the MacGillivray/Haines floods and the impact of the contribution by the State/Federal FAGS grant not being paid in advance for the Government regional infrastructure program.

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The loss of grant income and the predicted future reduction/s in Grant funding means the financial challenges ahead will be significant.

This result, on the operating revenue-side, was a slight increase on what had been budgeted for the year (8% above budget). This was primarily due to slightly higher amount of revenue received from recurrent grant funding, with some additional private works income received during the year. The result, on the expense-side, included a slight increase for the year (1.51% above budget), being primarily due to slightly higher employee costs.

Council recorded an operating deficit of \$3.7m for the year, a figure 24.71% lower than budgeted in the Third Quarter 2013-14 budget target.

The continuing work on Council's Long-Term Financial Plan highlights the continued long-term financial sustainability challenge recognized by Council.

Council's ICT service has been under review during 2014 with the current contracted provider's contract ending in 2015. A decision regarding the future service provider will be considered during 2014-15.

Financial Sustainability/Long Term Financial Planning

The Kangaroo Island Council continued its commitment to long term financial planning and to taking steps towards securing its long-term financial sustainability during the year.

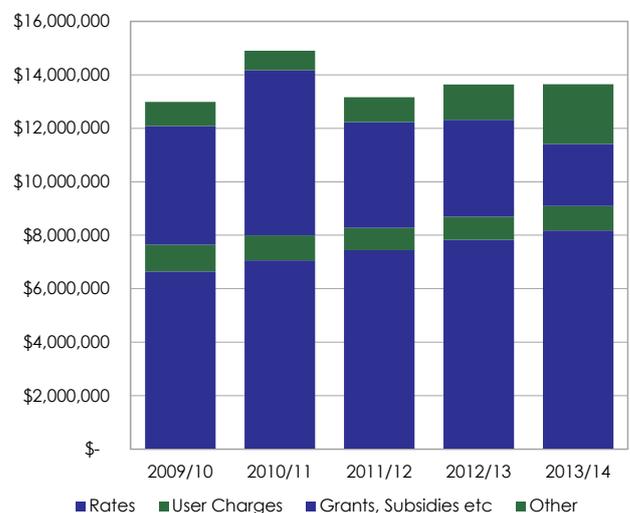
During the 2013-14 financial year, Council continued to work on a Long-Term Financial Plan that targets a 'break-even' position within the next 10 year planning period. It is planned to bring in this Long-Term Financial Plan during the first half of the 2014-15 financial year.

Further work will continue in reviewing and assessing Council's Infrastructure Asset Management Plans, ensuring the financial implications of maintaining and replacing Council's infrastructure assets are taken into account in a planned and methodical manner.

Funding Sources

During the 2013-14 year, Council continued to rely heavily on rates (63% of revenue, steady from last year) and total grants (25%, down from 27%) as its prime revenue sources. The proportion of funding sources can be seen in the following graph.

Chart 1: Revenue Sources



The year to year variations in grant funding and other revenue have been both significant and unpredictable over the last 5 years. It is anticipated there will be a continued downward trend in Government Grant Funding thus providing a challenge for Council's long-term financial planning.

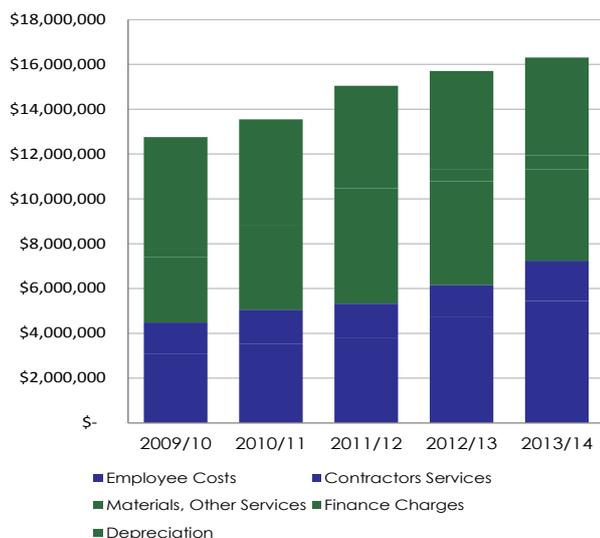
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Expenditure Areas

During the 2013-14 year, Council experienced an increase in employee costs, attributed to a combination of termination pays and increased project works. Contractors, materials and other expenses decreased overall by 1.73% from the 2012-13 year, providing a focus of continued cost control within the Council administration. The variations in operational expenditure over the last 5 years can be seen in the graphs below.

Chart 2: Expenditure Areas



The year to year variations in operational expenditure, over the last 5 financial years, can be seen below, providing a challenge for Council's long-term financial planning.

Borrowings / Debt Management

In 2013-14, Council continued its policy of borrowing funds for the development of key infrastructure assets for the Community, such as road upgrades, using borrowings as a means of allocating costs to consumers of those assets over their useful lives. Council also uses

borrowings to cover shortfalls in its immediate cash management needs from time to time.

The high level of borrowings and repayments during the year reflects Council's use of short-term borrowings with the Local Government Financing Authority to cover operational cash shortfalls during the year.

Outstanding debt as at 30 June 2014 was \$11.68m, an increase in Council's level of debt from \$9.39m for the previous year. Council's fixed-term debt, for the 2013-14 financial year, has changed from \$4.814m to \$4.177m. New future borrowings have been planned for the proposed Penneshaw CWMS Project, and this project has been included in Council's Long Term Financial Plan.

Council's current level of debt of a Net Financial Liability Ratio is 99% (up from 85% last year).



Council staff getting ready to take part in the annual Kangaroo Island Christmas Parade in Kingscote

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Financial Indicators

Council continues to monitor and report performance against the 3 key financial indicators that have been generally adopted by Councils across South Australia as a guide to their financial performance.

Council continues to face significant challenges in relation to delivering an operating surplus and the management of its asset-driven indicators. The increasing Asset Sustainability Ratio figure for

2013-14 should be read in context of the positive impact of the State Government's regional road infrastructure program of \$2m per year. This program is delivering an improved unsealed road network.

The capital value of rateable properties on Kangaroo Island decreased by approximately 0.21% during the 2013-14 year, to a total of \$1.44bn, whilst the number of rateable properties has remained constant to a total of 5,433 properties (in 2013, the number was 5,432).

Table 1: Financial Indicators

	2008/09	2009/10	2010/11	2011/12	1012/13	2013-14
Operating Surplus	-\$2,730,237.00	-\$2,070,764.00	-\$3,091,720.00	-\$3,390,953.00	-\$3,492,210.00	-\$3,678,326.00
Operating Surplus Ratio	-46%	-32%	-44%	-46%	-45%	-46%
Net Financial Liabilities	\$5,869,886.00	\$7,442,308.00	\$8,847,582.00	\$9,536,740.00	\$10,521,605.00	\$12,523,406.00
Net Financial Liabilities Ratio	54%	69%	81%	81%	85%	98%
Asset Sustainability Ratio	24%	26%	50%	6%	31%	60%

Table 2: Capital Valuations

RATING CODE	2013-14	2012-13	% MOVE
00 - Non - Rateable	\$-	\$-	0.00%
01 - Residential	\$1,007	\$959	5.00%
02 - Commercial Shop	\$1,178	\$1,149	2.52%
03 - Commercial Office	\$765	\$776	-1.42%
04 - Commercial Other	\$1,663	\$1,554	7.01%
05 - Industrial	\$997	\$945	5.50%
06 - Industrial Other	\$969	\$926	4.64%
07 - Primary Production	\$1,293	\$1,224	5.64%
08 - Vacant Land	\$674	\$653	3.22%
09 - Other	\$631	\$562	12.28%

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Average general rates for a residential property on Kangaroo Island were \$1,008 in the 2013-14 year, up from \$959, being an overall increase of 5.1% over 2012-13. Average rates for primary production properties were \$1,304, up from \$1,224, being an increase of 6.54% from 2012-13.

Table 3: Average Rates Levied

RATING CODE	2013-14	2012-13	% MOVE
00 - Non - Rateable	\$86,357,540	\$91,154,040	-5.26%
01 - Residential	\$611,790,082	\$612,440,342	-0.11%
02 - Commercial Shop	\$20,801,083	\$20,632,323	0.82%
03 - Commercial Office	\$3,506,625	\$3,896,625	-10.01%
04 - Commercial Other	\$55,358,660	\$54,728,160	1.15%
05 - Industrial	\$3,200,500	\$3,200,500	0.00%
06 - Industrial Other	\$6,019,000	\$6,184,000	-2.67%
07 - Primary Production	\$580,085,300	\$578,366,300	0.30%
08 - Vacant Land	\$140,230,600	\$144,111,000	-2.69%
09 - Other	\$26,969,550	\$22,305,550	20.91%
TOTAL	\$1,534,318,940	\$1,537,018,840	-0.18%

Development Services

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Aaron Wilksch
Development Services Manager

Departments and Senior Staff

Development services are the responsible authority for development throughout Kangaroo Island and administer controls under the Development Act and Kangaroo Island Development Plans. The Ambit of Development Services extends to development planning assessments, structural building assessments, waste water and plumbing applications and associated inspection regimes. Liquor licensing relating to development, commercial and public realm developments, also feature in the diversity of matters being assessed.

Development Services strategic planning initiatives contribute to shaping the future of Kangaroo Island's built and natural environments with future structure planning for development of townships and settlements fosters positive social and economic development of Kangaroo Island.

Council's Development Services department administers statutory development assessment functions for all forms of building, land use development & land division applications and associated wastewater, plumbing and health matters against the Kangaroo Island Development Plan, Development Act and Regulations, the Building Code of Australia and South Australian Public Health Act, Australian Standards and Codes. The Development Services department is the local authority for licensing new development and existing premises for service of liquor, in accordance with relevant state legislation.

The Planning section administers Strategic Planning functions, maintaining an up-to-date and relevant Development Plan and developing strategic documents which will contribute to strengthening future directions for social and economic growth and environmental sustainability of Kangaroo Island.

The Development Services department can guide you in pursuing your next development – consulting weekly with public for pre-lodgement advice across all aspects of development and the consents required for development at all levels of scale and complexity.

Development Services staff are delegated a high level of authority to process and assess the majority of development applications received by Kangaroo Island Council. Assessment of matters that fall outside of staff delegations are referred to the Kangaroo Island Council Development Assessment Panel (DAP) for decisions. Development Services incorporates building rules and septic tank waste water system assessment and inspection and Development Plan assessment and strategic planning functions, as well as supplementary land and property administration roles.

Development - Planning

For developers, whether it is for your first home, or building investment property the Development Services department will guide your preliminary planning and assess your application against the Kangaroo Island Development Plan to promote suitable forms of development across Kangaroo Island in order to preserve, enhance and advance Kangaroo Island through socially, economically and environmentally sound outcomes.

Development Plan Consent is the first step in a three part process to gain development approval in preparedness for building. Once obtained,

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a Development Plan Consent ensures that your development can proceed subject to technical compliance, engineering and other technical detail under the Building Rules Consent.

Development - Building

When you prepare to build, you want your plans to be accurate and up-to-spec. Development Services Building & Compliance officers have the structural integrity of your next build foremost of importance. Development Services also undertake audit inspections of building work in progress to ensure work is carried out in a compliant manner in accordance with approved plans. Be sure to provide notice to Council at each of the prescribed notification stages required in your approval.

From the integrity of your foundations right through to the structural adequacy of your roof trusses the Building Rules Consent will assess your plans against the National Construction Code (Building Code of Australia) and an extensive array of Australian standards relevant to different building styles and constructions.

After obtaining Development Plan and Building Rules consents, you're almost on your way to starting the development – have you considered waste water and effluent management?

Wastewater / Health

Development Services is the relevant authority for most wastewater and effluent control systems being installed to cater for development requirements. Non-standard or hybrid waste control systems may have to be referred to the South Australia Department of Health for approval. Whether you are in a CWMS serviced, sewered or STEDS drainage area in Kangaroo Island's main townships or on un-serviced land requiring on-site waste treatment and disposal systems,

the Development Services department can advise on the design requirements for your septic tank or aerobic wastewater treatment system. The department will also undertake and record inspections and scheduled maintenance of septic tank and wastewater treatment systems for compliance as required by the SA *Public Health Act 2011*.

Land Division

Division of land and boundary adjustments are assessed by Council's Development Services Department against the Kangaroo Island Development Plan Land Division provisions and infrastructure servicing requirements for new allotments.

Land division applications are typically lodged by your chosen land surveyor via the State Government's lodgement system and are forwarded to Council for statutory processing.

Development Services staff can provide advice on your land division proposal and any relevant considerations such as access, native vegetation and land use.

Strategic Planning Services

Strategic planning functions are managed by Development Services, including a broad range of review functions and investigations to guide a vision for the future development of Kangaroo Island and to deliver clear and current planning policy in the Kangaroo Island Development Plan. Strategic charters include:

- the operation of Council's Section 101A Strategic Planning and Development Policy Committee, providing a nexus between Council's Development Assessment Panel and Council as a political and administrative body and further to engage with State Government departments.

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- Section 30 Strategic Directions Report process.
- Development Plan Amendment and Structure / concept planning.
- Development Assessment Panel
- Council's Development Assessment Panel or DAP as it is commonly known is constituted under legislative requirements of the *Development Act 1993* and is the relevant authority for planning decisions of a non-complying nature, applications that require public notification and have received public objection and applications recommended for refusal.



American River Foreshore

The DAP makes decisions on Development Plan Consent applications that are complex or purport significant variance from the provisions of the Kangaroo Island Development Plan or fall beyond the bounds of staff delegations.

Established under Section 56A of the *Development Act 1993*, the Development Assessment Panel comprises three (3) Elected Members of Council and four (4) independent members including an independent Chairperson, bearing relevant experience or qualifications.

The Panel convenes on demand on the first Monday of each month in Council's Chambers, or where coincides with a public holiday, on the next available Monday. DAP meetings are open forum meetings and the public are welcome to attend. Agendas and minutes can be viewed on Council's website one week ahead of meetings.

Kangaroo Island Development Plan

The Kangaroo Island Council Development Plan is the principal document used to control development across the Island. The Development Plan has undergone two revisions during 2013–14, last consolidated on 20 February 2014, now incorporating the KI Council Rural Living Development Plan Amendment (DPA) and Ministerial Kangaroo Island Sustainable Futures DPA.

Council continues to progress the proposed 2013–14 amendments to the Development Plan through the Kangaroo Island Council Emu Bay DPA, which was a branch project originally incorporated into the Rural Living DPA, having proceeded with a further layer of Community consultation and future visioning in the Emu Bay structure plan.

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Lloyd Collins Reserve, Penneshaw

Remaining faithful to the Structure Plan, the Emu Bay DPA identifies new development opportunities in select locations and establish clear guidelines for further development opportunities within the area.

In the interest of consultative and transparent process, Development Services staff continue to work closely with Kangaroo Island Natural Resources Management Board, Kangaroo Island Futures Authority, Department of Environment, Water Natural Resources, Coastal Protection Board, key environmental stakeholders and the public when workshopping strategic planning projects.

KI Building Fire Safety Committee

Development Services is responsible for the mandatory operation of the Kangaroo Island Building Fire Safety Committee (KIBFSC). This committee is constituted under Section 71 of the *Development Act 1993* with a charter to carry out audit inspections, typically on commercial buildings such as hotels, motels, halls and other

public assembly buildings and accommodation to ensure maintenance of a high degree of building fire safety for occupants.

The KIBFSC inspections are additional and separate to normal building inspection tasks and are carried out with the combined experience and expertise Council development services officers, Delegate of the SA Country Fire Service's Development Assessment Unit and Consultant Building Surveyor Level 1.

Additional functions of Development Services

Amongst its diverse range of tasks, the additional roles of Development Services, (principally within the planning functions of Council) includes:

- Provision of property search reports required under the Land and Business (Sale and Conveyancing Act 1994 for the sale and conveyance of real estate.
- Liquor licensing consents for applications for licensing premises (other than limited / event licenses).

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- Highly accessible development advisory services – Tuesdays by appointment, as well as via email, telephone and written correspondence.
- Environment, Resources and Development Court Appeals and conciliation negotiations.
- Assistance with a range of strategic projects, such as those for infrastructure, renewable energy and use of Council Community land and buildings.

Development Control and Enforcement

Kangaroo Island Council can exercise its enforcement powers under the Development Act to the required degree where any Island developments are found to be contrary to the Act or being carried out other than in accordance with approved plans or conditions of consent.

Council has dedicated substantial resources to compliance matters in 2013–14 with five Environment Resources and Development (ERD) Court appeals successfully defended or compromised and ten enforcement notices issued for unauthorised development or stop work notices for non compliant building work.

Notable enforcement actions include:

- Successful Section 85 action for an unauthorised 400+ megalitre farm irrigation dam.
- Successful defence of Section 84. enforcement for construction of a major tourism gateway building constructed other than in accordance with approved plans.
- Unapproved dwelling construction within the Harriet Township at Vivonne Bay.
- Two conciliatory actions for development refusals which were appealed in Court. Council typically attends to its own Court actions without accruing costs for legal representation in many instances, in order to minimise expenditure on legal dispute.

In 2013–14 in respect of major development appeals which consumed substantial human, legal and technical resources, Council has recovered \$28,000 as a compensatory offset to costs where Council was successful in defence of its actions.

Notwithstanding financial cost recovery, the impact to Council's human resourcing and the efficiencies of Council's attendance to its core business of development assessment for customers has suffered substantial delays to development assessment timeliness as a result of those court actions.

Special Projects

During 2013-14 the Development Services has taken an active role in assisting with a range of cross-departmental projects, including:

- Preliminary advisory role for Penneshaw CWMS project.
- Development of borrow pits for providing long term security for sourcing road sheeting materials in strategic locations around Kangaroo Island for future road works.
- Council buildings and land assets projects.
- Ongoing improved development tracking and reporting on assessment timeframes.
- Implementation and operation of new legislation in an ever changing technical and legal landscape, such as: the new SA Public Health Act, new elements of the Development Act, Building Code of Australia and Australian Standards, new requirements of the Land and Business (Sale and Conveyancing) Act, and innumerable case law determinations influencing the decision making processes of Council's Development Services department.
- Input into the review of the South Australian Planning Strategy 2013 – The Expert Panel on Planning Reform continuing in 2014.

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- The finalised and highly successful Visible Solar Project including 50kW solar trackers installed at Kangaroo Island Airport, 15kW solar system installed for Council's Dauncey Street offices and six electric vehicle charge points to facilitate use of electric vehicles in 2014.

Milestones

The Development Services Department has continued to strive for excellence, high performance and innovation throughout the year. Key areas have included:

- Maintaining and improving the essential development services functions.
- Maintaining statutory timeframes for development assessment prescribed under the Development Act.
- Serving the Community with sound planning advice consistent with planning assessments.
- Close involvement with the State Department of Planning, Transport and Infrastructure (DPTI) in preparing the KI Sustainable Futures DPA.
- Developing relationships with key officers within DPTI so effective communication and assessment practices are established for Development Applications where the State Development Assessment Commission is the relevant planning authority.
- Completion of the Rural Living Development Plan Amendment and progression of the Emu Bay Development Plan Amendment.
- Reporting to Council's Strategic Planning and Development Policy (Section 101A) Committee – reporting directly to Council on the performance of its Development Plan and other strategic planning matters.

Partnering

The Development Services Department works in synergy with other departments of Council, particularly Environmental Health and Technical

and Asset Services Staff to achieve appropriate outcomes that are compliant with various legislation, codes and standards. In 2013–14 Development Services have fostered greater liaison and better relationships with the office of the Minister for Planning, the Department for Transport, Energy and Infrastructure (DPTI), and the Development Assessment Commission (DAC). Council continues to work in partnership and in consultation with many agencies, not limited to, but including Kangaroo Island NRM, DEWNR, the SA CFS and SA Coastal Protection Board, Environment Protection Authority where relevant to strategic and statutory planning functions.

In 2013–14 Development services has helped propagate partnered projects with many of the Island's sports and Community clubs, progress associations and other non profit organisations to leverage further external funding contributions and achieve improvements to township and Community facilities to benefit Kangaroo Island.

Public Information

Council's website continues to evolve as a greater resource of information available for public use. Our suite of nearly thirty information guides, tailored to Kangaroo Island's planning policy, are all available online as well as in hard copy at Council's main customer service area in the Kingscote Office. This includes a range of information for various applications and submissions, Council's Development Plan, frequently asked questions and links to other State Planning guides from Planning SA to better inform and guide prospective developers prior to compiling plans and lodging an application.

A real-time Development Register can be accessed via Council's public computer network located in the Kingscote Library area. You can use the computers free of charge (bookings essential) to view the registry of new

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and old development applications, their assessment and processing details and decisions issued.

Council's experienced development staff are available by appointment most Tuesdays or by special arrangement, to assist applicants regarding the development and planning process and technical detail. It is advisable that people bring their preliminary plans, photos or concept drawings to assist the Officers to provide relevant information.

Human Resources

Human resources are critical to the effective function and delivery of development related services. The Development Services Department has continued to evolve with the changing composition of Kangaroo Island Council.

During this period the Department farewelled Development Services Officer Maddie Dobbin and welcomed David Burrow to the team continuing to support development in this role to be able to provide a high level of planning expertise and customer service.

The Department has also welcomed back Building Surveyor and Health Officer Steven Ryles as Development Officer Building and Compliance, in 2014.

David Altmann continues to support Development Services as Development Services Advisor continuing a more strategic / projects coordination service to Council. Peter Harmer from Harmer CLG remains Council's consultant Building Surveyor.

Development Services department Manager, Aaron Wilksch continues his substantive role as Council's senior Statutory Planner and is responsible for general management of the departments operation and legislative compliance.

Our team welcomes your business and looks forward to serving you well in 2014-15.

Major Achievements for 2013-14

Kangaroo Island - a pristine island full of natural beauty

Kangaroo Island – the ‘clean and green’ Island gets a \$500,000 solar boost

Kangaroo Island’s reputation as a clean and green Island has received a solar boost with the opening of the \$500,000 Visible Solar Project in February 2014.

The Visible Solar Project by the Kangaroo Island Council and Regional Development Australia (Adelaide Hills, Fleurieu and Kangaroo Island), was funded by the South Australian Government’s RenewablesSA program, with Kangaroo Island chosen to be the “visible demonstration of advanced solar power technology”.

A state-of-the-art, dual-axis solar array system (comprising of 4 Mecasolar trackers) was installed at the Kangaroo Island Airport – the solar arrays track the sun, thereby increasing the energy output by 40 per cent compared to a fixed system, and generates 100,000kWh a year, enough to power 13 homes.

Its output powers 80 per cent of the needs of the Kangaroo Island Airport, saving the Kangaroo Island Council at least \$24,000 a year in power bills.



