

## Annual Business Plan 2018-2019



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# Introduction by Mayor Peter Clements

What a roller coaster of a year it has been for Kangaroo Island.

The prospects of economic growth for the island and the amazing increase in the number of visitors to South Australia and Kangaroo Island is creating a good deal of positive vibe as to how we manage this influx of people.

What is not obvious to the Community is that Kangaroo Island Council created this economic uplift by its determination to think outside the square and look beyond the unsustainable pathway it has taken for decades before.

Your Council, who you elected for this purpose, set a course to increase its revenues from outside of the traditional rates and taxes framework. While many of these revenue creating projects and initiatives are still coming to fruition they are markers for our future prosperity and sustainability.

In 2011 Council employed the services of Mr John Comrie, probably the most astute and recognised authority on governance and futures planning. Mr Comrie made it perfectly clear to SA councils that while local government remains at the whim of state and federal politics, it will continue to bear the brunt of cost shifting (tax shifting) to the ratepayer. While this may be a difficult premise for ratepayers to appreciate, in simple terms, it is a means by which state and federal governments shift the cost of providing a service (any service) that would ordinarily be provided by them, to local government.

Not only does your Council have no option but to pass on this cost to the ratepayer - or cut services - the state or federal government



delivering the cost shift is treated with impunity. How many ratepayers for instance, have thought that the Natural Resources Management levy is a tax from local government when in fact Council has been ordered by the State Government to collect the levy, and as a result bears the brunt of criticism about the levy?

Critics of councils in SA say that administration is top heavy and should be slashed, but gone are

the days where "council workers" are seen to be leaning on the shovel. On the contrary, council people are among the hardest working employees in all government circles. In fact, local government leverages the taxpayers' dollar four times better than other levels of government. Council is also very successful at obtaining federal and state grant funding and to extend the value of the dollar even further, Council partners with the Community through Council's grant programs - to support great Community initiatives.

I am pleased to release the 2018-19 Annual Business Plan. Our goals of financial sustainability are trending very well and performing according to plans the Council has approved. Further uplift in this positive financial trend will be likely as revenue from Council's income-earning activities are realised. Council's self-imposed rate capping is a measure of the determination that we have to make Kangaroo Island a great place to live in and enjoy.

## Committee Representative

Audit Committee, Boating Facilities Committee,  
Finance Committee, Southern Hills LGA , CEO  
Performance Management Panel

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# Message from the Chief Executive Officer Andrew Boardman

This is the eighth Annual Business Plan I have presented since commencing as CEO in 2011. I am pleased to say that we have been able to create stability within the organisation and instigate financial disciplines driving non-rate revenues and controlling costs.

Underpinned by developing our capability to maintain a position of rate and service charge increases in line with CPI only, we have been able to consistently deliver better than budget results and a record of unqualified financial (and latterly Business Control) audits – extremely unusual for a small Regional Council to achieve so consistently.

I said the following last year and it still applies today - we have a lean and focused organisation with people throughout the business keen to step up, do more and have more say in how we work to help drive our business forward. This commitment is real, tangible, permeates the business and is very much appreciated by the Elected Body and I, as it allows us to focus on the strategic opportunities that lie ahead.

The Airport Upgrade Project has been delivered in full and, whilst not without its challenges on the airside element of works - driven by a contractor declaring voluntary liquidation early in the project - we were able to complete works and get new airline services commencing in December 2017. The Terminal Works completed in late April and the official opening of the finished facilities will be held in early June 2018.



The Qantaslink services from Adelaide and Melbourne have proven to be successful, with good load factors and have been confirmed again for next year as a minimum. Discussions with service providers continue to increase frequency and ports linking the mainland to the Island. Overall we have seen a passenger number uplift of 12.4% (March 2018) which is pleasing. To achieve this in the face of national challenges in the Australian airline industry with aircraft and more particularly flight crew availability,

demonstrates the clear opportunity that airlines see in providing profitable flight services to the Island.

Needless to say we still work hard on supporting and facilitating investor interest in our Island – whether through investment with existing businesses or through developing new projects. The Island is, as we know, not the cheapest place to do business and therefore we require developers with passion, commitment and a clear understanding of what makes this Island unique and an absolute need not to squander or dilute that attraction with their developments, but rather blend and complement and create additional value. Costs to develop here are higher, and everything is more complicated to achieve, however the rewards will be significant and will come to benefit the next generation of Islanders – those here and those who will move here.

This growth in population is necessary for our Community to become sustainable – we need people.



Already a diverse Community, we need as diverse a range of people as possible...their skills, their volunteerism, their ideas, their entrepreneurship, their passion to succeed – all key attributes that we need to grow our Community, our economy and to protect that which makes us such a unique and in demand destination – our environment.

Just as the Airport Upgrade is a strategic development with the aim of generating significant future revenue streams independent of property rates and service charges, we need to focus on the development of additional sources of revenue for Council equally independent of “traditional” Council taxation. Such opportunities are being considered.