One of the 4 dual-axis solar arrays and the 3 Nissan Leaf electric vehicles at Kangaroo Island Airport

In an added bonus - and within the budget - Council was also able to install a 14kW solar system at the Kingscote Town Hall to offset its power bill there, install infrastructure to recharge electric cars (at the Airport, Kingscote, Penneshaw, Parndana and American River) and leased three Nissan Leaf electric vehicles, two of which can be hired by the public.

The electric vehicles are fuelled by green energy – and are ‘sign wrapped’ to proudly promote and educate the public and tourists to Kangaroo Island about the benefits of Renewable Energy. Five Charge Points have been located at different sites across Kangaroo Island

The project was officially opened on Monday 10 February 2014 by Geoff Knight, CEO of the SA Department for Manufacturing, Innovation, Trade, Resources and Energy; Mayor Jayne Bates OAM, Kangaroo Island Council; and Mayor Ann Ferguson, Chairperson, Regional Development Australia (Adelaide Hills, Fleurieu and Kangaroo Island).



Cutting the Ribbon - Mayor Ann Ferguson, Chairperson, Regional Development Australia (Adelaide Hills, Fleurieu and Kangaroo Island); Geoff Knight, CEO Department for Manufacturing, Innovation, Trade, Resources and Energy and Mayor Jayne Bates OAM, Kangaroo Island Council

Major Achievements for 2013-2014

Kangaroo Island - a pristine island full of natural beauty

Environmental, financial and Community benefit

The Visible Solar Project delivers a range of environmental, financial and Community benefits, including:

- Use of Renewable Energy to off-set energy consumption at the Kangaroo Island Airport and Council Office
- Use of Renewable Energy to fuel emission-free electric vehicles
- Environmental benefits through reducing reliance on use of fossil-fuels, and exporting excess solar energy to the grid
- Financial savings through use of Renewable Energy – both in energy costs associated with the Kangaroo Island Airport and the Council Office and also in substituting fuel costs for vehicles with Renewable Energy
- A small revenue stream for Council through the leasing of electric vehicles and the sale of 'fuel' at the various electric vehicle charging stations
- Longer term promotion, education and awareness – leading to potential future Community based investment into Renewable Energy
- Opportunity for value-added business investment into Renewable Energy on Kangaroo Island through potential expansion of the existing infrastructure or allied renewable energy initiatives.

Mayor Bates acknowledged the project had major environmental benefits but also delivers a financial dividend to the Community. "It's a terrific project and part of this Island's quest to generate more of its own electricity, which has been one of the key barriers to encouraging growth and development here,"

Potential value added opportunities

The project is already gaining considerable interest from national and international parties. Apart from the Kangaroo Island Council achieving significant and long lasting environmental and financial results from the project, the project is already being a catalyst (within the first few months of commissioning the infrastructure) for interest in potential value added investment into the Renewable Energy and business sector on the Island.

Council CEO Andrew Boardman said Kangaroo Island has an opportunity to build on the project. "We are already receiving significant domestic and overseas interest in the potential expansion of green energy infrastructure on Kangaroo Island," he said.

Acknowledgements

Council acknowledge a number of important contributors to the project:-

- The South Australian Government
- Regional Development Australia (Adelaide Hills, Fleurieu and Kangaroo Island)
- Ingenero Pty Ltd
- Nissan Australia
- ChargePoint Pty Ltd
- KI Transfers
- Elected Members and staff

Major Achievements for 2013-2014

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Recovery and Resilience: Flooding in the MacGillivray/Haines area

Flooding and inundation has affected the low-lying and land-locked MacGillivray/Haines area of Kangaroo Island since June 2013, continuing into the winter of 2014. The estimated damage bill from the event was more than \$9 million to the end of March 2014, with many ongoing impacts difficult to assess, such as lost feed, damaged pasture, waterlogged tress and fencing.



Property on Three Chain Road, MacGillivray December 2013

The flooding was the result of an extraordinary rain event in June 2013, which preceded heavier than usual winter rains. The many natural lagoons overflowed onto roads, paddocks and yards. And the rain kept falling with unseasonal falls in December and January.

The flooding damaged and closed many roads, and resulted in significant financial loss and disruption to farming and tourism businesses and

residents. Impacts included: daily disruption to school bus routes; vehicle damage from driving through saline water; loss of pasture and vegetation; loss of crops; loss of farm animals to drowning and de-stocking; and loss of tourism accommodation income due to closed roads.

A Flood Recovery Committee was formed in October 2013, with Mayor Jayne Bates as chairperson, because it was clear the flooding would continue for some months.

A Flood Recovery Co-ordinator was appointed in December 2013, using discretionary funding from the State Government. One of the Community-driven tasks for the co-ordinator was to undertake an Impact Assessment and this was completed in February and March, 2014.

The Impact Assessment identified more than \$9 million of financial cost to the Community which included about \$2.7 million in direct losses to farming businesses.

It also identified a large percentage (60 per cent) of residents who had felt the effects of isolation and or stress over the preceding nine months because of the flood waters.

Residents faced the prospect of similar problems recurring in 2014 as normal winter rains were expected to swell lagoons again. They reported feelings of isolation and stress from such issues as curtailing social excursions, friends not being able to visit, financial issues and dealing with an uncertain situation for long periods of time.

In the financial year 2013-14, the Council spent almost \$600,000 on emergency repairs to keep key roads open in the district.

The area experiences serious flooding every 20 to 50 years with climate change modelling predicting increased episodes.

Major Achievements for 2013-2014

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This atypical disaster posed complex questions for recovery because of its ongoing and insidious nature.

How can a Community start to recover when: the full extent of the damage is not yet revealed; there is little chance of relief from the effects of the disaster for some time; the disaster may continue into the next wet season and beyond?



The MacGillivray/Haines area enjoys a much needed Community BBQ at the MacGillivray Cricket Club organised by the Flood Committee

A multi-agency approach was employed with regular meetings of the Kangaroo Island Flood Recovery Committee representing health, primary industries, emergency services, council, environment, waste collection and others.

A home resources kit was developed to provide residents with information about personal well-being, financial help and council contacts. This information was delivered to residents during the Impact Assessment visits and through regular mailed newsletters.

Key aspects of the recovery process have included:

- Improving communication with the Community through newsletters, email, home visit resources and Community meetings.
- Building Community capacity by involving local Red Cross volunteers in the Impact Assessment and supporting the MacGillivray Cricket Club to improve its facilities as a Community centre.
- Providing a central point of contact at the council through the Flood Recovery Co-ordinator.
- Identifying what is important to the residents for the future of the region and starting to formulate a plan to address long-term issues such as drainage and better roads.
- Involving all agencies in maintaining services and road access.
- Responding to individual concerns while focusing on region-wide solutions.
- Providing an opportunity for people to tell their stories.
- Starting work on a Kangaroo Island Recovery Plan, which can be applied in the event of any disaster.

In the new financial year 2014-15

1. The State Government announced \$3.1 million funding under the new Local Government Disaster Fund arrangements to the Council in August 2014, for full road reconstruction in the affected area.
2. The Council applied for and has received a Natural Disaster Resilience Program grant for a \$210,000 project to investigate flood mitigation options in the affected area.
3. Two officers of the council and one contractor completed the "Manage Recovery Functions and Services" unit of the Advanced Diploma of Emergency Services.

Shauna Black, Flood Recovery Co-ordinator

Major Achievements for 2013-2014

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All Aboard the Rockhopper

The Rockhopper, a new Community transport system for Kangaroo Island, picked up its first passengers on 4 March, 2014.

The service is a result of a partnership between the Department for Planning, Transport and Infrastructure, Kangaroo Island Council, Department for Communities and Social Inclusion, Department of Education and Child Development and the Kangaroo Island Futures Authority.

The new service provides two separate routes around the island for residents and tourists to use - an Eastern and a Western route.

The Eastern route is operated by Sealink on Wednesdays and is an extension of their existing service through the provision of an additional bus run in the middle of the day. The Eastern

route picks up and drops off passengers in Kingscote, Brownlow, Western Cove, American River, Baudin Beach and Penneshaw.

The Western route, operated by Kangaroo Island Transfers, operates on Tuesdays and Fridays during the school term, providing transport between Kingscote, Brownlow, Cygnet River, Parndana, Stokes Bay Junction and Vivonne Bay.

As an extra service, the Western route also has a Dial-a-Ride pick-up service on Tuesday and Friday when the bus is in Kingscote. The Dial-a-Ride service operates around Kingscote and Brownlow during the day with passengers with disabilities, the elderly and the vulnerable given priority service.

Council provides information for all services as well as taking bookings for the Western route and the Dial-a-Ride.



All Aboard: Peter Wyatt, KI Transfers, Kristina Roberts, Kangaroo Island Futures Authority, Emily Larcombe, Kangaroo Island Council, Mayor Jayne Bates OAM, Julie-Anne Boscoe, Sealink and Andrew Boardman, Kangaroo Island Council test out the new Rockhopper bus

The initial months of the Rockhopper showed a good uptake of people using the service. In the next 12 months Council will increase promotion of the service.



Community Grants and Awards

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Community Capital Infrastructure Grant Program 2013-14

More than \$830,000 in projects have sprung up around Kangaroo Island during the last two years thanks to Community effort and the Kangaroo Island Council's Community Capital Infrastructure Grants Program (CCIGP).

The CCIGP is an initiative of Council's 2012-13 budget process which has been well received by the Community of Kangaroo Island. In its first year of implementation, Council made available \$250,000 of which \$165,981 was awarded in grant funding towards Community projects. In 2013-14 Council made available \$150,000 in funding for this grant round.

In the past the majority of these projects would have been reliant on Community donations and fund raising efforts with the success of the project ultimately reliant on a successful application for third party funding from State or Federal Government and other non-Government funding bodies. With the help of the CCIGP, Community Groups have been able to successfully leverage external grants, Community contributions (financial and in-kind) and Council funds to achieve project outcomes for the Community of Kangaroo Island.

Community Groups who were recipients of the 2013-14 CCIGP were:

- Lions Club of Western Kangaroo Island
- Parndana Sports Club Inc.
- Kingscote Football Club
- American River Progress Association
- Advance Kingscote Progress Association
- Parndana Progress Association
- Wisanger Sports Club
- American River Community and Sports Association



Members of the American River Progress Association (APRA) sitting outside the American River tennis courts. APRA won funding through the Council's 2013-14 Community Capital Infrastructure Grant Program and the Office for Recreation and Sport to refurbish the American River tennis courts

Community Grants and Awards

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Community Partnership Grants 2013-14

In 2013-14 Council made available \$25,000 for the Community Partnership Grants Scheme (CPGS). Whilst funding is available for any amount (up to \$25,000), applications are generally funded to a maximum of \$2,000 to provide a wider benefit to the Community.

The CPGS is designed to support projects and activities that contribute to either the development of local communities, or to the Kangaroo Island Community as a whole.

Recipients were presented with their grant by Mayor Jayne Bates OAM at the Australia Day Ceremony held on Sunday 26 January, 2014 at Hope Cottage, Museum.

Community Groups who were recipients of the 2013-14 CPGS were:

- Penneshaw Maritime and Folk Museum
- American River Progress Association
- Lions Club of Kangaroo Island
- Baudin Beach Progress Association
- Parndana Show Society
- Parndana Soldier Settlement Museum
- Parndana Netball Club
- Parndana Football Club
- Parndana Basketball Club
- Advance Kingscote Progress Association
- Stokes Bay Community Hall
- Australian Volunteer Coastguard Association
- KI Art Feast
- KI Youth Art Feast
- KI Children Services

Council has again made \$25,000 available for the CPGS for 2014-15 with the grant funding round opening in November 2014.

2014 Citizen of the Year

The recipients of this award for 2014 were:

- Citizen of the Year
Joy Wheaton
- Community Group of the Year
Kangaroo Island Cancer Support Group
- Community Event of the Year
Shearers Hall of Fame
- Community Project of the Year
**American River Progress Association Inc
"Independence Memorial"**

2014 Young Achiever of the Year

Kangaroo Island Council is committed to developing our Community's youth, our future, in many areas. This award recognises our young people in areas such as Community work, sport, education, science, culture, the arts and the environment. Each year the Young Achiever of the Year awards are presented at the Settlement Day Ceremony held at Reeves Point, Kingscote.

The recipients of this award for 2014 were:

- Outstanding Community Service
Georgina Jefford
- Outstanding Sporting Achievement
Rachel Church
- Young Entrepreneur
Jayden Freitag
- Community Youth Team
**Kangaroo Island Youth Parliament Team
2014**

Legislative Information

Kangaroo Island - a pristine island full of natural beauty

Performance Monitoring and Management

The primary tool for Local Government's external accountability is the Annual Report.

Kangaroo Island Council has prepared this report to demonstrate our performance financially (in the form of the annual audited financial statements) and how we are performing against the goals and objectives outlined in our Strategic Plan.

The Annual Report is required to be prepared in accordance with Schedule 4 of the Local Government Act. The table below is a list of the material required, whether we have provided it and where it can be found in this Report.

REQUIREMENT	COMPLIANCE	REPORT
A copy of the audited financial statements of the Council for the relevant financial year.	Yes	Rear Section
A list of the registers that are required to be kept under this Act or the <i>Local Government (Elections) Act 1999</i> .	Yes	60-61
A list of the codes of conduct or practice required under this Act or the <i>Local Government (Elections) Act 1999</i> .	Yes	60
A copy of its most recent information statement under the <i>Freedom of Information Act 1991</i> .	Yes	62
Information on allowances paid to members of the Council or a Council committee.	Yes	17
Information on the number of senior executive officers and information on the kinds of allowances, bonuses and benefits that are made available to those officers as part of a salary package.	Yes	38
A report on the use of sections 90(2) and 91(7) by the Council and its Council committees containing information required by the regulations.	Yes	62
A statement of -		
The Council's representation quota; and	Yes	18
The average representation quota for Councils of a similar size and type (taking into account various factors prescribed by the regulations); and	Yes	18
When the Council next intends to conduct a review under Chapter 3 Part 1 Division 2; and	Yes	18
The procedures that are available under Chapter 3 for electors to make submissions on representation under this Act.	Yes	18

Kangaroo Island Council

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Legislative Information

Kangaroo Island - a pristine island full of natural beauty

REQUIREMENT	COMPLIANCE	REPORT
The annual report of any subsidiary received by the Council under Schedule 2 for the relevant financial year.	Yes	FRWA (Rear Section)
Other material prescribed by the regulations.	Yes	N/A
Other information to be included in the annual report under this or another Act.	Yes	N/A
The Council's performance in implementing its strategic management plans during the relevant financial year, and the Council's projections and targets under its plans for the next financial year.	Yes	24 - 49
The Council's performance against its annual business plan for the relevant financial year.	Yes	24 - 49
The extent to which activities of the Council have been subjected to competitive tender or other measures to ensure services are delivered cost-effectively, and the extent (if any) to which the Council has pursued policies for purchasing local goods and services.	Yes	62
The decision-making structure of Council.	Yes	19
The training and development activities for members of the Council during the relevant financial year.		35 - 38
The implementation of equal opportunity programs, and other human resource management or development programs, during the relevant financial year.	Yes	35 - 38
The progress of the Council in preparing or finalising and management plans for community land required under the Chapter 11.	Yes	63
Other matters prescribed by the regulations.	Yes	N/A



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Legislative Information

Kangaroo Island - a pristine island full of natural beauty

List of Registers

Many of the documents listed below are available for public inspection free of charge at the Kingscote Administration Office, 43 Dauncey Street, Kingscote, between 9am and 5pm weekdays.

Most documents can also be view on Council's website www.kangarooisland.sa.gov.au under Council Information / Council Policies. Copies may be purchased at a cost of \$0.20 per single A4 page or \$0.40 for double sided A4 page. A Schedule of Fees and Charges is also listed on Council's website.

Policy Documents

- Art and Culture Policy
- Accounting Policy
- Asset Accounting Policy
- Boat Ramp Policy
- Building Inspection Policy
- Caretaker Policy
- CCTV Policy
- Cemetery Policy
- Children and Young Adult Safe Environment Policy
- Community Waste Management Scheme (CWMS) Policy
- Concessions and Waviers (Non-Rates) Policy
- Council Members Allowances and Benefits Policy
- Council Members Training and Development Policy
- Development and Assessment Panel and Staff Delegations Policy
- Disposal of Assets Policy
- Donations Policy
- Election Signage Policy
- Emergency Response Support Policy
- Equal Opportunity Policy
- Fees and Charges Policy 2013-14
- Food Vending Vehicles Policy
- Fraud and Corruption Policy
- Induction for New Council's Policy
- Internal Control Policy
- Library Policy
- Mayor Seeking Legal Advice Policy
- Media Policy
- Order Making Policy
- Outdoor Dining Policy
- Privacy Policy
- Procurement Policy
- Public Consultation Policy
- Public Place and Structure Naming Policy
- Rating and Rebate Policy
- Records Management Policy
- Road Network Extension Policy
- Rural and Urban Address Numbering Policy
- Safe Environment Policy
- Selection of Road Names Policy
- Supplementary Elections Policy
- Treasury Management Policy
- Waste Management Policy
- Whistleblowers Protection Policy
- Work Health Safety and Injury Management Policy
- Volunteer Policy

By-Laws

- By-Law 1 - Permits and Penalties
- By-Law 2 - Moveable Signs
- By-Law 3 - Local Government Land
- By-Law 4 - Roads
- By-Law 5 - Dogs
- By-Law 6 - Cats
- By-Law 7 - Bird Scaring Devices
- By-Law 8 - Boat Facilities
- By-Law 9 - Foreshore

Kangaroo Island Council

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Kangaroo Island - a pristine island full of natural beauty

Codes

- Code of Conduct - Elected Members
- Code of Conduct - Employees

Codes of Practice

- Code of Practice – Access to Council Meetings and Documents
- Code of Practice - Roadside Signage and Display Permit and Regulation

Procedures

- Caretaker Guidelines
- Code of Conduct for Council Employees Procedures
- Code of Conduct for Elected Members Procedures
- Council Members Allowances and Benefits Procedures
- Internal Review of Council Decisions Procedures
- Kangaroo Island Council Caretaker Procedures
- Meeting Procedures
- Road Naming Procedures
- Workplace Injury Management Procedure

Delegations

- Community Titles Act, 1996
- Development Act, 1993
- Development (Development Plans) Amendment Act, 2006
- Development Regulations Act, 2008
- Dog and Cat Management Act, 1995
- Environment Protection Act, 1993
- Environment Protection (Waste Management) Policy, 1994
- Expiation of Offences Act, 1996
- Fences Act, 1975
- Fire and Emergency Services Act / Emergency Services Regulations, 2005

- Fire Prevention Officers under Fire and Emergency Services Regulations, 2005
- Food Act, 2001
- Freedom of Information Act, 1991
- Freedom of Information (Fees and Charges) Regulations, 2003
- Housing Improvement Act, 1940
- Land & Business (Sale and Conveyancing) Act, 1994
- Liquor Licencing Act, 1997
- Local Government Act, 1999
- Natural Resources Management Act, 2004
- (Transitional Provisional Levies) Regulations, 2004
- NRM (General) Regulations, 2005
- Occupational Health, Safety and Welfare Act, 1986
- Workplace Health and Safety Act, 2012
- Public and Environmental Health Act, 1997
- Public and Environmental Health (Waste Control) Regulations, 1995
- Public and Environmental Health (Legionella) Regulations, 2008
- Road Traffic Act, 1961
- Road Traffic (Miscellaneous) Regulations, 1999
- Road Traffic (Road Rules - Ancillary Miscellaneous Provisions) Regulations, 1999
- Roads (Opening and Closing) Act, 1991
- Unclaimed Goods Act, 1987

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Documents (Including But Not limited to)

- Access Economics - Impact Study of a Travellers Levy
- Airport Master and Strategic Plans
- Annual Report
- Annual Business Plan
- Annual Financial Statements
- Asset Management Plans
- Council and Committee Agendas
- Council and Committee Minutes
- Council Budget
- Development Assessment Panel Agendas / Minutes
- Development Plan
- EconSearch - Economic Analysis of Road Funding Options
- Kangaroo Island Study
- Strategic Plan
- TOMM Survey - Residents & Visitors

for information which did not need to be determined under the Act and the majority of these requests were granted. Freedom of Information enquiries or requests can be submitted in writing to:

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

Amendment to Council Records

A member of the public may gain access to Council documents to make amendments to their personal records by making a request under the *Local Government Act, 1999*. As part of this application, it is necessary to complete a Freedom of Information Request Form to access the records that they may wish to inspect.

Registers

- Register of Campaign Donation Returns
- Register of Development Approvals
- Register of Elected Members' Allowances and Benefits
- Register of Elected Members' Interests
- Register of Public Roads
- Register of Departmental Heads and Interests
- Register of Salaries and Allowances
- Register of Registered Dogs

Other information requests

Request for other information not included above will be considered in accordance with the Freedom Information (FOI) provisions of the *Local Government Act, 1999*.

There were four (4) requests for information under the provisions of the *Freedom of Information Act, 1991*, for the 12 months ending 30 June 2014. Council received several requests

Legislative Information

Kangaroo Island - a pristine island full of natural beauty

Confidential Items

Section 90 (2) of the *Local Government Act 1999* determines that Council meetings, and meetings of Committees of Council, are to be held in a place that ensures public access. On occasions this principle is outweighed by considerations for the need to keep information or discussions confidential.

During 2013-14 provisions of the Act Section 90 (3) and Section 91 (7) were utilised 42 times, or for 7% of the total agenda items considered.

10 of the 42 occasions, as listed below, originally declared confidential have subsequently been made publicly available. Therefore 5% of total agenda items remain confidential.

This is decreasing in-line with the expectations and recommendations of the SA Ombudsman in their 2012 report.

(a)	Matters relating to the personal affairs of a person	28
(b)	Matters relating to commercially sensitive information	4
(d)	Matters relating to commercial information	7
(e)	Matters relating to security & safety	1
(g)	Matters relating to Court Order or direction	3
(h)	Matters relating to legal advice or possible litigation	4
(i)	Matters relating to information to/ from another authority	1
	Total	48*

* Some items identified with two sections of the Act.

Extent to which Council has ensured competitive tender

Council has endorsed a Procurement Policy (incorporating Contracts and Tenders and Sales and Disposals of Land) which commits to delivering cost-effective services to our Community whilst supporting local business where possible. The policy is also mindful of the *Government Business Enterprises (Competition) Act 1996*. For the contracting of significant works or services, they are released to open competitive tender unless there are mitigating reasons, e.g. specialist expertise is required, and then a limited select tender process is carried out. While the policy has a focus of purchasing local, there remains a commitment to ensuring that the best value for money is received.

The following works were placed out for competitive tender during the period of July 2013 - June 2014:

1. Cleaning Services
2. Panel Contract - Hire of Plant
3. Town Street Upgrades
4. Supply of Ironstone Rubble
5. Supply of Limestone Granular
6. Wedgewood and Hickmans Roads
7. East West Road and Cape Willoughby Road
8. Supply and Installation of Safety Barrier
9. Raising and Stockpiling of Limestone
10. Pavement Marking - Stokes Bay Road
11. Request for Quotation - Cleaning Services for KIC Main Office
12. Raising and Stockpiling of Limestone (KI Flood Recovery)
13. Town Street Upgrade - Dauncey Street and Trethewey Court
14. Christmas Cove Boating Facility Upgrade
15. Roadside Veg Clearance - Cape Willoughby and Willson River Roads
16. Request for Quotation - Brooksby Pit Vegetation Removal

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Kangaroo Island - a pristine island full of natural beauty

17. Request for Quotation - Raising and Crushing of Limestone
18. MacGillivray Flood Recovery - Road Resheeting and Drainage Works Year 2
19. Roadside Vegetation Clearance 2014
20. Renewal of Unsealed Roads - Resheeting Stage 4 2014-15
21. Renewal of Unsealed Roads, Ironstone Rubble Stage 4 2014-15

Copies are made available for the public perusal at the Kingscote Administration Office and via Council's website, www.kangarooisland.sa.gov.au, and Penneshaw Community Business Centre.

Hard copies of this document are available to be purchased from Council at a cost of \$20.00 each.

Community Land

Council maintains leases and permits for the use of Community land. This process is regularly reviewed and improved upon.

Subsidiaries

The Fleurieu Regional Waste Authority was established under Section 42 of the *Local Government Act 1999*, during the 2010-11 financial year.

Council is a member of the Southern and Hills Local Government Association formed as a Regional Subsidiary pursuant to Section 43 and Schedule 2 of the *Local Government Act, 1999*.

Adoption and Distribution

Pursuant to the requirements of the *Local Government Act 1999*, the reports within this Annual Report, including the Audited Financial Statements were adopted by the Kangaroo Island Council at a Council Meeting held 20 November 2014.

A full copy of this report will be provided to each member of the Council, the Presiding Members of Houses of Parliament, the SA Local Government Grants Commission, Parliamentary Library and the State Library.

Appendices

- Information and Credits
- Audited Financial Statements
- Audited Financial Statements - Notes
- Community Passenger Network Annual Report 2013-14
- Fleurieu Regional Waste Authority (FRWA) Annual Report 2013-14

Legislative Information

Kangaroo Island - a pristine island full of natural beauty

Information and Credits

The information in this report was drawn from a number of sources, publications and Council documents including:

- *Kangaroo Island Council Strategic Management Plan 2010 - 2014*
- *Kangaroo Island Council Annual Report 2012 - 2013*
- *Kangaroo Island Council Asset Management Plans*
- *Kangaroo Island Council Long Term Financial Plan 2009 - 2019*
- *Lampert, RJ (2002), Natural History of Kangaroo Island, M. Davies, C. Twiddle and M. Tyler*
- *Occasional Publications of the Royal Society of South Australia*
- *Local Government on Kangaroo Island Today and Tomorrow 2008, JAC Comrie Pty Ltd*
- *Local Government Association of South Australia; Comparative Performance Measurement Program 2009*
- *Tourism Optimisation Management Model, Kangaroo Island Resident Survey 2009/2010*
- *Tourism Optimisation Management Model, Visitor Exit Survey 2009/2010*
- *This Southern Land - A Social History of Kangaroo Island 1800 - 1890; Jean Nunn, Investigator Press, 1989*
- *Kangaroo Island 184 Great Years - A History in Photographs 1802 - 1986, Neville Cordes, The Island Press, 1986*
- *Soldier Settlers, War Service Land Settlement - Kangaroo Island, Jean Nunn, Investigator Press, 1981*

KANGAROO ISLAND COUNCIL

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KANGAROO ISLAND COUNCIL

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2014

	Notes	2014 \$	2013 \$ (Restated)
INCOME			
Rates	2	8,179,219	7,833,929
Statutory charges	2	184,130	167,987
User charges	2	909,566	863,221
Grants, subsidies and contributions	2	1,607,441	2,448,063
Investment income	2	24,067	22,667
Reimbursements	2	1,691,514	1,041,032
Other income	2	316,341	81,723
Net gain - equity accounted Council businesses	19	17,063	5,479
Total Income		12,929,341	12,464,101
EXPENSES			
Employee costs	3	5,439,066	4,748,619
Materials, contracts & other expenses	3	6,182,173	6,279,898
Depreciation, amortisation & impairment	3	4,368,235	4,368,232
Finance costs	3	618,193	559,562
Total Expenses		16,607,667	15,956,311
OPERATING SURPLUS / (DEFICIT)		(3,678,326)	(3,492,210)
Asset disposal & fair value adjustments	4	(412,213)	(740,399)
Amounts received specifically for new or upgraded assets	2	720,605	1,168,783
Physical resources received free of charge	2	632,866	2,256,904
NET SURPLUS / (DEFICIT)		(2,737,068)	(806,922)
transferred to Equity Statement			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	9,487,418	24,750,794
Total Other Comprehensive Income		9,487,418	24,750,794
TOTAL COMPREHENSIVE INCOME		6,750,350	23,943,872

This Statement is to be read in conjunction with the attached Notes.

KANGAROO ISLAND COUNCIL

BALANCE SHEET as at 30 June 2014

ASSETS	Notes	2014 \$	2013 \$ (Restated)
Current Assets			
Cash and cash equivalents	5	1,042,541	790,245
Trade & other receivables	5	1,542,068	2,054,874
Inventories	5	<u>222,706</u>	<u>127,338</u>
Total Current Assets		<u>2,807,315</u>	<u>2,972,456</u>
Non-current Assets			
Equity accounted investments in Council businesses	6	73,743	56,680
Infrastructure, property, plant & equipment	7	189,034,493	181,662,566
Other non-current assets	6	<u>1,854,108</u>	<u>586,314</u>
Total Non-current Assets		<u>190,962,344</u>	<u>182,305,560</u>
Total Assets		<u>193,769,659</u>	<u>185,278,016</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	8	1,784,547	2,322,262
Borrowings	8	565,101	540,532
Provisions	8	<u>726,680</u>	<u>729,223</u>
Total Current Liabilities		<u>3,076,328</u>	<u>3,592,017</u>
Non-current Liabilities			
Trade & Other Payables	8	38,841	-
Borrowings	8	11,110,352	8,845,482
Provisions	8	<u>882,494</u>	<u>929,224</u>
Total Non-current Liabilities		<u>12,031,687</u>	<u>9,774,706</u>
Total Liabilities		<u>15,108,015</u>	<u>13,366,723</u>
NET ASSETS		<u>178,661,644</u>	<u>171,911,294</u>
EQUITY			
Accumulated Surplus		3,098,062	5,865,890
Asset Revaluation Reserves	9	173,113,357	163,625,939
Other Reserves	9	<u>2,450,225</u>	<u>2,419,465</u>
TOTAL EQUITY		<u>178,661,644</u>	<u>171,911,294</u>

This Statement is to be read in conjunction with the attached Notes.

KANGAROO ISLAND COUNCIL

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2014

	Notes	Accumulated Surplus	Asset Revaluation Reserve	Available for sale Financial Assets	Other Reserves	TOTAL EQUITY
2014		\$	\$	\$	\$	\$
Restated opening balance		5,865,890	163,625,939	-	2,419,465	171,911,294
Net Surplus / (Deficit) for Year		(2,737,068)	-	-	-	(2,737,068)
Other Comprehensive Income						
Gain on revaluation of infrastructure, property, plant & equipment		-	9,487,418	-	-	9,487,418
Transfers between reserves		(30,760)	-	-	30,760	-
Balance at end of period		3,098,062	173,113,357	-	2,450,225	178,661,644
2013						
(Restated)						
Opening balance		6,904,407	138,875,145	-	2,187,870	147,967,422
Net Surplus / (Deficit) for Year		(806,922)	-	-	-	(806,922)
Other Comprehensive Income						
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	24,750,794	-	-	24,750,794
Transfers between reserves		(231,595)	-	-	231,595	-
Balance at end of period		5,865,890	163,625,939	-	2,419,465	171,911,294

This Statement is to be read in conjunction with the attached Notes

KANGAROO ISLAND COUNCIL

CASH FLOW STATEMENT for the year ended 30 June 2014

	Notes	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates - general & other		8,001,308	7,683,836
Fees & other charges		372,118	181,333
User charges		960,466	57,485
Investment receipts		25,774	(80,219)
Grants utilised for operating purposes		2,139,995	2,631,668
Reimbursements		1,999,233	1,145,135
Other revenues		584,594	860,662
<u>Payments</u>			
Employee costs		(5,470,077)	(4,689,710)
Materials, contracts & other expenses		(7,738,193)	(6,749,704)
Finance payments		(603,921)	(96,901)
Net Cash provided by (or used in) Operating Activities		271,297	943,586
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		952,605	1,168,783
Sale of replaced assets		51,675	104,648
Sale of surplus assets		56,159	-
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(2,680,925)	(1,441,459)
Expenditure on new/upgraded assets		(726,795)	(1,725,697)
Net Cash provided by (or used in) Investing Activities		(2,347,281)	(1,893,725)
 CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from borrowings		6,845,169	6,150,000
<u>Payments</u>			
Repayments of borrowings		(4,516,889)	(4,762,561)
Net Cash provided by (or used in) Financing Activities		2,328,280	1,387,439
Net Increase (Decrease) in cash held		252,296	437,300
Cash & cash equivalents at beginning of period	11	790,245	352,947
Cash & cash equivalents at end of period	11	1,042,541	790,245

This Statement is to be read in conjunction with the attached Notes

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and The Local Government Act 1999 and Local Government (Financial Management) Regulations 2011.

The financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011 dated 20th November 2014.

1.2 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying Council's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest dollar (\$).

2 The Local Government Reporting Entity

Kangaroo Island Council is incorporated under the SA Local Government Act 1999 and has its principal place of business at 43 Dauncey Street, Kingscote, SA. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

As at 30 June 2014, Kangaroo Island Council has a net current liability of \$269,013 [2013: \$619,561].

Kangaroo Island Council has considered its current financial position along with other information such as the cash flows for the forthcoming 12 month period and the operating budget for the forthcoming 12 months; the ability of the Council to borrow funds from the LGFA to meet any outflows that may arise and the taxing powers of the Council to recoup, through rates and levies, expenditure incurred. Through the evaluation of these factors, the Council believes that there is no significant going concern matter and the Council will be able to meet its debts as and when they fall due.

3 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Council obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Where grants, contributions and donations recognised as incomes 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 amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

In the month of June in recent years the Federal Government has paid amounts of untied financial assistance grants, which are recognised on receipt, in advance of the year of allocation. In June 2011, one quarter of the 2011/12 allocation amounting to \$462,853 was paid in advance; in June 2012, two quarters of the 2012/13 allocation: \$932,618; and in June 2013, again two quarters of the 2013/14 allocation: \$921,532. In June 2014 there was no advance payment made.

During 2014 significant works were undertaken by the Kangaroo Island Council as part of the Haines MacGillivray flood recovery works. Local Government Disaster recovery assistance was received from the State Government. These income contributions are reflected in Note 2 - Income as Reimbursements.

3.1 Construction Contracts

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. As there is no profit component, such works are treated as 100% completed. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1999. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

5 Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

5.1 Real Estate Assets Developments

Real Estate Assets developments have been classified as Inventory in accordance with AASB 102 and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

Revenues arising from the sale of property are recognised in the operating statement when settlement is completed.

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

5.2 Other Real Estate held for resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

Certain properties, auctioned for non-payment of rates in accordance with the Local Government Act but which failed to meet the reserve set by Council and are available for sale by private treaty, are recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

6 Infrastructure, Property, Plant & Equipment

6.1 Land under roads

Council has elected not to recognise land under roads acquired prior to 1 July 2008 as an asset in accordance with AASB 1051 Land under Roads. Land under roads acquired after 30 June 2008 has not been recognised as in the opinion of Council it is not possible to reliably attribute a fair value, and further that such value if determined would be immaterial.

6.2 Initial Recognition

All assets are initially recognised at cost.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Capital works still in progress at balance date are recognised as other non-current assets and transferred to infrastructure, property, plant & equipment when completed ready for use.

6.3 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. The capitalisation thresholds for each major asset class were estimated and effective as follows. No capitalisation threshold is applied to the acquisition of land or interests in land.

Building and Other Structures	\$10,000
Road Construction & Reconstruction	\$10,000
Bridge	\$10,000
Paving & Footpaths, Kerb & Gutter	\$10,000
Stormwater Drainage	\$10,000
Community Wastewater Management Schemes	\$10,000
Furniture & Fittings	\$5,000
Plant & Equipment	\$5,000
Library Books	Any value

KANGAROO ISLAND COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014**

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

6.4 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 7.

6.5 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are shown below as per adopted Asset Accounting Policy in 2011/12. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available.

Land Improvement	7 to 100 years
Building & Other Structures	7 to 100 years
Infrastructure Roads- Surface	5 to 100 years
Bridges - Concrete	5 to 100 years
Paving & Footpaths, Kerb & Gutter	5 to 100 years
Stormwater Drainage	50 to 80 years
Community Wastewater Management Schemes	10 to 100 years
Furniture & Fittings	3 to 100 years
Plant & Equipment	4 to 20 years
Library Books	1 to 7 years

6.6 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

6.7 Prior Period Restatement

As part of our annual revaluation of infrastructure assets in the financial year ended 30 June 2013, our external valuers, Tonkin issued a valuation with incorrect rating data. This resulted in an error in the following categories of infrastructure assets for the financial year ended 30 June 2013:

- surface
- pavement
- footpath
- kerb & watertable.

The error resulted in the financial statement for the year ended 30 June 2013 disclosing a revaluation increment of \$98,663 for infrastructure when it should have been disclosed as a revaluation increment of \$24,750,794.

The error meant that the Infrastructure, property plant and equipment line item and the revaluation reserve on both the statement of financial position and the statement of changes in equity were understated by \$24,652,131 at 30 June 2013.

There was no effect on the Operating Surplus (hence no profit & loss effect) as disclosed in the statement of comprehensive income: the cash flow statement or Uniform presentation of Finances.

In accordance with AASB 108 "Accounting Policies, Changes in Accounting Estimates and Errors" Para 49, the following tables represent changes in the relevant line items for the comparative year 2012/2013.

Table 1: Statement of Financial Position (extract)

Non-current assets	2013 (Revised)	Movement	2013 (Original)
Infrastructure, property, plant & equipment	181,662,566	24,652,131	157,010,435
Equity	2013 (Revised)	Movement	2013 (Original)
Asset revaluation reserve	163,625,939	24,652,131	138,973,808

Table 2: Statements of Changes in Equity (extract)

	Asset Revaluation Reserve (Revised)	Movement	Asset Revaluation Reserve (Original)
Balance at the end of previous reporting period	138,875,145	-	138,875,145
Restated opening balance	138,875,145	-	138,875,145
gain on revaluation of infrastructure, property, plant & equipment	24,750,794	24,652,131	98,663
Balance at the end of the period	163,625,939	24,652,131	138,973,808

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Table 3: Statement of Comprehensive Income (extract)

	2013 (Revised)	Movement	2013 (Original)
Depreciation, Amortisation & Impairment	4,368,232	-	4,368,232
Net surplus / (deficit) transferred to equity statement	(806,922)	-	(806,922)
Other Comprehensive income - changes in revaluation surplus - infrastructure, property, plant & equipment	24,750,764	24,652,131	98,633
Total Comprehensive Income	23,943,872	24,652,131	(708,259)

Table 4: Non-current Assets (extract)

Infrastructure Assets	2013 (Revised)	Movement	2013 (Original)
Infrastructure at valuation	160,010,777	22,517,986	137,492,791
Accumulated Depreciation	(46,964,860)	2,134,145	(49,099,005)
At Cost	16,027,508	-	16,027,508
Carrying amount as at 30 June 2013	129,073,425	24,652,131	104,421,294

6.8 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

7 Payables

7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7.2 Payments Received in Advance & Deposits

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

8 Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

Weighted average discount rate	2.5% (2013, 2.75%)
Weighted average settlement period	7 years (2013, 7 years)

A liability for untaken personal leave was provided for. The amount relates to an obligation to payout 25% of personal leave outstanding after 7 years of service upon termination of employment. The amounts not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows.

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

10 Provision for Carbon Taxation

Council operates a number of small landfill facilities, each of which, and in aggregate, are substantially below the taxation threshold of 25,000 tonnes of carbon dioxide equivalent (CO₂e) gas emissions.

Council considers that it has no current or likely future liability for this tax.

11 Leases

Lease arrangements have been accounted for in accordance with Australian Accounting Standard AASB 117.

In respect of finance leases, where Council substantially carries all of the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset class, and are amortised to expense over the period during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

12 Joint Ventures and Associated Entities

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 19.

13 GST Implications

In accordance with Interpretation 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

14 Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2014 reporting period and have not been used in preparing these reports.

AASB 9 Financial Instruments

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2012-3, AASB 2013-3, AASB 2013-8 and AASB 2013-9.

(Standards not affecting local government have been excluded from the above list.)

Council is of the view that none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

The Australian Accounting Standards Board is currently reviewing AASB 1004 Contributions. It is anticipated that the changes resulting from this review may have a material effect on the timing of the recognition of grants and contributions, but the financial consequences cannot be estimated until a revised accounting standard is issued.

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 2 - INCOME

	2014	2013
Notes	\$	\$
RATES REVENUES		
<u>General Rates</u>	5,482,773	5,177,878
Less: Discretionary & Mandatory rebates	(75,452)	(58,946)
	5,407,321	5,118,932
<u>Other Rates</u> (including service charges)		
Natural Resource Management levy	137,391	132,604
Waste collection	1,464,252	1,402,345
Community wastewater management systems	1,095,900	1,104,654
	2,697,543	2,639,603
<u>Other Charges</u>		
Penalties for late payment	66,758	57,717
Legal & other costs recovered	7,597	17,677
	74,355	75,394
	8,179,219	7,833,929
STATUTORY CHARGES		
Development Act fees	60,439	62,863
Town planning fees	4,874	5,906
Health & Septic Tank Inspection fees	16,896	27,153
Animal registration fees & fines	37,858	40,676
Parking fines / expiation fees	34,383	10,009
Rate Searches	12,711	-
Other licences, fees, & fines	16,969	21,380
	184,130	167,987
USER CHARGES		
Cemetery/crematoria fees	21,209	19,972
Aerodrome Fees	419,098	371,093
Lease Fees	275,829	276,559
Hall & equipment hire	81,097	79,650
Camping fees	48,945	45,017
Sundry	63,388	58,247
Rate Searches	-	12,683
	909,566	863,221
INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	24,067	22,667
	24,067	22,667

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

NOTE 2 - INCOME (continued)

	2014	2013
Notes	\$	\$
REIMBURSEMENTS		
- for roadworks	939,269	-
- for private works	569,278	822,167
- other	182,967	218,865
	1,691,514	1,041,032

Reimbursements for roadworks is Local Government Disaster recovery assistance funding received from the State Government for flood recovery works.

OTHER INCOME

Sundry	316,341	81,723
	316,341	81,723

GRANTS, SUBSIDIES, CONTRIBUTIONS

Amounts received specifically for new or upgraded assets	720,605	1,168,783
Other grants, subsidies and contributions	1,607,441	2,448,063
	2,328,046	3,616,846

The functions to which these grants relate are shown in Note 12.

Sources of grants

Commonwealth government	1,339,761	2,129,720
State government	790,473	808,681
Other	197,812	678,445
	2,328,046	3,616,846

Individually Significant Item

Council did not receive any advance payment for the 2014/15 Grant Commission Grant (FAG) during June 2014. However on 12 June 2013 Council received payment of the first two instalments of the 2013/14 grant.

	0	921,532
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Council's operating result in the 2013 financial year was impacted by receipt of this advance payment, as these amounts are recognised as income upon receipt.