They will require significant work to materialise but they are the future for this Council and Community and we will continue to pursue them. The change in State Government at the Election in March presents an element of unknown, as any change does, but what does not change is the need to be efficient, open, transparent, effective and collaborative with them, with our Community and with investors - all with the aim of driving positive social, economic, environmental and technological outcomes for our Island.

As every plan has to date, this Business Plan maintains our core services, continues to reinvest in and recover the backlog of work required by our core assets and does so within the discipline required to achieve our aim of long term financial sustainability. We commend this plan to you.



# Your Council

## Elected Members

Our Elected Members are collectively responsible for decisions and policy making that impacts on future plans for Kangaroo Island, and the lives and livelihoods of the individuals, organisations and businesses within it.

The role of your Elected Members is to:

- Participate in the deliberations and civic activities of the Council
- Formulate the Council's objectives and policies
- Keep the Council's objectives and policies under review to ensure they are appropriate and effective
- Keep Council's resource allocation, expenditure and activities, and the efficiency and effectiveness of its service delivery under review
- Represent the interests of Residents and Ratepayers, to provide Community leadership and guidance, and to facilitate communication between the Community and Council.

## Senior Management Team

Chief Executive Officer	Andrew Boardman
Deputy Chief Executive Officer	Vacant
Director Council Services	Nicholla Putland
Accountant – Finance Professional	John Howe
Manager Development & Environmental Services	Aaron Wilksch
Technical Programs Manager	John Fernandez
Community Affairs Manager	Pat Austin
Customer Engagement Manager	Danielle Fleet
Asset Services Technical Officer	Yarran Iversen

## Contact Details for Council

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# Your Elected Members



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 Audit Committee, Awards and Grants  
 Assessment Panel  
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 Finance Committee, Performance  
 Management Panel, Awards and Grants  
 Assessment Panel, Council Assessment  
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# 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



# Council Services

All Councils have responsibilities under the *Local Government Act*, 1999 and other relevant legislation, including the following:

- Regulatory activities e.g. maintaining the Voters' Roll and supporting the Elected Council
- Setting rates, preparing an annual budget and determining longer term strategic management plans for the area
- Management of basic infrastructure including roads, footpaths, parks, public open spaces, street lighting and rubbish collection
- Development planning and control, including building fire safety assessment
- Various environmental health services
- Fire protection
- Dog and cat management
- Parks and gardens
- Public amenities
- Ovals and sporting arenas
- Playgrounds
- Environmental programs
- Community programs.

In response to Community needs, Council also provides further services and programs including:

- |                        |                         |
|------------------------|-------------------------|
| • Library services     | • Community development |
| • Youth support        | • Car parking           |
| • Economic development | • Tidal swimming pool.  |

Council operates a number of facilities on a fee-for-service basis. Please refer to the Fees and Charges Schedule on our website at [www.kangarooisland.sa.gov.au/publications](http://www.kangarooisland.sa.gov.au/publications). These provide important Community benefits whilst also generating revenue for services and projects:

- |  |                                     |
|--|-------------------------------------|
| • Camping grounds                                | • Airport                           |
| • Cemeteries                                     | • Town halls                        |
| • Waste management                               | • Water standpipes                  |
| • Community Wastewater Management Schemes (CWMS) | • Boat ramps and marina facilities. |

# Assessments and Rates

Total Assessed Capital Value	\$ 1,650,914,600
Total Properties	5,988
Number of Rateable Properties	5,543
Capital Value Rateable Properties	\$1,557,236,880
General Rates Income	\$ 6,774,805
Residential (cents in the dollar)	\$ 0.3387
Residential Income*	\$ 2,994,428
Commercial - Shop (cents in the dollar)	\$ 0.3590
Commercial - Office (cents in the dollar)	\$ 0.3590
Commercial - Other (cents in the dollar)	\$ 0.3590
Industry - Light (cents in the dollar)	\$ 0.3590
Industry - Other (cents in the dollar)	\$ 0.3590
Commercial & Industry Income*	\$ 382,058
Primary Production (cents in the dollar)	\$ 0.3133
Primary Production Income*	\$ 2,226,160
Vacant Land (cents in the dollar)	\$ 0.5114
Vacant Land Income*	\$ 989,617
Other Rateable Land (cents in the dollar)	\$ 0.3590
Marinas (cents in the dollar)	\$ 0.3590
Other Rateable Land & Marinas Income*	\$ 75,067
CWMS (Community Waste Water Management Schemes) Income	\$ 1,395,141
CWMS (fee per connection)	\$ 631.00
Waste Management Income	\$ 1,553,323
Waste Management Charge - Treatment & Disposal	\$ 221
Waste Management Charge - Collection	\$ 115
NRM (Natural Resources Management) Levy Income	\$ 388,104
NRM Levy per property	\$ 78.50
Fixed Charge	\$ 290
Number of Non-Rateable Properties	445
Capital Value Non-Rateable Properties	\$ 93,677,720
Rates Capping	20%

\*Indicates net of rate rebates

## Rating Policy Statement

Pursuant to Section 123 (2)(g) of the *Local Government Act* 1999 and as stipulated in the Local Government (Financial Management) Regulations 2011 Part 2-6, The Kangaroo Island Council's Annual Business Plan contains the necessary information relating to general rating and valuations in the Rating and Rebate Policy found in Appendix D of this document.