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

NOTE 2 - INCOME (continued)

	2014	2013
Notes	\$	\$
Conditions over grants & contributions		
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:		
Unexpended at the close of the previous reporting period	520,157	95,450
Less: expended during the current period from revenues recognised in previous reporting periods		
Community Services	(77,466)	(43,673)
Environment Services	(42,997)	-
Energy Service	(303,351)	-
Subtotal	(423,814)	(43,673)
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
Community Services	14,165	122,032
Environment Services	-	42,997
Energy Service	-	303,351
Subtotal	14,165	468,380
Unexpended at the close of this reporting period	110,508	520,157
Net increase (decrease) in assets subject to conditions in the current reporting period	(409,649)	424,707

PHYSICAL RESOURCES RECEIVED FREE OF CHARGE

Land & Improvements	8,014	-
Roads, Bridges & Footpaths	624,852	2,256,904
Stormwater Drainage	-	-
TOTAL PHYSICAL RESOURCES RECEIVED	632,866	2,256,904

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 3 - EXPENSES

	Notes	2014 \$	2013 \$
EMPLOYEE COSTS			
Salaries and Wages		3,672,798	3,140,099
Employee leave expense		818,411	805,588
Superannuation - defined contribution plan contributions	18	324,164	253,137
Superannuation - defined benefit plan contributions	18	102,918	111,046
Workers' Compensation Insurance		268,353	201,153
Other		252,422	237,596
Total Operating Employee Costs		<u>5,439,066</u>	<u>4,748,619</u>
Total Number of Employees		66	61
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		35,981	47,121
Elected members' expenses		259,188	202,370
Subtotal - Prescribed Expenses		<u>295,169</u>	<u>249,491</u>
<u>Other Materials, Contracts & Expenses</u>			
Contractors		1,804,910	1,411,641
Contractors - Fleurieu Regional Waste Authority (FRWA)		1,239,361	1,266,637
Energy		298,381	355,802
Community Grants Provided		245,862	92,334
Legal Expenses		32,824	92,905
Levies paid to government - NRM levy		137,711	132,632
Insurance		264,998	259,426
Parts, accessories & consumables		743,450	820,324
Professional services		366,453	626,631
Sundry		753,054	972,074
Subtotal - Other Materials, Contracts & Expenses		<u>5,887,004</u>	<u>6,030,407</u>
		<u>6,182,173</u>	<u>6,279,898</u>

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 3 - EXPENSES (continued)

	Notes	2014 \$	2013 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Land Improvements		357,486	351,894
Buildings & Other Structures		360,962	340,966
Infrastructure		2,941,717	3,096,403
Plant & Equipment		580,979	529,118
Furniture & Fittings		37,905	37,320
Library Books		8,742	12,531
Impairment			
Infrastructure		80,444	-
		4,368,235	4,368,232
 FINANCE COSTS			
Interest on Loans		596,551	534,433
Premiums & discounts recognised		21,642	25,129
		618,193	559,562

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2014	2013
Notes	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
Assets renewed or directly replaced		
Proceeds from disposal	51,675	104,648
Less: Carrying amount of assets sold	449,969	82,161
Gain (Loss) on disposal	<u>(398,294)</u>	<u>22,487</u>
Assets surplus to requirements		
Proceeds from disposal	56,159	-
Less: Carrying amount of assets sold	70,078	762,886
Gain (Loss) on disposal	<u>(13,919)</u>	<u>(762,886)</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	<u>(412,213)</u>	<u>(740,399)</u>

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 5 - CURRENT ASSETS

	2014	2013
CASH & EQUIVALENT ASSETS		
	Notes	
	\$	\$
Cash on Hand and at Bank	367,073	268,134
Deposits at Call	675,468	522,111
	<u>1,042,541</u>	<u>790,245</u>
TRADE & OTHER RECEIVABLES		
Rates - General & Other	816,350	638,439
Rates postponed for State Seniors	-	-
Accrued Revenues	160,365	108,330
Debtors - general	426,028	1,135,394
GST Recoupment	95,845	143,192
Prepayments	43,480	29,519
	<u>1,542,068</u>	<u>2,054,874</u>
INVENTORIES		
Stores & Materials	222,706	127,338
	<u>222,706</u>	<u>127,338</u>

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 6 - NON-CURRENT ASSETS

	Notes	2014 \$	2013 \$
EQUITY ACCOUNTED INVESTMENTS IN COUNCIL BUSINESSES			
Fleurieu Regional Waste Authority	19	<u>73,743</u>	<u>56,680</u>
		<u>73,743</u>	<u>56,680</u>
Capital Works-in-Progress		<u>1,854,108</u>	<u>586,314</u>
		<u>1,854,108</u>	<u>586,314</u>

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

		2013 \$				2014 \$			
		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Fair Value Level									
Land	2	25,242,960	-	-	25,242,960	25,190,013	-	-	25,190,013
Land Improvements	2	14,179,473	995,873	(6,239,001)	8,936,345	14,179,473	1,085,641	(6,596,487)	8,668,627
Buildings & Other Structures	3	20,356,874	2,132,919	(7,758,261)	14,731,532	20,356,874	2,559,771	(8,119,223)	14,797,422
Infrastructure	3	160,010,777	16,027,508	(46,964,860)	129,073,425	186,916,709	1,879,118	(51,720,075)	137,075,752
Plant & Equipment	3	2,559,705	2,119,267	(1,296,091)	3,382,881	2,518,608	2,355,298	(1,845,133)	3,028,773
Furniture & Fittings	3	619,283	145,566	(485,126)	279,723	605,680	173,283	(512,015)	266,948
Library	3	600,030	14,427	(598,757)	15,700	600,030	14,427	(607,499)	6,958
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		223,569,102	21,435,560	(63,342,096)	181,662,566	250,367,387	8,067,538	(69,400,432)	189,034,493

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2013	CARRYING AMOUNT MOVEMENTS DURING YEAR							2014
	\$	\$							\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers	Net Revaluation	CARRYING AMOUNT
	New/Upgrade	Renewals							
Land	25,242,960	-	-	(64,257)	-	-	-	11,310	25,190,013
Land Improvements	8,936,345	89,768	-	-	(357,486)	-	-	-	8,668,627
Buildings & Other Structures	14,731,532	426,852	-	-	(360,962)	-	-	-	14,797,422
Infrastructure	129,073,425	-	1,992,424	(444,044)	(2,941,717)	(80,444)	-	9,476,108	137,075,752
Plant & Equipment	3,382,881	236,031	-	(9,160)	(580,979)	-	-	-	3,028,773
Furniture & Fittings	279,723	27,717	-	(2,587)	(37,905)	-	-	-	266,948
Library	15,700	-	-	-	(8,742)	-	-	-	6,958
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	181,662,566	780,368	1,992,424	(520,048)	(4,287,791)	(80,444)	-	9,487,418	189,034,493

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 7 (continued) – INFRASTRUCTURE, PROPERT, PLANT & EQUIPMENT

Valuation of Assets

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.19 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent additions at cost, this remains as the basis of recognition of non-material asset classes.

Transition to AASB 13: The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Fair value hierarchy level 2 valuations: Land and Land Improvement are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets: There is no known market for these assets and they are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

Land & Land Improvements

Council being of the opinion that it is not possible to attribute a value sufficiently reliably to qualify for recognition; land under roads has not been recognised in these reports.

Freehold land and land over which Council has control, but does not have title, is recognised on a fair value basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land improvements are recognised at fair value, originally deriving from a valuation conducted by Maloney Field Service, Property Consultant and Valuers at 30 June 2010 at current replacement cost. Estimated future costs of reinstatement of land, capitalised in accordance with AASB 116.16(c), are reviewed annually (see Note 1) and depreciated over the estimated remaining life of the relevant asset. The weighted average depreciation period for 2013 is 40 years (2012 – 35 years).

In line with the Asset Accounting Policy adopted in 2011/12, Council has decided to apply the capitalisation thresholds for Land Improvement assets, to be consistent with the other major asset classes, and to recognise an asset sub-class called “Non-Replaced Assets” for those Land Improvements, Buildings and Structures which Council considers that will not rationally be replaced. For the “Non-Replaced Assets”, a replacement cost approach is used to estimate fair value. Where there is no regular cash flow generated from the asset, the net present value of future cash flows for that asset is the disposal value. Where assets are not rationally replaced, and Council has decided that no expected future economic benefit continuing to flow to Council, the disposal value will be reduced to nil.

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 7 – Property, Plant & Equipment (continued)

Buildings & Other Structures

Buildings and other structures generally are recognised at fair value, based on current market values.

For Buildings & Structure assets which Council considers will not rationally be replaced, the same accounting treatment applies as stated in the Land & Land Improvements section above.

Infrastructure

Transportation assets were valued by Tonkin's Engineering at depreciated current replacement cost during the reporting period ended 30 June 2013.

Stormwater drainage infrastructure was valued by Tonkin's Engineering as at 30 June 2014 at depreciated current replacement cost, based on actual costs incurred during the reporting period and an assessment of useful life and asset condition data.

Community wastewater management system infrastructure was valued at depreciated current replacement cost during the reporting period ended 30 June 2014 by Tonkin's Engineering Consultants on the same basis as that determined for Stormwater assets.

Furniture & Fittings

Furniture and Fitting assets were revalued as at 30 June 2010 by Maloney Field Services, Property Consultant and Valuers.

Plant & Equipment

Plant & Equipment assets were revalued as at 30 June 2010 by Maloney Field Services, Property Consultant and Valuers.

Library Books

Library books and other lending materials were revalued as at 30 June 2010 by Maloney Field Services, Property Consultant and Valuers.

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 8 - LIABILITIES

	Notes	2014		2013	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		1,193,701		1,215,111	
Payments received in advance		156,268	-	152,931	-
Accrued expenses - employee entitlements		58,977	-	56,553	-
Accrued expenses - other		335,657	-	777,431	-
Deposits, Retentions & Bonds		3,593	-	14,594	-
Other		36,351	38,841	105,642	-
		<u>1,784,547</u>	<u>38,841</u>	<u>2,322,262</u>	<u>-</u>
BORROWINGS					
Loans		565,101	11,110,352	540,532	8,845,482
		<u>565,101</u>	<u>11,110,352</u>	<u>540,532</u>	<u>8,845,482</u>
PROVISIONS					
Employee entitlements (including oncosts)		664,250	145,425	707,592	135,518
Future reinstatement / restoration, etc		62,430	737,069	21,631	793,706
		<u>726,680</u>	<u>882,494</u>	<u>729,223</u>	<u>929,224</u>
Movements in Provisions - (current & non-current)		2014		2013	
		Future		Future	
		Reinstatement		Reinstatement	
Opening Balance		815,337		893,521	
Add Unwinding of present value discounts		21,642		25,129	
Additional amounts recognised		62,430		21,631	
(Less) Payments		(82,030)		(42,600)	
Unused amounts reversed		(931)		(59,348)	
Add (Less) Remeasurement Adjustments		(16,949)		(22,995)	
Closing Balance		<u>799,499</u>		<u>815,338</u>	

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2013	Net Increments (Decrements)	Transfers, Impairments	30/6/2014
Notes	\$	\$	\$	\$
Land	20,320,085	11,310	-	20,331,395
Land Improvements	6,948,387	-	-	6,948,387
Buildings & Other Structures	6,683,737	-	-	6,683,737
Infrastructure				
- CWMS	2,521,717	7,619,532	-	10,141,248
- Roads, bridges, footpaths	123,338,816	-	-	123,338,817
- Stormwater drainage	1,911,270	1,856,576	-	3,767,847
Plant & Equipment	1,336,133	-	-	1,336,133
Furniture & Fittings	362,052	-	-	362,052
Library books	203,742	-	-	203,742
TOTAL	163,625,939	9,487,418	-	173,113,357

OTHER RESERVES	1/7/2013	Transfers to Reserve	Transfers from Reserve	30/6/2014
Marina Berths Reserve	263,535	88,318	(112,614)	239,239
Airport Reserve	1,292,453	30,562	-	1,323,015
CWMS Reserve	418,905	97,898	(77,176)	439,627
Asset Reinvestment Reserve	288,838	-	-	288,838
Kingscote CBD Car Park Reserve	26,246	692	-	26,938
Open Space Reserve	74,438	1,627	-	76,066
Ronald Maxwell Bell Property Reserve	55,048	1,453	-	56,502
TOTAL OTHER RESERVES	2,419,465	220,550	(189,790)	2,450,225

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 9 - RESERVES (continued)

PURPOSES OF RESERVES

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non-current assets (less any subsequent impairment losses, where applicable).

Available-for-Sale Investments Reserve

This reserve records the net difference between original cost, and fair value at reporting date, of financial instruments classified as available-for-sale. On disposal of the financial instrument, the balance standing in the reserve in relation to that instrument is transferred to profit and loss (see Note 4).

Marina Berth Reserve

Includes contributions from lessees and funds received from the marina berths at Christmas Cove Penneshaw and boating fees from upgraded boat ramp facilities.

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.

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.

Asset Reinvestment Reserve

The reserve holds contributions from the sale of Council assets for future land purchases.

Kingscote CBD Carpark Reserve

Developer Car Park contributions held for future CBD carparking in Kingscote.

Open Space Fund Reserve

Contributions from developers for future open space developments and expenditure.

Ronald Maxwell Bell Property Reserve

Sale proceeds or ratepayers' property, which are required to be held by Council until owner is located or until processed as per the Unclaimed Moneys Act 1891.

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 10 - ASSETS SUBJECT TO RESTRICTIONS

The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.

		2014	2013
CASH & FINANCIAL ASSETS			
	Notes	\$	\$
Developers Contributions		103,004	100,685
Sale of Ratepayer's Property		56,502	55,048
		<u>159,506</u>	<u>155,733</u>
 INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
Land assets utilised for recreation or other community purposes are subject to the provisions of Chapter 11, Part 1 of the Local Government Act, 1999 relating to 'Local Government Land'. Such assets are identified on Council's Community Land Register in accordance with the provisions in the Act.		25,190,013	25,242,960
		<u>25,190,013</u>	<u>25,242,960</u>
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS		<u>25,349,519</u>	<u>25,398,693</u>

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	Notes	2014 \$	2013 \$
Total cash & equivalent assets	5	1,042,541	790,245
Less: Short-term borrowings	8	-	-
Balances per Cash Flow Statement		1,042,541	790,245

**(b) Reconciliation of Change in Net Assets to Cash
from Operating Activities**

Net Surplus (Deficit)		(2,737,068)	(806,922)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		4,368,235	4,368,232
Fair value adjustments		-	-
Equity movements in equity accounted investments (increase) decrease		(17,063)	(5,479)
Net increase (decrease) in unpaid employee benefits			58,909
Premiums & discounts recognised & unwound			25,129
Change in allowances for under-recovery		-	-
Non-cash asset acquisitions		(632,866)	(2,256,904)
Grants for capital acquisitions treated as Investing Activity		(720,605)	(1,168,783)
Net (Gain) Loss on Disposals		412,215	740,399
		672,848	954,581
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		247,419	(1,120,007)
Net (increase) decrease in inventories		(95,368)	(22,397)
Net (increase) decrease in other current assets		33,386	-
Net increase (decrease) in trade & other payables		(537,715)	1,174,008
Net increase (decrease) in other provisions		(49,273)	(42,600)
Net increase (decrease) in other liabilities		-	-
Net Cash provided by (or used in) operations		271,297	943,585

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge	3	632,866	2,256,904
Amounts recognised in Income Statement		632,866	2,256,904
- Estimated future reinstatement etc. costs		(37,480)	(103,312)
		595,386	2,153,592

(d) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:

Bank Overdrafts	100,000	100,000
Corporate Credit Cards	12,000	15,000
LGFA Cash Advance Debenture facility	1,001,761	928,931

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 12 - FUNCTIONS

INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES										
INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)		
ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	2014	2013	2014	2013	
2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Business Undertakings	1,537,062	1,732,998	1,239,067	1,390,261	297,995	342,737	4,936	530,000	6,262,113	9,160,755
Community Services	219,599	151,524	1,184,637	1,262,470	(965,038)	(1,110,946)	210,014	326,232	1,213,232	2,705,128
Culture	51,109	53,425	485,559	489,312	(434,450)	(435,887)	31,483	31,904	5,260,197	1,648,712
Economic Development	-	-	37,585	20,735	(37,585)	(20,735)	-	-	762,941	-
Environment	2,757,737	2,638,385	3,462,681	3,256,551	(704,944)	(618,166)	10,000	145,000	27,462,262	22,469,481
Recreation	2,494	9,635	631,946	661,421	(629,452)	(651,786)	-	-	29,591,173	20,085,131
Regulatory Services	251,181	155,902	1,088,190	1,035,848	(837,009)	(879,946)	-	-	14,298	-
Transport & Communication	1,298,152	45,036	4,813,524	4,592,365	(3,515,372)	(4,547,329)	973,990	286,583	114,798,851	115,214,816
Plant Hire & Depot/Indirect	108,409	69,447	2,048,666	1,663,870	(1,940,257)	(1,594,423)	-	-	4,092,167	5,172,388
Unclassified Activities	-	-	-	-	-	-	-	-	1,242,560	6,118,590
Governance	1,127,405	2,350,438	993,518	1,091,154	133,887	1,259,284	1,052,623	2,297,127	21,093	23,800
Support Services	47,660	1,367	622,294	492,323	(574,634)	(490,956)	45,000	-	3,048,772	2,679,215
Other Revenue/Expenses	5,528,533	5,255,945	-	-	5,528,533	5,255,945	-	-	-	-
TOTALS	12,929,341	12,464,102	16,607,667	15,956,310	(3,678,326)	(3,492,208)	2,328,046	3,616,846	193,769,659	185,278,016

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, net gain (loss) from joint ventures & associated entities, amounts received specifically for new or upgraded assets and physical resources received free of charge.

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 12 (continued) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Business Undertakings

Camping Grounds, Airport, Private works, Property Portfolio, Island Energy.

Community Services

Public Order and Safety, Other Fire Protection, Other Public Order and Safety, Health Services – Immunisation, Other Health Services, Youth Services, Community Development, Community Transport, Cemeteries, Public Conveniences and Other Community Amenities.

Culture

Library Services, Other Library Services, Cultural Services and Other Cultural Events.

Economic Development

Tourism and Other Economic Development.

Environment

Natural Resource Management Levy, Community Wastewater Management Scheme, Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Other Waste Management, Coastal Protection, Stormwater and Drainage, Street Cleaning, Street Lighting, Street scaping, Water Standpipes and Other Environment.

Recreation

Parks and Gardens, Playgrounds, Sports Facilities – Outdoor, Swimming Pool – Outdoor, and Other Recreation.

Regulatory Services

Dog and Cat Control, Building Control, Town Planning, Health Inspection, Parking Control, and Other Regulatory Services.

Transport

Bridges, Footpaths and Kerbing, Roads – sealed, formed, natural formed, unformed, Traffic Management, Car parking, Other Transport, Jetties and Wharves, Marine Facilities.

Plant Hire & Depot

Plant and Equipment Hire, Works Depot Operations.

Unclassified Activities

Non-specific Activities.

Governance

Governance, Organisational, Human Resources, LGGC – General Purpose, Elected Members, Occupational Health & Safety, Administration n.e.c.

Support Services

Accounting/Finance, Payroll, Information Technology, Rates Administration, Records, Asset Management, Contract Management, Customer Service, Other Support Services.

Other Revenues and Expenditure

Revenues, LGGC – General Purpose, and Separate and Special Rates, Other Income and Rate Concessions.

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 13 - FINANCIAL INSTRUMENTS

All financial instruments are categorised as loans and receivables.

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & Conditions: Deposits are returning fixed interest rates of 0.20%-2.50%, (2013: 2.75% and 3.5%).</p> <p>Carrying Amount: approximates fair value due to the short term to maturity.</p>
Receivables - Rates & Associated Charges (including legals & penalties for late payment) Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & Conditions: Secured over the subject land, arrears attract fines of 2.00% and interest of 8.00% (2013: 2.00%-8.5%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p>Carrying Amount: approximates fair value (after deduction of any allowance).</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & Conditions: Unsecured, and attract interest of 10%. (2013: 10%). Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying Amount: approximates fair value (after deduction of any allowance).</p>
Receivables - other levels of government	<p>Accounting Policy: Carried at nominal value.</p> <p>Terms & Conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p>Carrying Amount: approximates fair value.</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & Conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying Amount: approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & Conditions: secured over future revenues, borrowings are repayable by 6 monthly instalments of principal and interest; interest is charged at fixed rates between 6.02% and 6.8% (2013: 5.67% and 6.8%). The interest for the variable borrowing is charged at rates between 4.75% & 5.0%.</p> <p>Carrying Amount: approximates fair value.</p>
Liabilities - Finance Leases	<p>Accounting Policy: accounted for in accordance with AASB 117.</p>

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 13 (continued) - FINANCIAL INSTRUMENTS Liquidity Analysis

2014	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	1,042,541			1,042,541	1,042,541
Receivables	586,393	-	-	586,393	586,393
Other Financial Assets	-	-	-	-	-
Total	1,628,934	-	-	1,628,934	1,628,934
Financial Liabilities					
Payables	2,354,959	921,335	-	3,276,294	3,432,562
Current Borrowings	1,141,689	-	-	1,141,689	565,101
Non-Current Borrowings	-	4,509,167	10,317,921	14,827,088	11,110,352
Total	3,496,648	5,430,502	10,317,921	19,245,071	15,108,015
2013	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	790,245			790,245	790,245
Receivables	1,243,724	-	-	1,243,724	1,243,724
Other Financial Assets	-	-	-	-	-
Total	2,033,969	-	-	2,033,969	2,033,969
Financial Liabilities					
Payables	2,265,709	-	-	2,265,709	2,265,709
Current Borrowings	1,050,371	-	-	1,050,371	540,532
Non-Current Borrowings	-	4,253,310	7,699,523	11,952,833	8,845,482
Total	3,316,080	4,253,310	7,699,523	15,268,913	11,651,723

The following interest rates were applicable to Council's borrowings at balance date:

	30 June 2014		30 June 2013	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Overdraft	9.45	-	10.20	-
Other Variable Rates	4.75	7,498,239	5.23	4,571,069
Fixed Interest Rates	6.58	4,177,214	6.57	4,814,945
		<u>11,675,453</u>		<u>9,386,014</u>

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 13 (continued) - FINANCIAL INSTRUMENTS

Liquidity Analysis

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 14 - COMMITMENTS FOR EXPENDITURE

	2014	2013
<u>Notes</u>	\$	\$
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Land Improvements	<u>692,734</u>	-
	<u>692,734</u>	-
These expenditures are payable:		
Not later than one year	<u>692,734</u>	-
	<u>692,734</u>	-
Other Expenditure Commitments		
Other non-capital expenditure commitments (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:		
Audit Services	19,346	38,242
Waste Management Services*	175,000	174,233
Other	<u>67,402</u>	<u>122,805</u>
	<u>261,748</u>	<u>335,280</u>
*Expenditure commitments relating to the Fleurieu Regional Waste Authority (FRWA) are now reported in Note 19		
Finance Lease Commitments		
Not later than one year	99,748	98,418
Later than one year and not later than 5 years	112,000	186,862
Later than 5 years	<u>50,000</u>	<u>50,000</u>
Net Lease Liability	<u>261,748</u>	<u>335,280</u>

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 15 - FINANCIAL INDICATORS

	2014	2013	2012
--	------	------	------

These Financial Indicators have been calculated in accordance with Information Paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

Operating Surplus Ratio

<u>Operating Surplus</u>	(46%)	(45%)	(46%)
Rates - general & other less NRM levy			

This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.

Adjusted Operating Surplus Ratio	(34%)	(45%)	(53%)
---	-------	-------	-------

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. The **Adjusted Operating Surplus Ratio** adjusts for the resulting distortion in the disclosed operating result for each year.

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	98%	85%	81%
Total Operating Revenue less NRM levy			

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue (excluding NRM levy).

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	60%	31%	6%
Infrastructure & Asset Management Plan required expenditure	*	*	*

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

Amounts shown above an asterisk (*) indicate that depreciation expense has been used as a proxy, pending finalisation of the Infrastructure & Asset Management Plan.

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 16 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

	2014 \$	2013 \$
Income	12,929,341	12,464,099
less Expenses	<u>16,607,667</u>	<u>15,956,314</u>
Operating Surplus / (Deficit)	(3,678,326)	(3,492,215)
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	2,680,925	1,441,459
Depreciation, Amortisation and Impairment	(4,368,235)	(4,368,232)
Proceeds from Sale of Replaced Assets	<u>(51,675)</u>	<u>(104,648)</u>
	(1,738,985)	(3,031,421)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	726,795	1,725,697
Amounts received specifically for New and Upgraded Assets	(952,605)	(1,168,783)
Proceeds from Sale of Surplus Assets (including investment property and real estate developments)	<u>(56,159)</u>	-
	(281,969)	556,914
Net Lending / (Borrowing) for Financial Year	<u>(1,657,372)</u>	<u>(1,017,708)</u>

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 17 - OPERATING LEASES

Leases providing revenue to the Council

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 2.

Investment Property

Rentals received, and outgoings reimbursed, in relation to Investment Property are also disclosed in Note 2. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis wherever practicable.

Lessees commitments under all non-cancellable lease agreements, including those relating to Investment Property, are as follows:

	2014	2013
	\$	\$
Not later than one year	52,755	70,830
Later than one year and not later than 5 years	109,510	134,696
Later than 5 years	348,086	319,792
	<u>510,351</u>	<u>525,318</u>

Lease payment commitments of Council

Council has entered into non-cancellable operating leases for various items including computer, photocopier, and other equipment.

Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased.

No lease contains any escalation clause.

Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

	2014	2013
	\$	\$
Not later than one year	77,934	92,494
Later than one year and not later than 5 years	89,345	130,348
Later than 5 years	15,507	16,008
	<u>182,786</u>	<u>238,850</u>

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 18 – SUPERANNUATION

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to Marketlink and/or Salarylink. All other employees (including casuals) have all contributions allocated to Marketlink.

Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9.25% in 2013/14; 9% in 2012/13). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2012/13) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of salary for Salarylink members to their Marketlink account. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Scheme's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2011. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 19 - EQUITY ACCOUNTED COUNCIL BUSINESSES

All equity accounted Council businesses are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

Fleurieu Regional Waste Authority

The Fleurieu Regional Waste Authority (FRWA) is an authority under Section 43 of the Local Government Act (1999). FRWA is a regional subsidiary formed by the member councils; Alexandrina Council, City of Victor Harbor, Kangaroo Island Council, and District Council of Yankalilla in South Australia in order to manage the operation of waste and recycling in the combined areas.

	2014	2013
	\$	\$
Fleurieu Regional Waste Authority		
Council's respective interests are:		
- ownership share of equity	15%	15%
- the proportion of voting power	22%	22%
 <u>Movements in Investment in Joint Operation</u>	 \$	 \$
Opening Balance	56,680	51,201
Share in Operating Result	17,063	5,479
Share in Equity of Joint Operation	<u>73,743</u>	<u>56,680</u>

Expenditure Commitments

Expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

<u>Operating Expenditures payable</u>		
Not later than one year	192,255	220,564
Later than one year and not later than 5 years	218,200	298,307
	<u>410,455</u>	<u>518,871</u>

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 20 - CONTINGENCIES, ASSETS & LIABILITIES NOT RECOGNISED IN THE BALANCE SHEET

The following assets and liabilities do not qualify for recognition in the Balance Sheet but knowledge of those items is considered relevant to user of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. LAND UNDER ROADS

As reported elsewhere in these Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

At reporting date, Council controlled 2,485 km of road reserves of average width 20 metres.

2. POTENTIAL INSURANCE LOSSES

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to a deductible "insurance excess", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

3. BANK GUARANTEES

Council has no guaranteed loans or other banking facilities advanced to community organisations or sporting bodies at the reporting date.

Council does not expect to incur any loss.

4. LEGAL EXPENSES

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of 2 appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 20 – Contingencies & Assets & Liabilities not Recognised in the Balance Sheet (continued)

5. “CARBON” TAX

From 1 July 2012 a new tax on emissions of certain “greenhouse” gases commenced operation. Council has a number of garbage landfill facilities which emit, and will continue for many years to emit, gases of this type.

Using current calculation methods, emissions from Council's landfill facilities are substantially below current taxable thresholds. This situation is expected to continue while thresholds remain at current levels.

Information currently available provides assurances that “legacy emissions” from garbage placed in landfills prior to commencement of the tax will not subsequently become liable to the tax. However, should taxable thresholds be substantially reduced Council may be subject to taxation on landfill deposits made after 1 July 2013. No liability has been recognised in these reports.

KANGAROO ISLAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 21 - EVENTS OCCURRING AFTER BALANCE DATE

No significant events occurred after the balance date of 30 June 2014.

KANGAROO ISLAND COUNCIL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Council to certify the financial statements in their final form.
In our opinion:

- the accompanying financial statements comply with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards.
- the financial statements present a true and fair view of the Council's financial position at 30 June 2014 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Council's accounting and other records.



.....
Andrew Boardman
CHIEF EXECUTIVE OFFICER



.....
Peter Clements
MAYOR

Dated this *20th* day of November 2014.

KANGAROO ISLAND COUNCIL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Kangaroo Island Council for the year ended 30 June 2014, the Council's Auditor, Deloitte Touche Tomatsu, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) Local Government (Financial Management) Regulations 2011.



.....
Andrew Boardman
CHIEF EXECUTIVE OFFICER



.....
Bill Cossey
**PRESIDING MEMBER
AUDIT COMMITTEE**

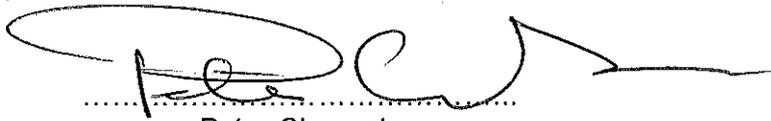
Dated this 20th day of November 2014

KANGAROO ISLAND COUNCIL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

ADOPTION STATEMENT

I hereby state that the Financial Statements of the Kangaroo Island Council for the year ended 30 June 2014 were laid before the Kangaroo Island Council and adopted on the 20th day of November 2014.

A handwritten signature in black ink, appearing to read 'Peter Clements', written over a horizontal dotted line.

Peter Clements
MAYOR

Dated this *20th* day of November 2014

Kangaroo Island Council

**Community Passenger Network
2013-2014 Annual Report
1 July 2013 – 30 June 2014**



The Honourable Zoe Bettison MP
Minister for Communities and Social Inclusion
Minister for Social Housing
Minister for Multicultural Affairs
Minister for Ageing
Minister for Youth
Minister for Volunteers
Level 8
178 North Terrace
ADELAIDE SA 5000

Dear Minister

I am pleased to present the Annual Report for the Kangaroo Island Community Passenger Network for the year ending 30 June 2014.

This report is a submission to the Department for Communities and Social Inclusion and complies with the requirements of the funding agreement.

Yours sincerely

A handwritten signature in black ink, appearing to read 'A Boardman'.

Andrew Boardman
CHIEF EXECUTIVE OFFICER
KANGAROO ISLAND COUNCIL

7 November 2014

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Foreword from Kangaroo Island Council CEO

Kangaroo Island Council aims to provide transport services for disadvantaged community members. In the past, due to the lack of public transport options available on Kangaroo Island, the Community Passenger Network (CPN) has been essential in assisting the transport disadvantaged to move around.

In 2013-14, Kangaroo Island Council worked together with Department for Planning, Transport and Infrastructure (DPTI) and Kangaroo Island Futures Authority (KIFA) to deliver the Rockhopper. This community bus has been operational since March 2014 with 112 trips provided on the Western Route.

While the introduction of the Rockhopper bus has provided a new public transport option for all residents and visitors to Kangaroo Island, the CPN will continue to play a vital role in transport around Kangaroo Island.

In 2014-15, the Kangaroo Island Council aims to focus on balancing the roles of the Rockhopper with the existing CPN client base to ensure that both services are used to their potential and transport services are delivered to those most in need.

CPN Coordinator Report

During 2013-14, the focus of the Kangaroo Island CPN (KI CPN) program expanded to include a bi-weekly bus service to Parndana and Vivonne Bay. Linked with this is weekly additional bus services to Penneshaw through Sealink.

The KI CPN provided 149 passenger trips through the existing process of assessing clients requesting transport on a merit basis and offering transport assistance in the form of services brokered to commercial operators. This reduction in usage has resulted from a reduction in time to focus on the base CPN program due to the work associated with the introduction of the Rockhopper bus service and the cancellation of the medical bus (previously run by the Health Service). It is planned to rectify this balance in 2014-15.

About the KI CPN

Aim

The aim of CPN's are to ensure that all frail, aged, people with disabilities and transport disadvantaged Australians can access services, facilities and social activities that enable them to participate to a greater degree in the life of their community.

The KI CPN focuses on assisting with transport around Kangaroo Island as well as providing some assistance for transport on the mainland.

Functions

CPNs exist to promote a broad range of transport options for people within their geographical area. The function may differ, depending on the needs of the community and the resources available.

The KI CPN's main function is coordination of the service by acting as the link between people who require transport services and those who can provide transport services. The types of coordination include:

- Enquiries
- Referrals
- Brokerage.

The KI CPN's function has now expanded to include the coordination of the Rockhopper services including promotion and enquiries on the whole service as well as bookings for the Western Route.

Objectives

- Provide information on the transport services available on Kangaroo Island;
- Coordinate the referral and brokerage of transport services for members of the Kangaroo Island community;
- Coordinate appointments and transportation on behalf of clients to enable transport availability when accessing services, facilities and social activities; and
- Provide and coordinate volunteer driver transport as a last resort that is not on-going where no other appropriate transport is available in the region and when appropriate resources are available.

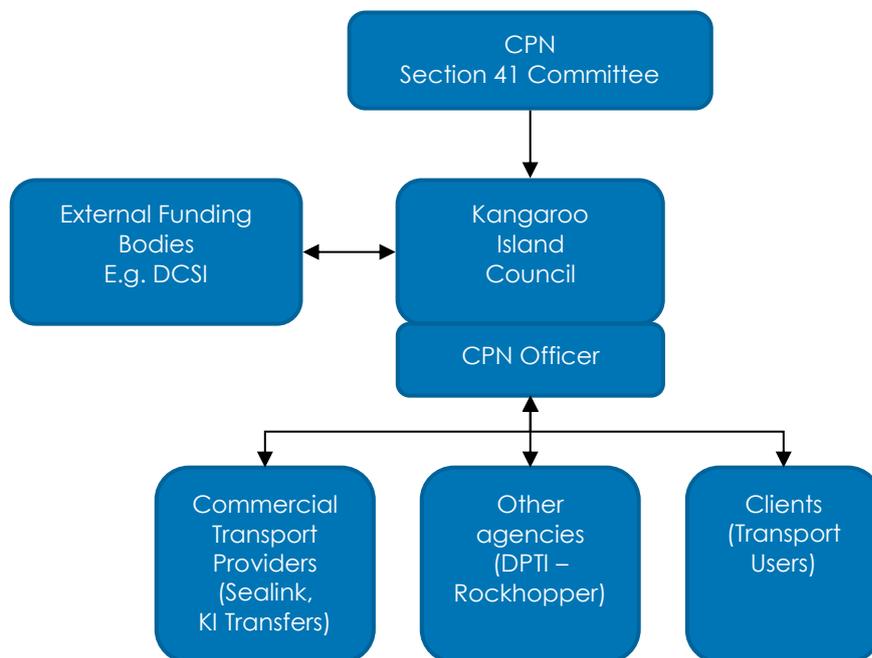
Funding

The KI CPN is primarily funded by grants received from the Department for Communities and Social Inclusion with additional funding from donations and contributions from the community and CPN users.

CPN Existing Services Description

The KI CPN focused on brokering transport for clients to assist with movement both around Kangaroo Island and on the main land. As of February 2014, the KI CPN has expanded to include bookings for a bi-weekly bus service covering Kingscote, Parndana and Vivonne Bay (excluding school holidays). Linked with this is extended Sealink services covering Kingscote, American River and Penneshaw that are operated by Sealink however KI CPN provides promotion for this service and answers enquiries relating to this service.

Organisational Structure



South Australia Strategic Plan (SASP) Targets

Objective 1: Our Community

Target and Description	Key CPN Measure
<p><i>Target 6 Aboriginal wellbeing</i> Improve the overall well being of Aboriginal South Australians. 2010 Progress Report: http://saplan.org.au/pages/our-progress</p>	
<p><i>Target 23 Social participation</i> Increase the proportion of South Australians participating in social, community and economic activities by 2020.</p>	Number of trips made for social purposes
<p><i>Target 24 Volunteering</i> Maintain a high level of formal and informal volunteering in South Australia at 70% participation rate or higher. 2010 Fact Sheet: http://saplan.org.au/fact_sheets/262</p>	Number of volunteer drivers
<p><i>Target 30 Boards and committees</i> Increase the number of women on all State Government boards and committees to 50% on average by 2014, and maintain thereafter by ensuring that 50% of women are appointed, on average, each quarter. 2010 Fact Sheet: http://saplan.org.au/fact_sheets/257</p>	
<p><i>Target 32 Customer and client satisfaction with government services</i> Increase the satisfaction of South Australians with government services by 10% by 2014, maintaining or exceeding that level of satisfaction thereafter. 2010 Fact Sheet: http://saplan.org.au/fact_sheets/210</p>	Percentage of positive feedback received on CPN

Objective 2: Our Prosperity

Target and Description	Key CPN Measure
<p><i>Target 46 Regional population levels</i> Increase regional populations, outside of Greater Adelaide, by 20 000 to 320 000 or more by 2020. 2010 Fact Sheet: http://saplan.org.au/fact_sheets/267</p>	
<p><i>Target 48 Ageing workforce participation</i> Increase the proportion of older South Australians who are engaged in the workforce by 10 percentage points by 2020.</p>	
<p><i>Target 50 People with disability</i> Increase by 10% the number of people with a disability employed in South Australia by 2020. 2010 Fact Sheet: http://saplan.org.au/fact_sheets/295</p>	
<p><i>Target 51 Aboriginal Employment</i> Halve the gap between Aboriginal and non-Aboriginal unemployment rates by 2018. 2010 Fact Sheet: http://saplan.org.au/fact_sheets/244</p>	
<p><i>Target 56 Strategic infrastructure</i> Ensure that the provision of key economic and social infrastructure accommodates population growth. 2010 Fact sheet: http://saplan.org.au/fact_sheets/238</p>	

Objective 3: Our Environment

Target and Description	Key CPN Measure
<p><i>Target 59 Greenhouse gas emissions reduction</i> Achieve the Kyoto target by limiting the state's greenhouse gas emissions to 108% of 1990 levels during 2008-2012, as a first step towards reducing emissions by 60% (to 40% of 1990 levels) by 2050. 2010 Fact Sheet: http://sapl原因.org.au/fact_sheets/233</p>	Percentage of trips with multiple passengers
<p><i>Target 61 Energy efficiency – government buildings</i> Improve the energy efficiency of government buildings by 30% by 2020.</p>	
<p><i>Target 64 Renewable energy</i> Support the development of renewable energy so that it comprises 33% of the state's electricity production by 2020. (Milestone of 20% by 2014) 2010 Fact Sheet: http://sapl原因.org.au/fact_sheets/307</p>	
<p><i>Target 67 Zero waste</i> Reduce waste to landfill by 35% by 2020. (Milestone of 25% by 2014) 2010 Fact Sheet: http://sapl原因.org.au/fact_sheets/302</p>	

Key CPN Measures

Measure	2013-14
Number of trips made for social purposes	139
Number of volunteer drivers	0
Percentage of positive feedback received on CPN	Not measured in 2013-14
Percentage of trips with multiple passengers	35%

* Rockhopper trips are not included in these figures.

Future Directions

In 2014-15, the KI CPN will focus on implementing both elements of the CPN and ensuring that the balance between the brokerage and Rockhopper suitably addresses the needs of the transport disadvantaged on Kangaroo Island. Options for establishing a volunteer driver program, which was put on hold while establishing the Rockhopper, will be investigated.

Depending on funding levels, the KI CPN may also:

- raise the profile of CPN and the Rockhopper through a promotional campaign;
- undertake a survey of the Rockhopper to ensure it is best meeting resident needs as well as enable the CPN to identify the gaps to better direct the brokerage services;
- investigate expansion of the Rockhopper to include school holiday services on the Western Route.

Freedom of Information Act (SA) 1991

Subject to certain restrictions, the South Australian *Freedom of Information Act 1991* (the FOI Act) gives members of the public a legally enforceable right to access documents, subject to some restrictions. This right applies to documents held by Ministers and government departments; statutory and regulatory bodies; public hospitals; local government councils; and South Australian universities. A comprehensive introduction to the freedom of information can be found on the [State Records Website](#)¹.

In accordance with Section 9 of the FOI Act, the following represents KI CPN's information statement as at 30 June 2013.

CPN functions and members of the public:

The functions of the CPN affect the public both directly, in the form of service delivery to the community, and indirectly, through the CPN's policy and strategic management improvement activities. Such activities result in the CPN having an input into the wide range of local, State and Federal government programs and initiatives. The public has the opportunity to participate in the CPN's policy development in a number of ways, including community consultation forums, panels, surveys and membership of CPN boards and committees.

Documents held by the CPN:

Documents held by the CPN fall broadly into the categories described below. While most are available in hard copy, it should be noted that some are only available electronically. The listing of these categories does not necessarily mean all documents are accessible in full or in part under the FOI Act. The categories include:

- corporate files containing correspondence, memoranda and minutes on all aspects of the CPN's operations
- policies, procedures and guidelines prescribing the way various activities and programs are to be performed
- personnel files relating to the CPN's employees and volunteers
- accounting and financial reports relating to the running of the CPN
- CPN annual reports, strategic plans and policy reports
- minutes of meetings and terms of reference
- documents relating to the functions of the CPN.

¹ <http://www.archives.sa.gov.au/foi/index.html>

Freedom of Information applications

The FOI Act gives members of the public a legally enforceable right of access (subject to certain restrictions) to documents within the possession of South Australian government agencies, local government authorities and South Australian Universities. The purpose of the FOI Act is to make the business of government open and accountable to the public. The CPN fully supports the objectives and spirit of the Act and is active in its endeavours to continually improve records management practices.

Making an application

In accordance with the FOI Act, applications for access to documents held by an agency must:

- be made in writing (you may write a letter or use the [application form](#)²)
- specify that the application is made under the FOI Act
- be accompanied by the application fee (exemptions apply for Members of Parliament and pensioners or health card holders)
- specify an address in Australia to which information can be sent
- clearly identify the documents being sought or the matter to which they pertain
- specify whether the documents contain information of a personal nature
- specify the desired type of access to the document, such as inspection of the document at an arranged location or having a copy made.

Applications under the FOI Act should be forwarded to:

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

Further Information

Further information can be obtained from [State Records SA](#)³:

- [Your right to know](#)⁴
- [Citizens' Right to Information Charter](#)⁵
- [Citizen's Right to Information Brochure](#)⁶

² http://www.archives.sa.gov.au/files/forms_foi_request_for_access.pdf

³ <http://www.archives.sa.gov.au/foi/index.html>

⁴ http://www.archives.sa.gov.au/files/foi_righttoknow_pamphlet.pdf

⁵ http://www.archives.sa.gov.au/files/foi_charter.pdf

Appendices

Legislation administered by the CPN

The ongoing operation of the CPN adheres to the following legislation:

- Social Inclusion
 - Disability Discrimination Act (Cwth) 1992
Other amended Commonwealth legislation related to Disability Discrimination Act
 - Aged Discrimination Act (Cwth) 2004
 - Volunteers Protection Act (SA) 2001
Volunteers Protection Regulations (SA) 2004
 - Carer Recognition Act (Cwth) 2010
 - Carer Recognition Act (SA) 2005
 - Equal Opportunity Act (SA) 1984
Equal Opportunity for Women in the Workplace Act (Cwth) 1999
- Transport
 - Passenger Transport Act (SA) 1994
Passenger Transport Regulations (SA) 2009
 - Road Traffic Act (SA) 1961
Road Traffic (Heavy Vehicle Driver Fatigue) Regulations 2008
Road Traffic (Heavy Vehicles Speeding Compliance) Regulations 2009
Australian Road Rules
 - Motor Vehicles Act (SA) 1959
 - Criminal Law Consolidations Act (SA) 1935
- Information and Privacy
 - Privacy Act (Cwth) 1988
Information Privacy Principles
 - Freedom of Information Act (SA) 1994
 - State Records Act (SA) 1997
State Records Regulations (SA) 1998

Boards and Committees

The Section 41 Committee for Community Passenger Network with representatives from the Transport Industry, Education Sector, Employment Sector and Health Sector meets as and when required. The next meeting is scheduled for August 2014.

⁶ http://www.archives.sa.gov.au/files/foi_charterbrochure.pdf

Management of Human Resources (Staff statistics)

KI CPN Staff:

- Community Affairs Manager – Maree Baldwin
- CPN Officer – Anne Ellson (Maternity Leave from 1/7/2013 to 13/6/2014)
- CPN Officer – Emily Larcombe (Maternity Leave Contract)

There are currently no volunteers associated with the operation of the KI CPN.

Statistical Reports

CPN Duties

No. of enquiries and referrals	1864
No. of transport coordination duties undertaken	112 trips
No. of services brokered to commercial operators	148 passenger trips
No. of direct transport services provided by the CPN	Direct services not yet provided by KICPN

Trips

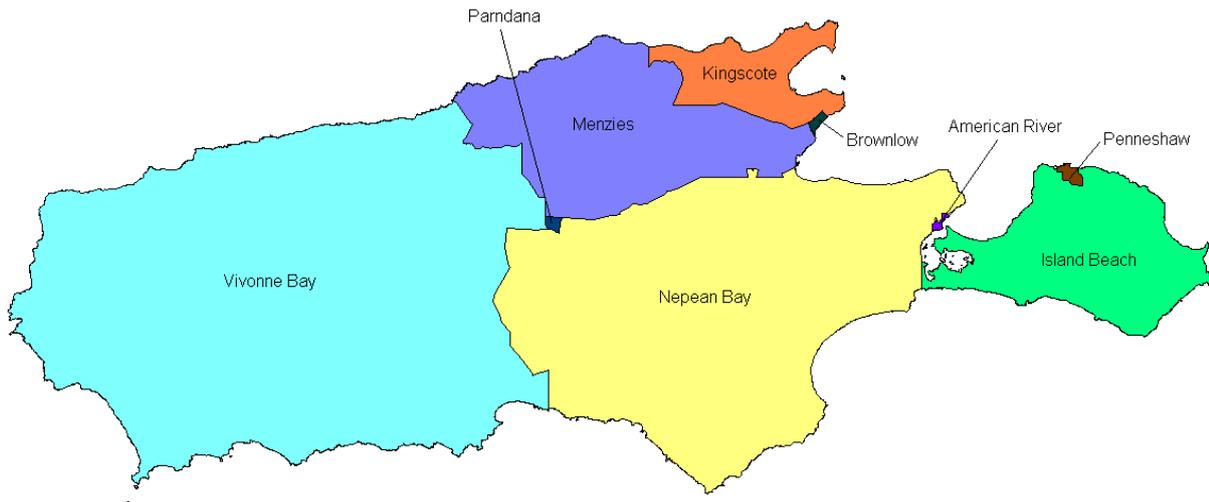
No. of trips for regular specialist treatment appointments	0
No. of trips for medical specialist appointments	0
No. of trips for ad-hoc non-specialist medical appointments	9
No. of trips (medical and social)	148
Percentage of medical appointments	6%

Complaints /commendations

Feedback forms were not used within 2013-14 however verbal feedback received on the CPN was positive. Feedback received on the Rockhopper has been generally positive however some feedback recommends alterations to the service – mainly in route extensions or timing.