Council rates are imposed on all rateable properties in the Council area in accordance with the provisions of the *Local Government Act*, 1999. Council is only able to provide the assets and services expected by the Community through the levying and collection of rates, Council's principal source of revenue.

Kangaroo Island Council's Policy for setting and collecting rates from the Community covers the following:

- Methods used to value land
- Business Impact Statement
- General rates
- Fixed charges
- NRM Levy
- Payment of rates
- Remission and postponement of rates
- Sale of land for non-payment of rates
- Adoption of valuations
- Council's revenue raising powers
- Differential rates
- Service rates and charges
- Rate concessions
- Late payment of rates
- Rebate of rates
- Disclaimer.

## Contact Details for Rates Information:

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# 2017-18 Snapshot Council and Community Achievements

Airport  
Upgrade –  
assisted by  
Federal and  
State  
Government  
funding



Kingscote  
Skatepark – with  
AKPA and  
assisted by  
State  
Government  
funding



Penneshaw  
Sculpture  
Park  
assisted by  
Federal  
Building  
Better  
Regions  
Fund Grant



Completion  
Stage 4  
Brownlow –  
Kingscote  
Shared Use  
Path - assisted  
by DPTI Open  
Spaces Grant



Emu Bay  
boat ramp  
upgrade –  
with  
SABFAC  
grant  
assistance



Kingscote Rising  
Main C with  
SLGIP Grant  
assistance



FRWA  
introduction  
of fortnightly  
service &  
new bin  
rollout



Bark Hut Road  
Upgrade – with  
assistance from  
Bridges  
Renewal  
Program Round  
2



## Major Capital Works Construction Projects

Finalised KI Airport upgrade

Bark Hut Road upgrade

Street kerbing Kingscote & Parndana

Stage 2 Brownlow – Kingscote Path - finalised

Anzac Street – Parndana

Parndana – lining VC pipes

East West 2 – Floodway upgrade

Kingscote Rising Main C

Finalised capping at KIRRC

Emu Bay Boat Ramp

# Looking ahead to 2018-19

## Significant Influences and Priorities

CPI – set at December 2017 quarter: (CPI Rate 2.3%)

With improvements to our financial position Council has been able to consider a Long Term Financial Plan that provides confidence in our ability to continue to strive towards financial sustainability within 10 years whilst holding rates increases to CPI in 2018-19.

Pursuant to the *Local Government Act* 1999 (2) (e) this reflects improved financial performance and recognises the cost of living pressures on our Community.

To this end the increase in Rates Revenue in 2018-19 will comprise CPI of 2.3% only.

An allowance has also been provided for increase in capital values of properties of 1% (noting that this has varied between 0.1% and 0.8% over the past three years and is a product of supply / demand and the Valuer General's view on this and how it is applying to the Island.).

In addition to this, Council has determined that the temporary reduction in the rate differential for Primary Production (land use code), introduced as a response to the drought in the late 2000s, will be phased out at 2.5% per year until parity with the residential differential is reached (100%), so in 2018-19 the differential will move from 90.0% to 92.5%.

Continued efficiencies in the **management of waste** will see the service charge for kerbside collection and waste maintained at the same level as in 2017-18. We will be able to achieve this despite costs associated with moving waste off the Island, landfill charges and the State Government levy on waste going to landfill all continuing to climb.

**Community Wastewater Management Schemes** (CWMS) service charges will increase by 2.3% to \$631 in line with CPI, reflecting the forecast made in last year's Annual Business Plan. This service charge will be allocated to those properties that have the capability to be connected to one of the schemes and does not apply to all ratepayers.

To meet the needs of the Capital Works Program, the Long Term Financial Plan demonstrates that a **sustainable level of borrowing** for the Council in future years is \$1.5M. When coupled with the \$2M that the State provides through the Unsealed Roads Upgrade Program and \$655,000 provided by other funding sources, we expect to deliver **over \$4M of infrastructure and asset upgrades** in 2018-19.

With regards to **Council-funded capital works and plant/equipment purchase** it is intended that we establish variable cash advance debenture facilities (CAD) to the level required (with plant/equipment generally being funded on a fixed rate loan).

In 2018 the Federal Government reinstated the indexation on the **Federal Assistance Grants** (FAGs) which are distributed to the States who in turn distribute the grants to Local Government via the State Grants Commission funding formula. For budgeting purposes it has been included at 2017-18 rates plus a 2.3% uplift, with the expectation that the full amount will be received in the budget year.



The Federal Government announced on 23 June 2015 that it would be increasing **Roads to Recovery** funding for the 2015-16 and 2016-17 financial years. In 2017-18 we received an allocation of \$567,780 and have budgeted to receive \$345,000 in 2018-19. This will be allocated to the Capital Works Program.

The **enterprise bargaining agreement** between Council and its staff was renegotiated in June 2017 and sets out the budgeting parameters for the next three years with respect to employment conditions and wage increases.

The **impacts of climate change** are starting to be considered by Councils around Australia and plans and solutions are being developed. The Resilient Hills and Coasts (RH&C) Climate Change Adaptation group comprises six councils covering the Adelaide Hills, Fleurieu Peninsula and Kangaroo Island, with support from NRM Boards, and the State and federal governments.

As part of this group the KI Council has been successful with a grant of \$70,000 to undertake a Coastal Hazard Mapping Pilot Project which will identify the hazards caused by rising sea level that eastern Kangaroo Island is likely to encounter by 2050 and 2100. Once the hazards have been identified using predictive modelling, then a range of solutions will be assessed and discussed and future directions identified. This project will be completed by the end of the calendar year.

The focus of the RH&C project is to ensure that the region remains a strong and vibrant place to live, work and visit and that businesses, communities and environments can respond positively to the challenges and opportunities presented by a changing climate. To date the group has developed an adaptation plan, assessed the benefits of a community energy program and started an infrastructure project 'where we build, what we build'.



# 2018-19 Snapshot

## Major Capital Works Construction Projects

Penneshaw  
CWMS  
extension  
project



The Gallery -  
external repainting



Unsealed  
Roads – incl.  
Dover Farm.  
Island Beach  
Roads, Pratts  
Road



Stage 5 Brownlow  
– Kingscote  
Shared Use Trail  
funded by KI  
Council and a  
DPTI Open  
Spaces Grant



The Lane  
reconstruction,  
Penneshaw



Intersections –  
including Hog Bay  
Road and  
Pennington Road



Prospect Hill  
Steps -  
pending  
grant  
assistance



Penneshaw Toilet  
upgrade



## Essential Infrastructure

Kerbs	\$ 100,000
Sealed Roads	\$ 827,400
Unsealed Roads	\$ 545,000
Stormwater	\$ 160,000
Footpaths	\$ 220,000
Ablution Facilities	\$ 60,000
Buildings	\$ 82,000

# Linking the Long Term Financial Plan to the Strategic Goals

Kangaroo Island Council continues its commitment to long term financial planning and to take steps towards securing its long-term financial sustainability.

Council adopted its most recent Long Term Financial Plan (LTFP) in May 2017 and these notes refer to that financial plan.

The key conclusions of the proposed LTFP are as follows:

- Council is targeting operating surplus in 9 of the 10 years of the plan.
- Our LTFP includes Income in Advance from the Airport Grant amortised in two tranches – with the Grant from the Federal Government amortised over 5 years (with a half year in the first and sixth years of the LTFP) and the Grant from the State Government amortised over the next 20 years. This income is included in our annual budget.
- Operational Revenue increases by 22% over the 10 year period of the Plan.
- Operational Expenditure increases by 26% over the 10 year period of the Plan.

The LTFP was first adopted in November 2014, and reviewed and revised in 2017 to allow for the impact of better than predicted financial control, Penneshaw CWMS proceeding, changes to rates differential for Primary Production and the potential of the Airport as a revenue generation source for 2017-18 onwards following the announcement of the successful Commonwealth Funding bid for the Upgrade Project.

The revised LTFP has incorporated the needs of the Strategic Infrastructure and Asset Management Plan (SIAMP), the impact of the Airport Revenue and changes to the rate differential, and has determined

that rates revenue increases would be reduced by 1% in 2016-17 and then again by a further 1% in 2017-18 and then planned to remain at CPI only thereafter. An allowance for capital valuation growth of 1% is provided for. This plan was adopted by Council and drives the 2018-19 budget.

Council's LTFP is reviewed annually once the audited accounts for the previous financial year are completed – it is expected that further fine-tuning and changes will be made as Council continues to explore other options to manage the gap between available funding and the needs of the SIAMP.

Appendix A provides a summary of the financial statements that flow from this Annual Business Plan and Budget.

Council has budgeted for an expected operating deficit of \$1.475M for 2018-19. This is a decrease in deficit projected for 2017-18 of \$2.979M (or 50%). This is a good result and stems from management of grants for the Airport Upgrade and tight general budget control. Our financial disciplines, established over the past six years, continue to drive improvements in revenue optimisation, work efficiency and delivery without significant uplift in cost. It is pleasing to note that we have been able to propose this budget with CPI-only uplift in Rates and CWMS service charges, with Waste Service charges proposed to remain at 2017-18 rates, reflecting operational efficiency improvement.

In terms of comparison with the LTFP, we are reporting a \$3.979M pre-depreciation surplus compared with a LTFP profit forecast of \$1.245M. The major difference in these two figures is that the Amounts Received Specifically for New or Upgraded Assets, and Physical Resources Received Free of Charge, are shown in the LTFP as income and in the budget as below the line.