Statistical Reports

Demographics



State Suburb	Area - square km (B01a)	Population (B01a)	Population Density (persons per sq km)	Population: 0-14 years (B01a)		Population: 15-24 years (B01a)		Population: 25-44 years (B01a)		Population: 45-64 years (B01a)	
				% population 0-14 years against total population	% population 0-14 years against total population	% population 15-24 years against total population	% population 15-24 years against total population	% population 25-44 years against total population	% population 25-44 years against total population	% population 45-64 years against total population	% population 45-64 years against total population
Australia	7,687,809	21,507,719	2.8	4,144,021	19%	2,866,473	13%	6,030,034	28%	5,454,908	25%
South Australia	984,179	1,596,572	1.6	286,932	18%	208,836	13%	418,700	26%	424,552	27%
American River	2	215	119.4	27	13%	11	5%	36	17%	97	45%
Brownlow	3	201	74.4	45	22%	13	6%	35	17%	85	42%
Island Beach	381	319	0.8	47	15%	9	3%	62	19%	126	39%
Kingscote	153	2,034	13.3	345	17%	154	8%	433	21%	665	33%
Menzies	521	259	0.5	47	18%	23	9%	51	20%	118	46%
Nepean Bay	1,292	560	0.4	125	22%	49	9%	143	26%	199	36%
Parndana	3	142	50.7	38	27%	25	18%	30	21%	38	27%
Penneshaw	5	276	54.1	37	13%	22	8%	50	18%	94	34%
Vivonne Bay	2,043	407	0.2	79	19%	28	7%	145	36%	128	31%
TOTAL	4,401	4,413	1.0	790	18%	334	8%	985	22%	1,550	35%

State Suburb	Population: 65 years plus (B01a)	% population 65 years plus against total population	Population: Indigenous (ATSI) (B01a)	% Population Indigenous (ATSI) against total population	Population: Birthplace elsewhere (B01a)	% Population: Birthplace elsewhere against total population	Median Age (B02)	Median personal income - \$/weekly (B02)	Median Family Income - \$/weekly (B02)	median housing loan repayment - \$/month (B02)	Ave Household size (B02)
Australia	3,012,283	14%	548,368	3%	5,294,147	25%	37	\$ 577.00	\$ 1,481.00	\$ 1,800.00	2.6
South Australia	257,551	16%	30,430	2%	353,003	22%	39	\$ 534.00	\$ 1,330.00	\$ 1,500.00	2.4
American River	42	20%	6	3%	40	19%	58	\$ 382.00	\$ 900.00	\$ 400.00	2.1
Brownlow	23	11%	0	0%	29	14%	48	\$ 500.00	\$ 1,011.00	\$ 1,300.00	2.3
Island Beach	76	24%	0	0%	57	18%	51	\$ 423.00	\$ 774.00	\$ 800.00	2.1
Kingscote	437	21%	28	1%	273	13%	48	\$ 498.00	\$ 1,066.00	\$ 1,170.00	2.1
Menzies	21	8%	0	0%	24	9%	47	\$ 563.00	\$ 991.00	\$ 1,144.00	2.4
Nepean Bay	44	8%	3	1%	62	11%	41	\$ 501.00	\$ 1,147.00	\$ 1,157.00	2.5
Parndana	11	8%	8	6%	16	11%	31	\$ 481.00	\$ 850.00	\$ 386.00	2.7
Penneshaw	74	27%	0	0%	48	17%	50	\$ 502.00	\$ 1,011.00	\$ 2,315.00	2.0
Vivonne Bay	26	6%	3	1%	50	12%	38	\$ 539.00	\$ 1,135.00	\$ 1,300.00	2.3
TOTAL	754	17%	48	1%	599	14%	46	\$ 487.67	\$ 987.22	\$ 1,108.00	2.3

State Suburb	Registered Marital Status (not married - sum of all but married) (B05)	% of persons not registered married against total population over 15 yrs	Social Marital Status (not married - sum of all but married) (B06)	% of Persons Not Socially Married against total population over 15 yrs	Population: Non-English spoken at home - sum of all but English (B13a & b)	% Population Non-English spoken at home against total population	Breakdown of Languages other than English Spoken (B13a & b)
Australia	8,902,582	51%	6,413,400	37%	3,912,939	18%	Chinese (651,328) Greek (252,217) Indian-Aryan (382,844) Italian (299,833) SE Asian (216,190) Vietnamese (233,388) Other (427,133)
South Australia	676,198	52%	492,207	38%	229,549	14%	Chinese (28,111) Greek (25,250) Indian-Aryan (19,754) Italian (33,290) Other (27,743)
American River	95	51%	53	28%	12	6%	French (3) German (3) Polish (3) Spanish (3)
Brownlow	70	45%	47	30%	3	1%	German (3)
Island Beach	109	40%	63	23%	6	2%	Vietnamese (6)
Kingscote	768	45%	503	30%	83	4%	Dutch (12) French (6) German (10) Indo-Aryan (6) Italian (14) Japanese (4) Southeast Asian (12) Other (19)
Menzies	73	34%	35	16%	10	4%	Dutch (3) Other (7)
Nepean Bay	191	44%	116	27%	15	3%	Arabic (3) German (3) Italian (3) Southeast Asian (3) Other (3)
Parndana	67	64%	41	39%	9	6%	Southeast Asian (3) Other (6)
Penneshaw	114	48%	61	25%	9	3%	Dutch (6) Italian (3)
Vivonne Bay	186	57%	83	25%	12	3%	Chinese (3) Croatian (3) Korean (3) Spanish (3)
TOTAL	1,673	46%	1,002	28%	159	4%	Arabic (3) Chinese (3) Croatian (3) Dutch (21) French (9) German (19) Indo-Aryan (6) Italian (20) Japanese (4) Korean (3) Polish (3) Southeast Asian (18) Spanish (6) Vietnamese (6) Other (35)

State Suburb	Population: Core Activity needing assistance population (B18)	% of population needing assistance - frail aged & disability	Population over 15 yrs: Voluntary work for an organisation or group (B19)	% of Population over 15 years: Voluntary work for an organisation or group	Population over 15 years: Provided Unpaid Care Assistance (B21)	% of Population over 15 years: Unpaid Care Assistance	Population over 15 years: Unpaid Childcare (B22)	% of population over 15 years: unpaid childcare	Population: Lone Persons over 65 years (B23b)	% of total population: Lone Persons over 65 years	Total number of one parent families (B25)	Total number of families (B25)	% of one parent family against total families
Australia	998,601	5%	3,090,875	18%	1,896,957	11%	4,827,809	28%	719,262	24%	472,848	5,684,062	8%
South Australia	87,120	5%	258,842	20%	154,652	12%	364,333	28%	66,744	26%	37,118	430,250	9%
American River	21	10%	51	27%	25	13%	34	18%	13	31%	3	56	5%
Brownlow	12	6%	63	40%	23	15%	50	32%	6	26%	4	56	7%
Island Beach	12	4%	109	40%	28	10%	72	26%	14	18%	10	95	11%
Kingscote	116	6%	614	36%	204	12%	455	27%	107	24%	43	557	8%
Menzies	9	3%	82	38%	23	11%	68	32%	0	0%	3	78	4%
Nepean Bay	17	3%	202	46%	52	12%	157	36%	13	30%	3	145	2%
Parndana	3	2%	40	38%	8	8%	32	31%	0	0%	5	37	14%
Penneshaw	12	4%	110	46%	29	12%	59	25%	16	22%	6	70	9%
Vivonne Bay	3	1%	126	39%	24	7%	98	30%	7	27%	4	93	4%
TOTAL	205	5%	1,397	39%	416	11%	1,025	28%	176	23%	81	1,187	7%

State Suburb	Number of dwellings with 1 or less motor vehicles (B29)	Number of dwellings (B29)	% of dwellings with 1 or less motor vehicles	Number of dwellings with no motor vehicles (B29)	% of dwellings with no motor vehicles	Number of dwellings not owned outright/renting (B32)	Total number of dwellings (B32)	% of dwellings not owned outright or renting against total number of dwellings	Number of dwellings not connected to Internet (B35)	Total number of dwellings (B35)	% of dwellings not connected to Internet
Australia	3,444,426	7,760,322	44%	665,851	9%	5,076,961	7,760,322	65%	1,525,107	7,760,322	20%
South Australia	281,514	619,041	45%	54,052	9%	400,065	619,041	65%	145,364	619,041	23%
American River	42	91	46%	4	4%	46	89	52%	56	91	62%
Brownlow	27	82	33%	3	4%	52	84	62%	21	83	25%
Island Beach	50	129	39%	0	0%	64	130	49%	30	130	23%
Kingscote	403	864	47%	75	9%	518	865	60%	261	863	30%
Menzies	16	89	18%	3	3%	42	88	48%	15	89	17%
Nepean Bay	46	208	22%	6	3%	120	207	58%	37	210	18%
Parndana	17	51	33%	0	0%	33	52	63%	10	52	19%
Penneshaw	51	114	45%	12	11%	58	115	50%	30	114	26%
Vivonne Bay	53	145	37%	7	5%	86	146	59%	30	147	20%
TOTAL	705	1,773	40%	110	6%	1,019	1,776	57%	490	1,779	28%

State Suburb	Number of unemployed looking for work (B41B)	Total labour force (B41b)	% of unemployed looking for work (total labor force)	Population who used private means to get to work (B45)	% who used private means to get to work.	Population who travelled to work by public transport (B45)	% who travelled to work by public transport.	Mode of Public Transport Used (B45)
Australia								
South Australia								
American River	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available
Brownlow	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available
Island Beach	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available
Kingscote	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available
Menzies	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available
Nepean Bay	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available
Parndana	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available
Penneshaw	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available
Vivonne Bay	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available	Not yet available
TOTAL								

HACC client profile

HACC TARGET INDEX RANKING										
State Suburb	% Population 65 years plus	Rank Score Population 65 years plus	% Indigenous Population	Rank Score Indigenous Population	% of population needing assistance - frail aged & disability	Rank Score Population needing assistance - frail aged & disability	% Providing Unpaid Care Assistance	Rank Score Providing Unpaid Care Assistance	TOTAL SUM INDEX	RELATIVE INDEX RATING (1-6)
American River	19.5%	4	2.8%	2	9.8%	1	13.4%	2	9	2
Kingscote	21.5%	3	1.4%	3	5.7%	3	12.1%	4	13	3
Brownlow	11.4%	5	0.0%	9	6.0%	2	14.7%	1	17	4
Penneshaw	26.8%	1	0.0%	9	4.3%	4	12.1%	3	17	4
Nepean Bay	7.9%	7	0.5%	5	3.0%	7	12.0%	5	24	5
Island Beach	23.8%	2	0.0%	9	3.8%	5	10.3%	7	23	5
Menzies	8.1%	6	0.0%	9	3.5%	6	10.8%	6	27	6
Parndana	7.7%	8	5.6%	1	2.1%	8	7.7%	8	25	6
Vivonne Bay	6.4%	9	0.7%	4	0.7%	9	7.3%	9	31	6

No of State	7
No of Index	4
Lowest possible	4
Highest possible	28
Difference	24
Interval 6	4

	Lowest	Highest
Rank 1	4	8
Rank 2	8.1	12
Rank 3	12.1	16
Rank 4	16.1	20
Rank 5	20.1	24
Rank 6	24.1	28

Transport disadvantaged client profile

POTENTIAL TRANSPORT DISADVANTAGE INDEX RATING EXAMPLE

State Suburb	% population: Lone Persons 65 years plus	Rank Score Population Lone Persons 65 years plus	% Population: Indigenous Population	Rank Score Indigenous Population	Median Family Income	Rank Score Median Family Income	% Dwellings: Paying home loan or renting against total number of dwellings	Rank Score Paying home loan or rent	% Population: Non-English spoken at home pop'n	Rank Score Non-English spoken at home pop'n	% Population: Needing assistance - frail aged & disability	Rank Score Population needing assistance - frail aged & disability	% Population: Providing Unpaid Care Assistance	Rank Score Providing Unpaid Care Assistance	% Population: One parent family (total families)	Rank Score One parent family (total families)	% Dwellings: With no motor vehicles	Rank Score Dwellings with 1 or less motor vehicles	% Population: Unemployed looking for work (total labor force)	Rank Score Unemployed looking for work (total labor force)	TOTAL SUM INDEX	RELATIVE INDEX RATING (1-6)
American River	31.0%	1	2.8%	2	\$ 900.00	3	51.7%	8	5.6%	2	9.8%	1	13.4%	2	5.4%	4	4.4%	4	7.4%	1	28	2
Kingscote	24.5%	5	1.4%	3	\$ 1,066.00	7	59.9%	3	4.1%	3	5.7%	3	12.1%	4	7.7%	3	8.7%	2	4.6%	4	37	3
Parndana	0.0%	9	5.6%	1	\$ 850.00	2	63.5%	1	6.3%	1	2.1%	8	7.7%	8	13.5%	1	0.0%	8	0.0%	9	48	3
Penneshaw	21.6%	6	0.0%	9	\$ 1,011.00	5	50.4%	6	3.3%	5	4.3%	4	12.1%	3	8.6%	2	10.5%	1	6.9%	2	43	3
Brownlow	26.1%	4	0.0%	9	\$ 1,011.00	6	61.9%	2	1.5%	9	6.0%	2	14.7%	1	7.1%	7	3.7%	5	0.0%	9	54	4
Nepean Bay	29.5%	2	0.5%	5	\$ 1,147.00	9	58.0%	5	2.7%	7	3.0%	7	12.0%	5	2.1%	8	2.9%	7	5.5%	3	58	4
Vivonne Bay	26.9%	3	0.7%	4	\$ 1,135.00	8	58.9%	4	2.9%	6	0.7%	9	7.3%	9	4.3%	6	4.8%	3	1.4%	6	58	4
Island Beach	18.4%	7	0.0%	9	\$ 774.00	1	49.2%	7	1.9%	8	3.8%	5	10.3%	7	10.5%	5	0.0%	9	0.0%	9	67	5
Menzies	0.0%	9	0.0%	9	\$ 991.00	4	47.7%	9	3.9%	4	3.5%	6	10.8%	6	3.8%	9	3.4%	6	3.5%	5	67	5

No of State Suburbs	9
No of Index Indicators	10
Lowest possible index	10
Highest possible index	90
Difference	80
Interval 6	13

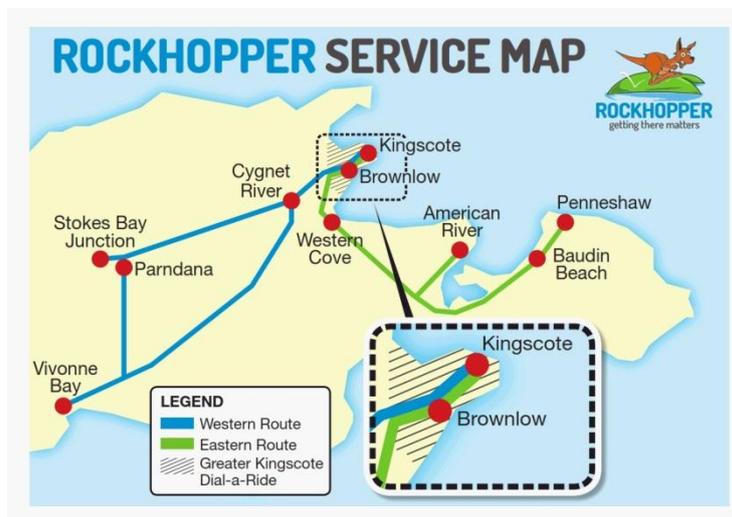
	Lowest	Highest
Rank 1	10	23
Rank 2	24	37
Rank 3	38	50
Rank 4	51	63
Rank 5	64	77
Rank 6	78	90

Existing Transport Report

Public transport

As of 4 March 2014, the Rockhopper provides public transport around Kangaroo Island. The Eastern Route covers Kingscote, American River and Penneshaw and provides 3 return trips each Wednesday and is operated by Sealink. The Western Route covers Kingscote, Parndana and Vivonne Bay and provides a morning and afternoon service each Tuesday and Friday during school terms. The Western Route is operated by KI Transfers however KI CPN is responsible for taking the bookings.

Note: Sealink does operate daily trips from Kingscote to Penneshaw at their normal fee.



Independent community transport

There is no formalised independent community transport however due to the nature of rural living, there is a culture of car pooling and providing transport assistance to family and friends.

Community Living and Support Services (CLASS) is an organisation that supports people with disabilities, the frail aged and socially isolated to become more involved in their community. As part of this, they offer transport for their clients to CLASS Day Services and community based, day activities that promote independence, inclusion, fun and personal development.

Independent medical specific transport

Some medical specific transport is available for certain clients (HACC Clients for medical appointments) through the Kangaroo Island Cook Health Centre. A medical bus was operating weekly from Penneshaw to Kingscote however this has been cancelled since the introduction of the Rockhopper. The bus was limited to HACC Clients for medical appointments and the broader scope of the Rockhopper was deemed to also meet these needs.

Identified Unmet Needs Report

The existing independent community and medical specific transport focuses on people with disabilities and the frail and aged, often only for medical appointments. The introduction of the Rockhopper assists with addressing the gaps for:

- Non-medical transfers for people >65 with a disability or who are frail and aged
- Transfers not catered for by CLASS for people <65 with a disability
- All transfers for transport disadvantaged that do not meet the HACC or CLASS criteria
- Youth.

However, given the restrictions with routes and schedules additional gaps exist for transport for:

- Regular daily or weekly transport to work places or meetings, specifically from outside townships
- Youth; specifically around avoiding the drink/driving issue

Financial Statement

Certification of the financial statement

The Financial Statement below is a true statement of the receipts & expenditure of the PTD's (Passenger Transport Division) funding received by Kangaroo Island Council in accordance to the CPN Agreement.

A handwritten signature in black ink, appearing to read 'A Boardman'.

Andrew Boardman
CHIEF EXECUTIVE OFFICER
KANGAROO ISLAND COUNCIL

7 November 2014

Statement of Comprehensive Income



SA HOME & COMMUNITY CARE PROGRAM

Department for Communities and Social Inclusion
Expenditure / Receipts Report

For the period: 1 July 2013 to 30 June 2014
Due date: 30/11/2014
Project ID: CPN008-01
Agency Name: Kangaroo Island Council
Project Name: Community Passenger Network

Funding	YTD Actual
DCSI Funding	\$
Unexpended DCSI SA HACC Funds Carried Forward From Previous Financial Year	138,831
52200 - Recurrent Grants*	88,672
52700 - Other Grants & Subsidies*	
52300 - Capital Grants - Other Contributions & Grants*	
Non DCSI Funding	
Agency Contribution	
53000 - Fees & Charges*	865
52000 - Grants & Subsidies Income*	
Total Funding	228,358

Expenses	
Direct Workers & Related Costs	
71010 - Salaries & Wages	42,759
71050 - Payroll Tax	
77700 - Staff Development	
71060 - Employer Super Contribution	
71040 - Long Service Leave	
71000 - Employee Benefit Costs	
71020 - Annual Leave	
71030 - Sick Leave	
71100 - Workers Compensation Premiums	
71900 - Other Expenses	6,577
71070 - Board Fees	
Sub-total	49,336
Direct Program Expenses	
77800 - Other Supplies & Services*	18,085
77500 - Computing & Communication Charges*	
Sub-total	18,085
Non-staff / Non program expenses	
27700 - Accumulated Depreciation: Plant, Equipment & Vehicles*	
75440 - Auditor Remuneration	2,100
77500 - Computing & Communication Charges*	
77300 - Consultancy Expenses	
72100 - Depreciation*	
77800 - Other Supplies & Services*	7,085
27100 - Plant, Equipment & Vehicles - Non Current*	
1 Repayment of unexpended FY2012 funds	95,632
Sub-total	105,117
Total Expenditure	172,538
Surplus (+) / Deficit (-)	55,820

1. In relation to the repayment of the unexpended FY 2012 funds, only \$47,968 was due to be paid in the current financial year. The remaining \$47,666 is due to be paid by 30 June 2015.

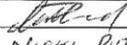
In relation to the receipts and expenditure items detailed above, we hereby affirm that the funds provided by the Department for Communities and Social Inclusion have been applied to approved purposes in accordance with the Service Agreement. Funds remaining are to be repaid to the Department unless the Chief Executive of the Department has given specific approval for the funds to be retained by the recipient/body.

Signature: 

Name: Edward Botham

Office Held: Director Business Support

Date: 30/10/2014

Signature: 

Name: NICKI RUTLAND

Office Held: FINANCE MANAGER

Date: 30/10/14.

* See overleaf for expanded definitions of Funding and Expense Items

Return to: SA HACC Finance Officer, DCSI Finance, GPO Box 292, ADELAIDE, SA, 5061 Fax: 08 8416 4400
Email to: grantreports@dcsl.sa.gov.au - Scanned items should be monochrome to reduce file size

Notes to the financial statement

1. Employee Remuneration: ASU Level 2, \$56,114 (0.4FTE equivalent)

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

11 Waymouth Street
Adelaide SA 5000
GPO Box 1969
Adelaide SA 5001 Australia

Tel: +61 8 8407 7000
Fax: +61 8 8407 7001
www.deloitte.com.au

Independent Auditor's Report to the Management of Kangaroo Island Council and the Department for Communities and Social Inclusion (the "Department")

We have audited the accompanying Statement of Income and Expenditure which comprises details of the grant monies received and expended (the "Report") of Kangaroo Island Council ("the Recipient"). The Report has been prepared by the management of the Recipient in accordance with the Home and Community Care Program Community Passenger Network (the "Program") for the funding period from 1 July 2013 to 30 June 2014.

Management's Responsibility for the Report

Management is responsible for compliance with the Program and the preparation and fair presentation of the Report and has determined that the accruals basis of accounting is appropriate to meet the financial reporting requirements of the Program and the needs of the Members of the Recipient and the Department. Management's responsibility also includes such internal control as management determine is necessary to enable compliance with the Program and the preparation and fair presentation of the Report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Report and whether the grant monies were expended in accordance with the Program based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the Report is free from material misstatement and whether the grant monies were expended in accordance with the Program.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Report and whether the grant monies were expended in accordance with the Program. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Recipient's preparation and fair presentation of the Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Recipient's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

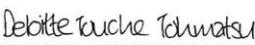
In our opinion, the Report presents fairly, in all material respects, the grant monies received and expended by the Recipient, in accordance with the accruals basis of accounting and the grant monies were expended in accordance with the Program for the funding period from 1 July 2013 to 30 June 2014.

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Touche Tohmatsu Limited

Deloitte

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to the "Management's Responsibility for the Report" paragraph above which states that the Report has been prepared in accordance with the accruals basis of accounting. The Report is prepared to assist the Recipient to meet the financial reporting requirements of the Program. As a result the Report may not be suitable for another purpose. Our report is intended solely for the Members and the Department and should not be distributed to or used by parties other than the Members and the Department.


DELOITTE TOUCHE TOHMATSU


PJ Woods
Partner
Chartered Accountants
Adelaide, 30 October 2014

Miscellaneous Reports

Cost of transport for residents to leave Kangaroo Island

Overview

While the introduction of the Rockhopper has addressed the lack of public transport on Kangaroo Island, residents still face the challenge of being isolated from the mainland.

Options for leaving Kangaroo Island

Residents have no ability to leave Kangaroo Island free of charge. They can leave via ferry or aeroplane, both of which have significant cost, making it more difficult for residents to visit the mainland. The prices for a return trip are shown below:

	Passenger Only	Ferry		Plane (Kingscote to Adelaide)
		With Car	With bus (Kingscote to Adelaide)	
Single passenger	\$58	\$180	\$103	\$119-\$302
Family of four (2 adult, 2 children under 11)	\$172	\$295	\$332	\$958-\$2418

Council's position

At the Council meeting held on 11 June 2014, Council moved:

That Council calls on the Member for Finniss, Michael Pengilly, Government and the Kangaroo Island Futures Authority to comprehensively investigate a cost/payment reduction toward the cost of sea travel to Kangaroo Island that will:

- *Provide direct cost of living benefit to Island residents and financial benefit to Island businesses.*
- *Allow a direct and significant payment reduction to freight businesses who transport goods to and from the Island.*
- *Allow a direct and significant payment reduction to visitors and residents to/of Kangaroo Island.*
- *Legally incorporate such reductions into the current Sealink Agreement currently managed by DPTI.*

Summary

The cost of getting off island isolates Kangaroo Island residents making it difficult to visit the mainland.