These two amounts total \$2.655m. Rates and Statutory charges are in line with the LTFP but User Charges, Grants, Subsidies and Contributions, Investment Income and Reimbursements are all below the LTFP forecast.

The operating deficit is the difference between operating revenue and expenses for the year. Amongst other things, Council's long term financial sustainability is dependent on ensuring that over time, its expenses are less than its revenue.

It should be noted that Kangaroo Island Council will continue to face challenges in its quest for long term financial sustainability without another source of non-rates-derived revenue and Council continues to explore options to achieve this.

Council's financial sustainability challenges are due to a small rates base and a large asset base which is expected to exceed \$200M by 30 June 2018. With provision for depreciation of around \$5.5M, this represents 30% of our total operational cost base – a significantly higher sum than other Councils in similar locations. The graph below shows Council's Operating Surplus Position and our long term target.

Council's budgeted revenue in 2018-19 includes \$6.77M proposed to be raised from general rates. Other sources of revenue and funding for Council are defined below and represented in the corresponding Expected Income Charts (see charts overpage).

**Rates** - Income levied under Section 7 of the Local Government Act 1999. Council's Rating and Rebate Policy contains comprehensive information relating to valuations and other information relating to each rate and charge levied, including purposes and rates in the dollar.

**State Government Statutory Charges** - Fees and charges set by regulation and collected by Council for regulatory functions such as assessment of development applications, or penalties for non-compliance with a regulatory requirement. Revenue is generally offset against the cost of the service.

**User charges set by Council** - Charges for Council's fee based facilities and some services (Refer Schedule of Fees and Charges at [www.kangarooisland.sa.gov.au](http://www.kangarooisland.sa.gov.au)).



### Grants, Subsidies and Contributions -

Council aims to attract as much grant funding as possible from other levels of Government. Major projects of wider State benefit are usually joint funded in partnership with State Government and/or other relevant parties.

In the event that Council succeeds in achieving a higher level of Grants Commission funding than that assumed in this Business Plan and Draft 2018-19 Budget, such funds will remain unallocated. Council will make decisions throughout the year either to allocate any such funds to unforeseen expenditure pressures, or in the absence of such pressures, to retire debt.

**Investment Income** - Income from financial investments or loans to community groups. It includes interest received from LGFA or banks and Interest received on loans to community groups.

**Reimbursements** - Amounts received as payment for work done by the Council acting as an agent for other government bodies and property owners, organisations and individuals.

**Other income** - Income not classified elsewhere.

**Employee expenses** - All forms of consideration given by Council in exchange for service rendered by employees or for the termination of employment.

**Materials, Contracts and other expenses** - All expenses that are not employee costs, financial costs or depreciation, amortisation & impairment costs.

**Finance costs** - The costs of financing Council's activities through borrowings or other types of financial accommodation.

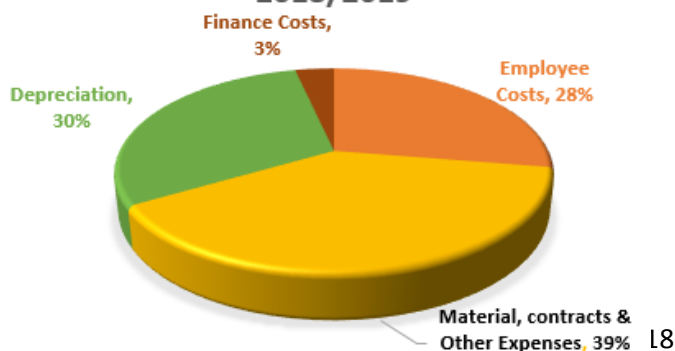
**Depreciation, amortisation & impairment** - Relate to infrastructure property, plant and equipment to which the Council has title.

Please go to our Website to view the Long Term Financial Plan:

[www.kangarooisland.sa.gov.au/plans](http://www.kangarooisland.sa.gov.au/plans)

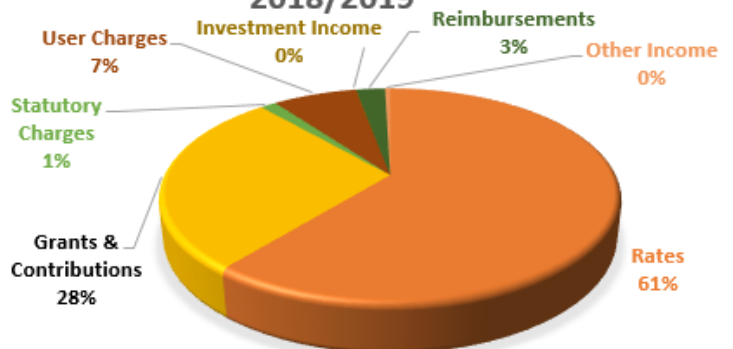
### EXPECTED OPERATING EXPENSES

2018/2019



### EXPECTED OPERATING INCOME

2018/2019





# Council Objectives for 2018-19

## Strategic Management Plan

Kangaroo Island Council adopted the 2014-2018 Strategic Management Plan at an ordinary meeting of Council on 10 February 2015. Council designed this plan to increase its effectiveness by prioritising its resources over the four year period in order to achieve its key objectives namely:

- to deliver essential services and legislative requirements to the Island effectively, and
- to provide a leadership role and support activities that address opportunities and challenges impacting the Island and overall decision making.