Annual Report

2013 – 2014



Fleurieu Regional Waste Authority

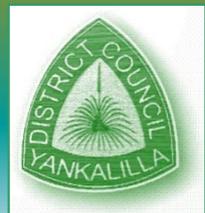
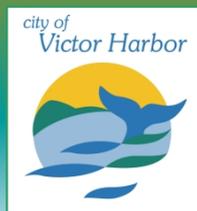
CONSTITUENT COUNCILS:

Alexandrina Council

City of Victor Harbor

Kangaroo Island Council

Yankalilla District Council



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WASTE STATISTICS	12
FINANCIAL STATEMENTS	15- onwards

Contents



Fleurieu Regional Waste Authority

About the Authority

WHO WE REPRESENT

The Fleurieu Regional Waste Authority (FRWA) was formed by the member councils of the Fleurieu Peninsula in South Australia in order to manage their waste and recycling. The member councils are:

- Alexandrina Council
- City of Victor Harbor
- Kangaroo Island Council
- District Council of Yankalilla

WHAT WE DO

FRWA provides and operates waste management services on behalf of the four councils. This includes:

- the operation of four Waste and Recycling Depots and four Bulky Waste Stations;
- the provision of waste, recycling and green waste kerbside collection services;
- public litter bin collections;
- event bin provision and collection; and
- the provision of community information and education.

These services are covered by a Service Level Agreement with each Council setting out the Key Performance Indicators (KPI's) that must be achieved and the agreed budgets to deliver the services.

The services are benchmarked against comparable services provided by Local Government and the Private Sector.

OUR HISTORY

In 2007 the Constituent Councils of the Fleurieu Region unanimously adopted the Fleurieu Peninsula Waste Strategy. A key recommendation of the strategy was that if Councils decided to own and operate common assets, then they should establish a Regional Subsidiary pursuant to Section 43 of the Local Government Act, 1999.

The Fleurieu Regional Waste Authority (FRWA) was subsequently established as a regional subsidiary.

The FRWA Charter was approved in January 2010 and gazetted on 11 February 2010. A review and subsequent update was approved and gazetted in August 2012.

THE FUTURE

An important factor going forward for FRWA is to ensure the region has the necessary strategy, infrastructure and planning in place to meet the legislative requirements under the EPA's Environment Protection (Waste to Resources Policy) and the regions population growth.

Education and promotional programs within the community will continue to remain a high priority with community education being based around:

- waste avoidance and reduction;
- recycle right, composting; and
- hazardous waste management.

The Authority commits to its continued support of local and regional businesses and services as their preferred suppliers where possible.

Chairperson's Message

The Fleurieu Regional Waste Authority (FRWA) is charged with the responsibilities of providing sustainable waste and recycling services on behalf of its four Constituent Councils. This includes the operation of four Waste and Recycling Depots (WRD) and the provision of waste, recycling and green waste collection services, public litter and event bins collection for the Constituent Councils. FRWA is also responsible for the delivery of waste education and information across the region, including the education programs for kindergartens and primary schools.



During the past year we have embarked on a number of significant projects with emphasis on a new approach for sustainable and cost effective kerbside collection services for our Constituent Councils.

Integral to all our activities is the engagement with our community and education activities to encourage greater diversion of waste from landfill.

With the support of its Constituent Councils FRWA undertook a Pilot project, trialing the fortnightly collections of general waste, greenwaste and recyclables within a small area, crossing the boundary of Alexandrina Council and City of Victor Harbor, from 2 October 2013 to 22 January 2014.

Three kerbside bin audits were undertaken during the Pilot project to determine the outcomes of the changed schedule and education program in altering behavior and increasing recycling rates. Feedback was sought from stakeholders regarding the effectiveness of the community engagement and education activities undertaken.

The Pilot project allowed issues to be identified and solutions evaluated on a small scale, allowing a strategy to be developed for the successful future introduction of an altered collection schedule across a wider area.

The ambassador for the project, Sophie Thomson from ABC's Gardening Australia and the Sunday Mail attended the official launch of the Pilot. As part of the project, Sophie conducted two composting workshops, with a total of 78 attendees, advocating the diversion of food waste from landfill and raising community awareness of the value of food waste as a resource for improving soils.

Grants from Zero Waste SA assisted greatly to implement further improvements of infrastructure at three of our four Waste and Recycling Depots. The improvements benefited the diversion of waste from landfill, improved on site processing and increased recycling.

FRWA has further developed its professional links to neighbouring councils, regional authorities and commercial business partners to ensure the continuous provision of efficient services for its communities.

In cooperation with the City of Onkaparinga, we selected a new processor for kerbside collected recyclables, allowing for additional materials to be placed in the yellow bin, thus diverted from landfill.

On behalf of the Board of the Fleurieu Regional Waste Authority, it is my pleasure to present the Annual Report for the 2013/14 financial year and to confirm that the Fleurieu Regional Waste Authority continues to meet its responsibilities under the FRWA Charter in a manner which is both fiscally and environmentally responsible

During 2013/14 there were a number of changes to the Board with the departure of Michael Culley, former senior staff member for Kangaroo Island Council, Jeremy Moller and Peter O'Neil, both elected members for the District Council of Yankalilla and John Tillack a senior staff member for the District Council of Yankalilla. Their input and knowledge was greatly appreciated. Chris Smith, Director Asset Services Kangaroo Island Council, Kim Vivian Environmental Health Officer and Malcolm Schlein elected Member for the District Council of Yankalilla have since been appointed to the Board. They continue the good work with the same enthusiasm and dedication.

I would like to thank my fellow Board members for their continued support and encouragement and I particularly congratulate the Executive Officer, FRWA staff, drivers and Waste and Recycling Depot operators for their hard work and contribution to placing the Authority on such a sound strategic and financial footing to meet the challenges ahead.

CATHERINE COOPER
INDEPENDENT CHAIRPERSON

THE BOARD MEMBERS

FRWA is governed by a nine member Board comprising an Independent Chair to govern and lead the Authority and eight other members, made up of an Elected Member and Officer from each Constituent Council.



Catherine Cooper
Independent Chairperson



Kym McHugh
Mayor
Alexandrina Council



Simon Grenfell
General Manager
Engineering & Open Space
Alexandrina Council



Cr Tim Telfer
Councillor
City of Victor Harbor



Glenn Sanford
Director Environment &
Infrastructure
City of Victor Harbor



Kim Vivian
Environmental Health
Officer
District Council of Yankalilla



Malcolm Schlein
Councillor
District Council of Yankalilla



Chris Smith
Director Asset Services
Kangaroo Island Council



Cr Malcolm Boxall
Councillor
Kangaroo Island Council

BOARD MEETINGS

The Board meets 6 times each year, with each council taking turns in hosting the proceedings. Special 'Out of Session' meetings are occasionally held for specific matters. All Board members complied with the statutory requirement to submit pecuniary interest returns.

Executive Officer's Message

The 2013/14 Annual Report marks the fourth year of FRWA's operation. I would like to acknowledge the dedication and good work of our staff and thank the FRWA Board for its continued support.



BEST PRACTICE SERVICES

Over the last 12 months total waste streams have increased by 10% due to a continuous population growth across the region. Through its best practice services FRWA achieved a diversion rate of over 66% of waste from landfill, an increase of 2.8% compared to the previous financial year.

The most significant increase in waste diversion from landfill was achieved in e.waste: we increased diversion by 69% compared to the previous year.

Regional initiatives, including:

- operation of e.waste drop off centers in Yankalilla, Goolwa and Strathalbyn;
- hosting chemical and household hazardous waste collections;
- securing state government funding for further improvements to the waste and recycling depots at Yankalilla and Kingscote;
- and the expansion of kerbside greenwaste services;

have played an important role in increasing diversion from landfill.

The Authority continued its good relationships and cooperation with neighbouring councils and regional authorities for which the joint tender process with City of Onkaparinga is a fine example. As a direct result FRWA entered in a new processing contract for that waste stream, allowing for recycling of additional materials, thus reduction of waste going to landfill.

FRWA represented its member councils on relevant state and national industry stakeholder working groups and forums and is an active member of the Waste Management Association of Australia/SA Branch.

FRWA'S PEOPLE

Enterprise Bargaining Agreement

The Authority's first Enterprise Bargaining Agreement was cooperatively developed between management and employees. It was implemented on 1st December 2011 and will remain in force until 30 November 2014.

A Single Bargaining Unit has been formed under the Authorities Enterprise Bargaining Agreement through which negotiations for the 2014 FRWA EBA commenced in February 2014.

Employee Assistance Program & Crisiscare

An Employee Assistance Program and Crisiscare Program have been implemented and are available for all employees.

Training and Development

The annual review of training and development needs and funding requirements for all Authority staff was completed and consolidated in the Training and Development Plan.

Training completed included:

- Asbestos Awareness Course;
- FRWA senior staff attended tailored training program for Emerging Leaders, organised by KI Council as a joint venture between both organisations;
- Drug and Alcohol Education Course conducted by Medvet was attended by management in line with our Drug and Alcohol Policy;
- Kangaroo Island staff member completed online training in the operation of the weighbridge, obtaining a Statement of Attainment of Competency;
- WHS Training and awareness around the new WHS Policies and Procedures and Injury Management;
- First Aid Training.



Executive Officer's Message

WORKPLACE HEALTH AND SAFETY (WHS) AND INJURY MANAGEMENT

FRWA is proud of its continued good record in Workplace Health and Safety (WHS) and Injury Management and is committed to ensuring, as far as reasonably practicable, that all workers are safe from injury and risk whilst they are at work.

We are committed to providing visible leadership and best practice in workplace health and safety and driving ongoing improvement. In close consultation with staff, our insurer, relevant government agencies and the FRWA Board we have developed the WHS & IM Management Improvement Plan 2014-2016 which will guide us through key programs and actions.

We embarked on a Safety Culture Improvement Program across all FRWA operations and achieved a 100% engagement with all staff in our endeavours to make safety the number 1 priority.

FRWA has a risk rating system for incidents / near miss events, rating all incidents in the following categories: High, Medium, and Low.

2013 – 2014 STATISTICS		
Rating Type	Rating Description	Number
High	Investigated by SafeWork SA	0
Medium	Lodged with Workcover and/or requires medical attention or LTI	2
Low	No injury and/or minor plant damage or NLT, near miss	35

LTI – Lost Time Injury NLT – No Lost Time

ZWSA FUNDING

ZWSA provided funding for a regional drop off day of hazardous waste from households and farms at the Goolwa WRD in June 2014. The event was attended by 128 customers who dropped off 2.9tonnes of hazardous waste.

FRWA was successful with a number of grant applications and funds from Zero Waste SA to a total value of \$97,100, assisting with upgrades to the Yankalilla and Kingscote WRDs and providing continuous co-funding for the regional manager

position. ZWSA also funded the regional household hazardous waste collection and promotional material in support of recycling right across all four member council.

WASTE AND RECYCLING DEPOTS (WRDs) AND BULKY WASTE STATIONS

FRWA operates Waste and Recycling Depots (WRD's) in Strathalbyn, Goolwa, Yankalilla and Kingscote as well as four Bulky Waste Stations on Kangaroo Island. All WRD's offer a wide range of services and are well received by our communities.

We also offer to our business and farming community important services such as drumMuster, Plasback and periodic ChemCollect programs for unwanted chemicals.

Strathalbyn WRD

Additional security measures have been implemented to improve security to the site. Waste received at the Strathalbyn site is steadily trending upwards, due to the population increase and building developments in the area.

Goolwa WRD

The Builders Waste cell was closed on the 31st January with all waste to landfill now being sorted on site prior to its transfer for disposal at the Southern Regional Waste Resource Authority site in McLaren Vale or at Brinkley in the Adelaide Hills. A newly constructed dome shelter over the waste transfer area serves as an interim solution during the redevelopment of the site to a modern subregional waste and recycling hub.



Executive Officer's Message

At the Goolwa site we processed approximately 14,000 tonnes of construction and demolition waste into crushed rock, collected over 454 tonnes of scrap metal, 5,863 car batteries and 7,900 litres of waste oil for recycling.

A total of 1,290 mattresses were received and passed onto Finding Workable Solutions for disassembly and processing of recyclable product.

Greenwaste is processed on site into valuable mulch and regular campaigns, such as 'Buy One Get One Free' offer budget options to our communities to improve their gardens and reduce evaporation.

Kangaroo Island WRD

The Site has seen a number of projects completed improving site efficiency and layout:

- ❖ Two additional bays have been constructed for the unloading of recyclables eliminating the need for the general public to have access to the rear of the depot, which posed a WHS risk.
- ❖ Additional signs have been erected across the site identifying to the public where products are to be dropped.
- ❖ A new asbestos pit has been erected with bunting and signage to identify the hazardous nature.
- ❖ A new shed has been erected for receiving and sorting e.waste as a result of co-funding from ZWSA.

Yankalilla WRD

Changes were made to improve the entry and exit and drop off area to allow for improved operations of the site for a sole operator. Mobile surveillance cameras have also been installed in areas across the site.

Waste streams through the gate have been steady with an average of 30 tonnes being transported to SRWRA landfill per month.

Mulch sales were steady across the year, with increased sales over the winter months.



The construction of a new workshop and salvage shop was completed providing better storage and improved display for salvage items. The project was jointly funded by ZWSA and the Yankalilla Council.

E. WASTE

This year was our first full year as an approved regional e.waste drop off center with 392 tonnes of e.waste received across all WRD's.

FRWA secured an extension of its contract with ANZRP, an Approved Arrangement under the National Television and Computer Recycling Scheme (the Scheme) ensuring the continued free drop off services for e.waste covered under the national Scheme until the end of June 2015.

KERBSIDE COLLECTIONS

FRWA provides kerbside services for over 31,178 premises across its four Constituent Councils in accordance with council approved collection schedules and frequencies:

	Alexandrina Council	Co VH	DC of Yankalilla	KI Council
MSW	140lt weekly	140lt weekly	140lt weekly	140lt weekly
Recycling	240lt 4 weekly	240lt 4 weekly	240lt 4 weekly	140lt weekly
Greenwaste	240lt 4 weekly	240lt 4 weekly	x	x

Over the last 12 months we provided over 1.7 million bin pick ups, collecting 13,086 tonnes of general waste, 3,090 tonnes of greenwaste and 3,756 tonnes of comingled recyclables.

FRWA and its Constituent Councils are committed to improving kerbside services to better meet community needs, promote recycling and reduce waste to landfill.

Executive Officer's Message

Together with our member councils we evaluated five options for improved kerbside services. The fortnightly collection of all waste types was identified as the preferred option and FRWA's Constituent Councils supported a Pilot project to trail fortnightly collections within a small selected area (crossing the boundary of Alexandrina Council and City of Victor Harbor) comprising of 630 dwellings.

The Pilot project was very successful and delivered a strong message that remaining with the existing kerbside collection schedule of weekly general waste and 4-weekly recycling and green waste collections would be unpopular. There is very strong demand in the community for fortnightly collection of recyclables and green waste.

Follow up work resulting from this project will continue into 2014/15 and a detailed strategy and costings for the introduction of improved kerbside services, including of the fortnightly kerbside collection option, will be prepared for further discussion with all stakeholders.

The RACV maintenance contract was extended for 12 months with the local service provider.

A contract was finalised with a South Australian Distributor for the supply of an onsite fuel bowser and fuel. This has resulted in improved efficiencies in manpower fuelling time and fuel costs.

THE NEW KERBSIDE WASTE COLLECTION POLICY

The Council approved new Kerbside Waste Collection Policy was progressively implemented across the three mainland councils. The Policy sets out the terms and conditions for standard kerbside services and includes a 'user pays' provision for additional kerbside services.

COMMUNITY INFORMATION AND EDUCATION

The Authority continued its successful education and information program with community groups, kindergartens and primary schools, delivering 72 presentations to an audience of over 2,200 people between July 13 and June 14.



The FRWA webpage was re-vamped, offering easier navigation and online access to the waste collection calendar. Customers have access to a broad variety of detailed information relating to waste, recycling and FRWA services. A kerbside collection search engine has been developed and is now included on the website, allowing clients to locate their collection day by entering their street details.

INTERNAL AUDIT COMMITTEE

During the year the Internal Audit Committee provided advice and recommendations to the FRWA Board on the Authority's financial performance, the review of core financials controls and asset management matters.

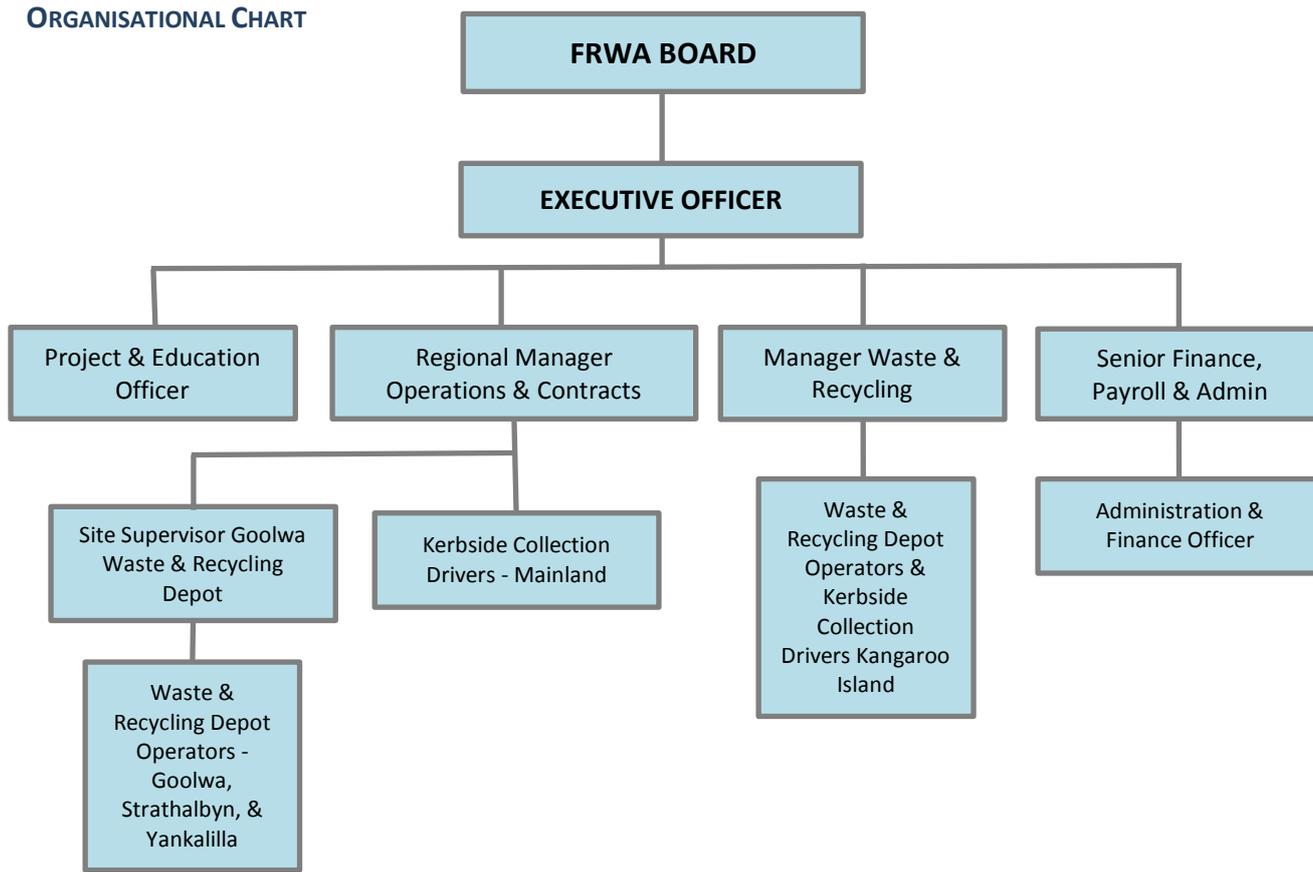
FINANCIAL STATEMENTS

I am pleased to report that the overall performance of the Authority during the 2013/14 financial year meets the budget expectations and the Audited Financial Statements for the year have confirmed FRWA's expected results and performance. A complete copy of the Audited Financial Statement 2014 forms part of this report.

MARINA WAGNER
EXECUTIVE OFFICER

Our People

ORGANISATIONAL CHART



EMPLOYEES BY OCCUPATION

DESIGNATED GROUPS	2013/14 (FTE & Casual Staff)
Executive Officer	1
Managers	2
Site Supervisor	1
Finance & Projects	3.00
Kerbside Drivers	8.5
Waste and Recycling Depot Operators	13.02
Total	28.52 FTE & Casual Staff

EXECUTIVE OFFICER

Marina Wagner

MANAGERS

Jason Kerr, Regional Manager Operations & Contracts

Darren Stephens, Manager Waste and Recycling

Corporate Governance

Good governance activities play a key role in ensuring the Authority achieves the highest standards of integrity and transparency.

The Authority's approach to good governance includes policy development and review, strategic planning, adherence to legislation and open and transparent reporting.

AUDITED FINANCIAL STATEMENTS 2013-2014

Edward Marshall audited the 2013-2014 books and issued the Financial Statements which were provided to all Constituent Councils.

EXTERNAL MANAGEMENT REVIEW

UHY Haines Norton Chartered Accountants completed quarterly external finance reviews during the financial year.

INTERNAL AUDIT COMMITTEE MEETINGS

Four meetings of the Internal Audit Committee were conducted throughout the year.

POLICY DEVELOPMENT AND REVIEW

Through this financial year the Authority continued to develop and review its Policies and Procedures. A number of corporate document reviews were completed across the financial year.

Newly developed documents:

- Tender Policy and Procedure
- Drug and Alcohol Policy and Procedure
- Fraud and Corruption Prevention Policy
- Corporate Risk Register.

Waste Statistics

DIVERSION OF WASTE FROM LANDFILL PER COUNCIL (From all sources – WRD and Kerbside)

Council	Tonnage Total
Alexandrina Council	31,340.33
City of Victor Harbor	2,561.08
DC of Yankalilla	1,537.58
Kangaroo Island Council	488.36
TOTAL TONNAGE	35,927.35

Note: City of VH is KS diversion only.