Providing greater clarity between essential and core services i.e. Council's legislated responsibility, and the work of the Council to assist, lead, advocate, educate and partner with others to achieve outcomes, is important as it underpins resourcing decisions.

The consultation process for this plan showed the highest priority for Council should be around effective delivery and management of core and legislated activities and services.

Optional activities and services that may be sought by the Community, but are not

a primary Council role, should be analysed carefully. It was recognised that some existing activities that are not core Council responsibility may be able to be provided by others. In addition, some core areas of Council responsibility may be able to be undertaken in partnership with others, freeing up scarce Council resources for higher priority activities.

To enable it to achieve its overarching objectives, Council identified three simple strategic approaches:

- Responsible Cost Management
- Revenue Generation
- Community Service / Stimulus

These were applied to improvement in seven areas of work:

- Infrastructure
- Shared Vision
- Collaboration
- Environment
- Supporting our Economy
- Community and Island Culture
- Our Organisation

Together they provide a framework for the projects and activities planned for the year ahead.

# Linking the Strategic Goals to the Budget

(all figures are 2018-19 Budget Figures)

This section sets out a summary of Council's proposed Operating Expenditure, Capital Expenditure and Revenue for each of the functional areas and business units within Council, pursuant to the *Local Government Act 1999* Part 2 123(2)(c).

Here we also outline Council's projects and activities for the year ahead as they relate to the strategic outcomes set down in the Strategic Plan, and the objectives as they are to be achieved in the form of Strategic Actions.

Governance (all figures are 2018-19 Budget Figures)						
Function		Operating Expenses	Operating Income	Capital Expenses	Capital Income	Net Total
006	Corporate Services	957,274	-2,219,767	-	-	-1,262,493
016	Governance Support Services	633,561	-43,019	-	-	590,542
059	Elected Members	338,052	-	-	-	338,052
<b>Total</b>		<b>1,928,887</b>	<b>-2,262,786</b>	<b>-</b>	<b>-</b>	<b>-333,899</b>

Projects and Activities for 2018-19 Include	Strategic Outcomes	Strategic Actions	Timeframe
Work with Business Support Department to review, determine and set long term service levels	Appropriate business planning & financial management	1.1 - Establish long-term sustainable service levels appropriate for the service provided and the funding available	Q1 - Q4
Work with Commissioner for Kangaroo Island to continue advocating for strategies to address access issues and cost effective delivery of government services through cross-agency / Council partnerships	Reduce Costs to Community / Council  Integrated & improved delivery of Government Services	7.1 - Advocate for affordable access to Island by both sea and air, for freight and people  7.2 - Work collectively with State / Federal Governments to leverage funds  8.1 - Government Service Delivery - Explore a coordinated approach to combined Government service delivery on the Island including potential provision of single on-line portal	Q1 - Q4

Develop bond options for debt management	Reduce Council debt	22.1 - Investigate opportunity to create a Community bond issue to speed up debt reduction	Q1 – Q4
Optimise efficient utilisation of Council land assets to provide substantial revenue streams and provide potential to offset against other community asset development and projects	Asset utilisation	12.1 - Review underutilised reserves / non-usable assets and explore potential to lease, sell, co-develop for commercial or community return	Q1 – Q4
Review Strategic Plan 2019-2022	<p>Have a shared Vision &amp; develop a whole of Island 10-20 year Community Plan</p> <p>Positive Internal Culture</p> <p>Increased resident population of Kangaroo Island to drive economic growth</p>	<p>21.1 - Initiate, lead / facilitate Community discussion on Vision for Future</p> <p>27.1 - Ensure that our people, culture, strategies, plans and policies support the organisation and delivery of Council and Community outcomes.</p> <p>31.2 Develop plan to meet vision</p>	Q1-Q2
Elected Member Election and Education	<p>Council recognised for its exceptional customer service, focused on delivery for the Community</p> <p>Support services needed on the Island.</p> <p>Improved Governance</p>	<p>29.2 Service and Solution provider for Council services to our community.</p> <p>34.1 Council to be a voice for Community – advocating for needs</p> <p>26.3 - Develop an online induction kit for potential and new elected members.</p>	Q1-Q2
Work with other Government agencies to provide suitable infrastructure for Kangaroo Island's sustainable growth and investigate Island Energy Options	Integrated & Improved delivery of Government Services	8.2 - Utilities - Lobby utility providers to deliver appropriate equitable services and infrastructure to underpin Kangaroo Island's sustainable growth, including energy, water and telecommunications.	Q1-Q4

	Community owned energy infrastructure company	20.1 - Establish process for aggregating Community Power demands (& generation) and look to establish if better pricing is possible	
	Optimise KI Land use to grow the Island economy	20.2 - Prepare financial modelling to establish viability of energy generation, storage and distribution infrastructure for Island Community and business. Kangaroo Island Community Energy	
		30.3 - Continue to lobby for better consideration of Island issues within State and Strategic infrastructure plans.	