WASTE TO LANDFILL PER COUNCIL (From all sources - WRD and Kerbside)

Council	Tonnage Total
Alexandrina Council	10,402.55
City of Victor Harbor	3,518.94
DC of Yankalilla	2,037.79
Kangaroo Island Council	2,162.18
TOTAL TONNAGE	18,121.46

WASTE SUMMARY ALL COUNCILS (WRD and Kerbside)

	Tonnages
Total Waste Collected and Received	54,048.81
Total Waste Diverted from Landfill	35,927.35
Total Waste to Landfill	18,121.46

DIVERSION OF E.WASTE FROM LANDFILL PER COUNCIL

Council	Tonnage Total
Alexandrina Council	350
DC of Yankalilla	36.36
Kangaroo Island Council	5.46
TOTAL TONNAGE	391.82

DIVERTED FROM LANDFILL PER COUNCIL THROUGH KERBSIDE COLLECTION SERVICE

	Alexandrina Council	City of Victor Harbor	DC of Yankalilla	Kangaroo Island
Green Organic Waste	1,780.10	1,310.23	0	0
Recyclables	1942.60	1,250.85	366.78	196.25
TOTAL TONNAGE	3,722.10	2,561.08	366.78	196.25

Note: Kangaroo Island kerbside figures for recyclables are not separated from the Waste & Recycling Depot recyclables, the above figure is from both sources.

Financial Statements

2013-2014



Fleurieu Regional Waste Authority

Fleurieu Regional Waste Authority

General Purpose Financial Reports for the year ended 30 June 2014

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FLEURIEU REGIONAL WASTE AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Authority to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2014 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.


.....
Kym McHugh
ACTING CHAIR OF BOARD

Date: 17 Sep 2014

Fleurieu Regional Waste Authority

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2014

	Notes	2014 \$	2013 \$
INCOME			
User charges	2	6,621,775	6,403,974
Grants, subsidies and contributions	2	89,295	51,662
Investment income	2	28,939	33,735
Reimbursements	2	44,012	93,216
Other income	2	38,359	74,042
Total Income		<u>6,822,380</u>	<u>6,656,629</u>
EXPENSES			
Employee costs	3	2,239,551	2,030,996
Materials, contracts & other expenses	3	3,812,612	3,916,878
Depreciation, amortisation & impairment	3	528,936	522,785
Finance costs	3	127,529	149,443
Total Expenses		<u>6,708,628</u>	<u>6,620,102</u>
OPERATING SURPLUS / (DEFICIT)		113,752	36,527
NET SURPLUS / (DEFICIT)		<u>113,752</u>	<u>36,527</u>
transferred to Equity Statement			
Other Comprehensive Income		-	-
Total Other Comprehensive Income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>113,752</u>	<u>36,527</u>

This Statement is to be read in conjunction with the attached Notes.

Fleurieu Regional Waste Authority

STATEMENT OF FINANCIAL POSITION as at 30 June 2014

	Notes	2014 \$	2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	1,189,690	860,948
Trade & other receivables	4	398,517	116,875
Inventories	4	45,493	10,912
Total Current Assets		<u>1,633,700</u>	<u>988,735</u>
Non-current Assets			
Infrastructure, property, plant & equipment	5	1,965,191	2,397,806
Total Non-current Assets		<u>1,965,191</u>	<u>2,397,806</u>
Total Assets		<u>3,598,891</u>	<u>3,386,541</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	6	1,058,456	677,469
Borrowings	6	359,128	336,387
Provisions	6	210,314	165,840
Total Current Liabilities		<u>1,627,898</u>	<u>1,179,696</u>
Non-current Liabilities			
Borrowings	6	1,459,195	1,818,323
Provisions	6	20,181	10,657
Total Non-current Liabilities		<u>1,479,376</u>	<u>1,828,980</u>
Total Liabilities		<u>3,107,274</u>	<u>3,008,676</u>
NET ASSETS		<u>491,617</u>	<u>377,865</u>
EQUITY			
Accumulated Surplus		491,617	377,865
TOTAL EQUITY		<u>491,617</u>	<u>377,865</u>

This Statement is to be read in conjunction with the attached Notes.

Fleurieu Regional Waste Authority

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2014

Here list each individual change and the component of equity

	Notes	Accumulated Surplus	TOTAL EQUITY
2014		\$	\$
Balance at end of previous reporting period		377,865	377,865
Net Surplus / (Deficit) for Year		113,752	113,752
Other Comprehensive Income		-	-
Balance at end of period		491,617	491,617
2013			
Balance at end of previous reporting period		341,338	341,338
Net Surplus / (Deficit) for Year		36,527	36,527
Other Comprehensive Income		-	-
Balance at end of period		377,865	377,865

This Statement is to be read in conjunction with the attached Notes

Fleurieu Regional Waste Authority

STATEMENT OF CASH FLOWS

for the year ended 30 June 2014

	Notes	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
User charges		7,073,196	6,893,221
Investment receipts		28,939	33,735
Grants utilised for operating purposes		95,992	51,662
Reimbursements		48,413	93,216
Other revenues		42,195	74,042
<u>Payments</u>			
Employee costs		(2,156,689)	(2,026,119)
Materials, contracts & other expenses		(4,235,835)	(4,462,173)
Finance payments		<u>(134,761)</u>	<u>(159,089)</u>
Net Cash provided by (or used in) Operating Activities		761,450	498,495
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Payments</u>			
Expenditure on new/upgraded assets		<u>(96,321)</u>	<u>(131,287)</u>
Net Cash provided by (or used in) Investing Activities		(96,321)	(131,287)
 CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from borrowings		-	-
<u>Payments</u>			
Repayments of borrowings		<u>(336,387)</u>	<u>(315,086)</u>
Net Cash provided by (or used in) Financing Activities		(336,387)	(315,086)
Net Increase (Decrease) in cash held		<u>328,742</u>	<u>52,122</u>
Cash & cash equivalents at beginning of period	7	<u>860,948</u>	808,826
Cash & cash equivalents at end of period	7	<u>1,189,690</u>	<u>860,948</u>

This Statement is to be read in conjunction with the attached Notes

FLEURIEU REGIONAL WASTE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of the City of Victor Harbor, Alexandrina Council, The District Council of Yankalilla and The District Council of Kangaroo Island. The Authority commenced trading as from the 5th July 2010.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 17th September 2014.

1.2 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest dollars.

2 The Local Government Reporting Entity

The Fleurieu Regional Waste Authority operates as a regional subsidiary pursuant to Section 43 of the SA Local Government Act 1999 and has its principal place of business at 25b Hutchinson Street, Goolwa SA 5214. These financial statements have been prepared for use by the constituent Councils of the Authority.

3 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Authority obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as incomes 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 amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Authority's operations for the current reporting period.

FLEURIEU REGIONAL WASTE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

Note 1 - Significant Accounting Policies (cont)

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 8.

5 Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Authority includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Capital works still in progress at balance date are recognised as other non-current assets and transferred to *infrastructure, property, plant & equipment* when completed ready for use.

For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Authority for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 5. No capitalisation threshold is applied to the acquisition of land or interests in land.

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 5.

6.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Authority, best reflects the consumption of the service potential embodied in those assets.

FLEURIEU REGIONAL WASTE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 1 - Significant Accounting Policies (cont)

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are shown in Note 5. Depreciation periods for infrastructure assets have been estimated based on the best information available to Authority, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

6.5 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Authority were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

7 Payables

7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7.2 Payments Received in Advance & Deposits

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to Authority assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

8 Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

No accrual is made for sick leave as Authority experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. The Authority does not make payment for untaken sick leave.

FLEURIEU REGIONAL WASTE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 1 - Significant Accounting Policies (cont)

9.2 Superannuation

The Authority makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Authority's involvement with the schemes are reported in Note 13.

10 Leases

Lease arrangements have been accounted for in accordance with Australian Accounting Standard AASB 117.

In respect of finance leases, where Authority substantially carries all of the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset class, and are amortised to expense over the period during which the Authority is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

11 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

12 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2014 reporting period and have not been used in preparing these reports.

AASB 9	Financial Instruments
AASB 127	Separate Financial Statements
AASB 128	Investments in Associates and Joint Ventures

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2011-7, AASB 2012-3, AASB 2012-10, AASB 2013-3, AASB 2013-8 and AASB 2013-9.

(Standards not affecting local government have been excluded from the above list.)

The Authority is of the view that none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

The Australian Accounting Standards Board is currently reviewing AASB 1004 *Contributions*. It is anticipated that the changes resulting from this review may have a material effect on the timing of the recognition of grants and contributions, but the financial consequences cannot be estimated until a revised accounting standard is issued.

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 2 - INCOME

	Notes	2014 \$	2013 \$
USER CHARGES			
Waste Disposal Operations		<u>6,621,775</u>	<u>6,403,974</u>
		<u>6,621,775</u>	<u>6,403,974</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		2,208	4,621
Banks & other		<u>26,731</u>	<u>29,114</u>
		<u>28,939</u>	<u>33,735</u>
REIMBURSEMENTS			
- other		<u>44,012</u>	<u>93,216</u>
		<u>44,012</u>	<u>93,216</u>
OTHER INCOME			
Insurance & other recoupments - infrastructure, property, plant & equipment		32,643	30,644
Sundry		<u>5,716</u>	<u>43,398</u>
		<u>38,359</u>	<u>74,042</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Other grants, subsidies and contributions		<u>89,295</u>	<u>51,662</u>
		<u>89,295</u>	<u>51,662</u>
Sources of grants			
Other		<u>89,295</u>	<u>51,662</u>
		<u>89,295</u>	<u>51,662</u>

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 3 - EXPENSES

	Notes	2014 \$	2013 \$
EMPLOYEE COSTS			
Salaries and Wages		1,888,354	1,747,417
Employee leave expense		71,585	24,193
Superannuation - defined contribution plan contributions	13	162,107	131,100
Superannuation - defined benefit plan contributions	13	-	17,489
Workers' Compensation Insurance		88,096	97,933
Other		29,409	12,864
Total Operating Employee Costs		2,239,551	2,030,996
 Total Number of Employees		 26	 26
<i>(Full time equivalent at end of reporting period)</i>			
 MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		8,450	9,000
Bad and Doubtful Debts		-	1,206
Board members' expenses		28,464	22,408
Operating Lease Rentals - non-cancellable leases	12		
- minimum lease payments		26,000	26,000
Subtotal - Prescribed Expenses		62,914	58,614
 <u>Other Materials, Contracts & Expenses</u>			
Contractors		792,944	1,128,797
Energy		574,693	540,106
Waste Disposal		1,214,030	1,028,880
Maintenance		515,789	379,845
Parts, accessories & consumables		14,433	6,840
Professional services		109,117	64,243
Sundry		528,692	709,553
Subtotal - Other Materials, Contracts & Expenses		3,749,698	3,858,264
		3,812,612	3,916,878
 DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures		971	1,061
Plant & Equipment		521,087	514,846
Furniture & Fittings		6,878	6,878
		528,936	522,785
 FINANCE COSTS			
Interest on Loans		127,529	149,443
		127,529	149,443

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 4 - CURRENT ASSETS

		2014	2013
CASH & EQUIVALENT ASSETS		\$	\$
Cash on Hand and at Bank	Notes	147,615	74,128
Deposits at Call		1,042,075	786,820
		<u>1,189,690</u>	<u>860,948</u>
 TRADE & OTHER RECEIVABLES			
Debtors - general		398,517	116,875
Total		<u>398,517</u>	<u>116,875</u>
 Less: Allowance for Doubtful Debts		<u>-</u>	<u>-</u>
		<u>398,517</u>	<u>116,875</u>
 <i>Amounts included in receivables that are not expected to be received within 12 months of reporting date.</i>		-	-
 INVENTORIES			
Stores & Materials		45,493	10,912
		<u>45,493</u>	<u>10,912</u>
 <i>Amounts included in inventories that are not expected to be received within 12 months of reporting date.</i>		-	-

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

		2013			2014				
		\$			\$				
Fair Value Level		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT									
Buildings & Other Structures	-	3,181	(2,210)	971	-	3,181	(3,181)	-	
Plant & Equipment	-	3,314,193	(929,025)	2,385,168	-	3,410,514	(1,450,112)	1,960,402	
Furniture & Fittings	-	20,634	(8,967)	11,667	-	20,634	(15,845)	4,789	
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	-	3,338,008	(940,202)	2,397,806	-	3,434,329	(1,469,138)	1,965,191	
<i>Comparatives</i>		3,206,720	(417,416)	2,789,304	-	3,338,008	(940,202)	2,397,806	

This Note continues on the following pages.

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

	2013	CARRYING AMOUNT MOVEMENTS DURING YEAR						2014	
	\$	\$						\$	
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers	Net Revaluation	CARRYING AMOUNT
	New/Upgrade	Renewals							
Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT									
Buildings & Other Structures	971	-	-	-	(971)	-	-	-	-
Plant & Equipment	2,385,168	96,321	-	-	(521,087)	-	-	-	1,960,402
Furniture & Fittings	11,667	-	-	-	(6,878)	-	-	-	4,789
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	2,397,806	96,321	-	-	(528,936)	-	-	-	1,965,191
Comparatives	2,789,304	131,287			(522,785)				2,397,806

This Note continues on the following pages.

FLEURIEU REGIONAL WASTE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 5 (cont) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Valuation of Assets

Buildings & Other Structures

Buildings and other structures generally are recognised on the cost basis.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

Capitalisation thresholds

Capitalisation thresholds used by Authority for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Buildings - new construction/extensions	\$1,000

Estimated Useful Lives

Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below, although individual assets may have an estimated total useful life of greater or lesser amount:

Plant, Furniture & Equipment	3 to 20 years
Building & Other Structures	30 to 80 years

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 7 - RECONCILIATION TO STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	Notes	2014 \$	2013 \$
Total cash & equivalent assets	4	<u>1,189,690</u>	<u>860,948</u>
Balances per Statement of Cash Flows		<u>1,189,690</u>	<u>860,948</u>

**(b) Reconciliation of Change in Net Assets to Cash
from Operating Activities**

Net Surplus (Deficit)		113,752	36,527
Non-cash items in Statement of Comprehensive Income			
Depreciation, amortisation & impairment		528,936	522,785
Net increase (decrease) in unpaid employee benefits		<u>82,862</u>	<u>-</u>
		<u>725,550</u>	<u>559,312</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(281,642)	6,503
Net (increase) decrease in inventories		(34,581)	(10,912)
Net increase (decrease) in trade & other payables		317,123	(97,167)
Net increase (decrease) in other provisions		<u>35,000</u>	<u>40,759</u>
Net Cash provided by (or used in) operations		<u>761,450</u>	<u>498,495</u>

(c) Non-Cash Financing and Investing Activities

- -

(d) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:

Corporate Credit Cards	10,000	10,000
LGFA Cash Advance Debenture facility	500,000	500,000

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 8 - FINANCIAL INSTRUMENTS

Note: The above summary of contribution plans represents the total of Council's individual contribution
All financial instruments are categorised as *loans and receivables*.

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 1% and 3.5% (2013: 1% and 3.5%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although the Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable on a 6 monthly basis; interest is charged at fixed rate of 6.65% (2013: 6.65%)</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Finance Leases	<p>Accounting Policy: accounted for in accordance with AASB 117.</p>

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 8 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2014	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	1,189,690	-	-	1,189,690	1,189,690
Receivables	398,517	-	-	398,517	398,517
Total	1,588,207	-	-	1,588,207	1,588,207
Financial Liabilities					
Payables	846,592	-	-	846,592	786,225
Current Borrowings	474,174	-	-	474,174	359,128
Non-Current Borrowings	-	1,659,609	-	1,659,609	1,459,195
Total	1,320,766	1,659,609	-	2,980,375	2,604,548
2013	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	860,948	-	-	860,948	860,948
Receivables	116,875	-	-	116,875	116,875
Total	977,823	-	-	977,823	977,823
Financial Liabilities					
Payables	529,469	-	-	529,469	405,924
Current Borrowings	474,174	-	-	474,174	336,387
Non-Current Borrowings	-	2,137,784	-	2,137,784	1,818,323
Total	1,003,643	2,137,784	-	3,141,427	2,560,634

The following interest rates were applicable to Council's borrowings at balance date:

	30 June 2014		30 June 2013	
	Weighted Average Interest Rate %	Carrying Value \$	Weighted Average Interest Rate %	Carrying Value \$
Fixed Interest Rates	6.65	<u>1,818,323</u>	6.65	<u>2,154,710</u>
		<u>1,818,323</u>		<u>2,154,710</u>

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Note 4 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 9 - COMMITMENTS FOR EXPENDITURE

	<u>Notes</u>	2014 \$	2013 \$
Capital Commitments		-	-
Other Expenditure Commitments			
Other expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		9,000	18,000
Kangaroo Island Bin Replacement		175,000	175,000
Employee Remuneration Contracts		143,895	292,871
Maintenance contracts		82,560	33,000
		<u>410,455</u>	<u>518,871</u>
These expenditures are payable:			
Not later than one year		192,255	220,564
Later than one year and not later than 5 years		218,200	298,307
Later than 5 years		-	-
		<u>410,455</u>	<u>518,871</u>

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 10 - FINANCIAL INDICATORS

	2014	2013	2012
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These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

Operating Surplus Ratio

<u>Operating Surplus</u>	1.67%	0.55%	2%
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This ratio expresses the operating surplus as a percentage of Total Income.

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	24%	31%	41%
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Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in the Authority businesses). These are expressed as a percentage of total operating revenue.

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	NA	NA	NA
Infrastructure & Asset Management Plan required expenditure	*	*	*

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

Amounts shown above an asterisk () indicate that depreciation expense has been used as a proxy, pending finalisation of the Infrastructure & Asset Management Plan.*

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 11 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Authority prepared on a simplified Uniform Presentation Framework basis.

All Authorities in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

These arrangements ensure that all Authorities provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances

	2014 \$	2013 \$
Income	6,822,380	6,656,629
less Expenses	<u>6,708,628</u>	<u>6,620,102</u>
Operating Surplus / (Deficit)	113,752	36,527
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	-	-
Depreciation, Amortisation and Impairment	(528,936)	(522,785)
Proceeds from Sale of Replaced Assets	<u>-</u>	<u>-</u>
	(528,936)	(522,785)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	96,321	131,287
Amounts received specifically for New and Upgraded Assets	-	-
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>-</u>	<u>-</u>
	96,321	131,287
Net Lending / (Borrowing) for Financial Year	<u>546,367</u>	<u>428,025</u>

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 12 - OPERATING LEASES

Lease payment commitments of Authority

The Authority has entered into non-cancellable operating leases for office premises in Goolwa.

No lease imposes any additional restrictions on the Authority in relation to additional debt or further leasing.

Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

	2014	2013
	\$	\$
Not later than one year	26,000	17,333
Later than one year and not later than 5 years	15,167	-
Later than 5 years	-	-
	<u>41,167</u>	<u>17,333</u>

FLEURIEU REGIONAL WASTE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 13 – SUPERANNUATION

The Authority makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to Marketlink and/or Salarylink. All other employees (including casuals) have all contributions allocated to Marketlink.

Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9.25% in 2013/14; 9% in 2012/13). No further liability accrues to the Authority as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. The Authority makes employer contributions to Salarylink as determined by the Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2012/13) of "superannuation" salary.

In addition, the Authority makes a separate contribution of 3% of salary for Salarylink members to their Marketlink account. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), the Authority does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Scheme's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2011. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to the Authority's contribution rates at some future time.

Contributions to Other Superannuation Schemes

The Authority also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Authority.

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 14 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

At times there are contingencies, assets or liabilities that do not qualify for recognition in the Statement of Financial Position but knowledge of those items is considered relevant to the user of the financial report making and evaluating decisions about the allocation of scarce resources. From our knowledge there are no known contingencies, assets or liabilities that should be disclosed that have not been included in the Statement of Financial Position.

FLEURIEU REGIONAL WASTE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 15 - EVENTS OCCURRING AFTER REPORTING DATE IN THE BALANCE SHEET

There were no events subsequent to 30 June 2014 that need to be disclosed in the financial statements.



Edwards Marshall

**FLEURIEU REGIONAL WASTE AUTHORITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014
STATEMENT BY AUDITOR**

I confirm that, for the audit of the financial statements of Fleurieu Regional Waste Authority for the year ended 30 June 2014, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board and in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.

Jamie Dreckow
Partner

Edwards Marshall
Chartered Accountants

Dated this 11th day of September 2014



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a worldwide network of independent accounting and consulting firms.*



Level 3
153 Flinders Street
Adelaide SA 5000
GPO Box 2163
Adelaide SA 5001
p +61 8 8139 1111
f +61 8 8139 1101
w edwardsmarshall.com.au

FLEURIEU REGIONAL WASTE AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2014, the Authority's Auditor, Edwards Marshall, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.



Marina Wagner

Executive Officer

Fleurieu Regional Waste Authority

Date: 9/9/2014

FLEURIEU REGIONAL WASTE AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2014, the Authority's Auditor, Edwards Marshall, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.



.....
Peter Dinning
CHIEF EXECUTIVE OFFICER
Alexandrina Council

Date: 4/9 | 2014

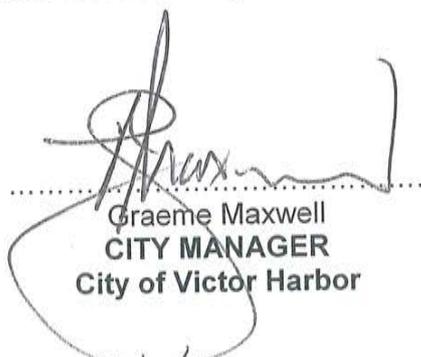
FLEURIEU REGIONAL WASTE AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2014, the Authority's Auditor, Edwards Marshall, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.



.....
Graeme Maxwell
CITY MANAGER
City of Victor Harbor

Date: 2/9/14

FLEURIEU REGIONAL WASTE AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2014, the Authority's Auditor, Edwards Marshall, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.



.....
Andrew Boardman
CHIEF EXECUTIVE OFFICER
Kangaroo Island Council

Date: 5/09/14

FLEURIEU REGIONAL WASTE AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2014, the Authority's Auditor, Edwards Marshall, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.



.....
Adrian Skull

CHIEF EXECUTIVE OFFICER
District Council of Yankalilla

Date: 2-9-14

FLEURIEU REGIONAL WASTE AUTHORITY

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2014**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2014, the Authority's Auditor, Edwards Marshall, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.



.....
Catherine Cooper
CHAIR OF BOARD

Date: 11/9/2014



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLEURIEU REGIONAL WASTE AUTHORITY

Report on the Financial Report

We have audited the accompanying financial report of Fleurieu Regional Waste Authority, which comprises the Statement of Financial Position as at 30 June 2014 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Certification of Financial Statements.

Board's Responsibility for the Financial Report

The Board of Fleurieu Regional Waste Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011. The Board's responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report so that it is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements and the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.



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Level 3
153 Flinders Street
Adelaide SA 5000
GPO Box 2163
Adelaide SA 5001
p +61 8 8139 1111
f +61 8 8139 1101
w edwardsmarshall.com.au



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FLEURIEU REGIONAL WASTE AUTHORITY**

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Fleurieu Regional Waste Authority as at 30 June 2014, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011.

Edwards Marshall
Chartered Accountants

Jamie Drečkow
Partner

Adelaide
South Australia

Date

11/9/14

25b Hutchinson Street
(PO Box 2375)
Goolwa SA 5214
Telephone: (08) 8555 7401 Facsimile (08) 8555 0970
Website: www.frwa.com.au



Fleurieu Regional Waste Authority