Business Support – Finance and Information Technology						
Function		Operating Expenses	Operating Income	Capital Expenses	Capital Income	Net Total
013	Financial Service Operations	407,738	-4,600	-	-	403,138
019	Information Technology	449,134	-	-	-	449,134
036	Rates	260,467	-6,913,730	-	-	-6,653,263
037	NRM	385,000	-388,887	-	-	-3,887
<b>Total</b>		<b>1,502,339</b>	<b>-7,307,217</b>	<b>-</b>	<b>-</b>	<b>-5,804,878</b>

Projects and Activities for 2018-19 Include	Strategic Outcomes	Strategic Actions	Timeframe
Continued development of implemented financial budgeting, long term financial planning and reporting systems	Appropriate business planning & financial management	6.1 - Develop and implement reporting procedures, tied to the Strategic Plan / Business Plan and maintain Strategic Plan as an evolving document  6.2 - Simple Key Performance Indicators (KPI) reporting system developed and implemented with formal reporting to Audit / Finance Committees - extend to simple	Q1-Q4

		<p>traffic light system for organisational health</p> <p>11.3 - Adopt and resource best practice strategic and financial planning processes</p>	
Continue the implementation of the Rural and Urban Street Addressing Policy, to complete street numbering in all townships	Optimise KI Land use to grow the Island economy	30.2 - Continue to develop more structural plans for the four major towns and coastal settlements	Q1-Q4
Continued review of Differential rating and Service Charge collection.	Appropriate business planning & financial management	<p>11.1 - Optimise service charge collection</p> <p>11.3 - Adopt and resource best practice strategic &amp; financial planning processes</p>	
Adopt and resource best practice strategic and financial processes	<p>Adopt and resource best practice strategic and financial planning processes</p> <p>Explore better purchasing opportunities.</p>	<p>5.1 - Remove inefficiencies in core business processes to mitigate business risk</p> <p>11.3 - Adopt and resource best practice strategic and financial planning processes</p> <p>8.3 - Integrated Purchasing - Explore better cooperative purchasing across agencies in areas such as fuel, power, building infrastructure etc</p>	Q1-Q4
Business wide definition and review of Service Levels	Appropriate business planning & financial management	<p>1.1 - Establish long-term sustainable service levels appropriate for the service provided and the funding available</p> <p>1.2 - Conduct a corporate systems review to identify improved efficiencies inclusive of service levels and consumables</p> <p>5.1 - Remove inefficiencies in core business processes to mitigate business risk</p>	Q1-Q4



Business Support – Community and Customer Services						
Function		Operating Expenses	Operating Income	Capital Expenses	Capital Income	Net Total
005	Cemeteries	60,058	-27,000	10,000	-	43,058
007	Community Engagement	385,396	-155,300	-	-	230,096
008	Customer Service	283,599	-	-	-	283,599
023	Library	125,795	-32,448	-	-	93,347
038	Records	124,750	-	-	-	124,750
066	Council (Civic) Events	14,672	-1,290	-	-	13,382
067	Youth Services	6,160	-	-	-	6,160
068	Community Grants Provided	97,949	-2,000	50,000	-	145,949
069	Community Passenger Network	-	-	-	-	-
070	Tourism & Economic Development	153,034	-	-	-	153,034
076	Website Management	13,327	-	-	-	13,327
<b>Total</b>		<b>1,264,740</b>	<b>-218,038</b>	<b>60,000</b>	<b>-</b>	<b>1,106,702</b>

Projects and Activities for 2018-19 Include	Strategic Outcomes	Strategic Actions	Timeframe
Continuation of Community Capital Infrastructure Grants, Community Partnership Grants and Community Sponsorship Programs (Expenditure)  (Apply \$50,000 from Open Space Reserve)	Support Community priorities and activities in line with strategic directions – through grants to reduce costs  Grant optimisation opportunities for Council/Community	10.1 - Continue the momentum of the Community Grant Partnerships approach  19.1 - Collaborate to support external grant funding application opportunities between Council and Community Groups for key services and infrastructure	Q1 - Q4
Continuation of Grant applications and Grant Register management and review (Revenue)	Support Community priorities and activities in line with strategic directions – through grants to reduce costs	19.1 - Collaborate to support external grant funding application opportunities between Council and Community Groups for key services and infrastructure	Q1 - Q4

	Grant optimisation opportunities for Council/Community		
Continuation of Civic Events program	High level of Community engagement	<p>37.1 - Support opportunities to record, preserve, manage and interpret our local heritage, arts and culture</p> <p>38.4 - Encourage, support and partner with Community to develop Arts, Heritage, Youth and Culture, sports, tourism, business, participation and promotion</p>	Q1 - Q4
Support and provide suite of risk management documents for major Culture and Sporting Events	High level of Community engagement	38.4 - Encourage, support and partner with Community to develop arts, heritage, youth and culture, sports, tourism, business, participation and promotion	Q1
Support Youth on Kangaroo Island through the Youth Sponsorship Grant Program, the Youth Services budget, Young Achiever Awards and by working with external agencies to secure additional funding for projects that support and develop youth on the Island	High level of Community engagement	38.4 - Encourage, support and partner with Community to develop arts, heritage, youth and culture, sports, tourism, business, participation and promotion	Q1 - Q4
Kingscote Cemetery Expansion Project	<p>A built environment that delivers on Community needs</p> <p>Well managed, tangible and intangible heritage and culture</p>	<p>23.1 Enhance the character, amenity, safety and accessibility of the built environment through the provision and maintenance of sporting facilities, parks, gardens, playgrounds, pools etc.</p> <p>37.2 With Council assets, ensure heritage component is properly considered in asset management</p>	Q1 – Q4
Continued management and maintenance programs for	Integrated & improved delivery of Government Services	8.4 - Island-wide approach to Community program delivery - Re-direct current Council	Q1 - Q4

library for use by all members of the Community		participation in health and education to appropriate entities e.g. Library	
Continued delivery of customer service focused on our Community	Council recognised for its exceptional customer service, focused on delivery for the Community	29.1 - Continue staff and contractor professional development geared towards a culture of customer service excellence  29.2 - Service and solution provider of Council services to our Community	Q1 - Q4
Ongoing Library Volunteer program	High level of Community engagement	38.1 – Connect and support opportunities for skill development and effective Community responses to opportunities and challenges.	Q1 – Q4
Communications Strategy – development and implementation	Effective communication  High level of Community engagement	38.1 Develop and implement Community Communications Strategy  24.2 - Improved website including cross-linking to other relevant partner sites (Brand KI / GFW / AGKI / TKI etc.)	Q1  Q2
Tourism & Economic Development including investment in town structure plans.	Well managed, tangible and intangible heritage and culture  High level of Community engagement  Increased resident population of Kangaroo Island to drive economic growth  A supportive environment exists for business and economic development  Reduce Costs to Community / Council	37.1 - Support opportunities to record, preserve, manage and interpret our local heritage, arts and culture  38.4 - Encourage, support and partner with Community to develop Arts, Heritage, Youth and Culture, sports, tourism, business, participation and promotion  31.1 - Develop a vision for sustainable population growth  17.2 - Develop strategic alignment with regional development.  7.2 - Work collectively with State / Federal Governments to leverage funds	Q1 – Q4

	Optimise KI Land use to grow the Island economy	30.2 - Continue to develop more structural plans for the four major towns and coastal settlements	
Website management	Effective Communication  Stronger (empowered) and active Community and organisations	24.1 - Establish optimised approach to Community Engagement through social media  24.2 - Improved website including cross-linking to other relevant partner sites (Brand KI / GFW / AGKI / TKI etc.)  25.1 - Develop online toolkit - 'How Council can Help you'.	

Business Support – HR and Risk Management						
Function		Operating Expenses	Operating Income	Capital Expenses	Capital Income	Net Total
018	Human Resources	315,181	-21,834	-	-	293,347
026	Work Health & Safety	116,681	-	-	-	116,681
029	Payroll	61,623	-	-	-	61,623
<b>Total</b>		<b>493,485</b>	<b>-21,834</b>	<b>-</b>	<b>-</b>	<b>471,651</b>

Projects and Activities for 2018-19 Include	Strategic Outcomes	Strategic Actions	Timeframe
Conduct annual review of existing HR policies and Procedures and develop further policies and procedures as identified	Positive internal culture  Develop capacity within the business	27.1 - Ensure that our people, culture, strategies, plans and policies support the organisation and delivery of Council and Community outcomes  27.2 - Provide opportunities for our staff to access the training and development to enable them to	Q1 – Q4

	Staff work within values & behaviours framework (Next Steps)	<p>contribute to our organisational outcomes</p> <p>27.3 - Further develop and maintain an internal culture of trust, wellbeing and personal satisfaction</p>	
Maintain compliance with Council's Safety System (One System) and develop additional policies and procedures where applicable	<p>Positive internal culture</p> <p>Develop capacity within the business</p> <p>Staff work within values &amp; behaviours framework (Next Steps)</p>	<p>27.1 - Ensure that our people, culture, strategies, plans and policies support the organisation and delivery of Council and Community outcomes</p> <p>27.2 - Provide opportunities for our staff to access the training and development to enable them to contribute to our organisational outcomes</p> <p>27.3 - Further develop and maintain an internal culture of trust, wellbeing and personal satisfaction</p>	Q1 – Q4
Identify training requirements through PDP process and the needs of the business and develop appropriate 12 month training plan	<p>Positive internal culture</p> <p>Develop capacity within the business</p> <p>Staff work within values &amp; behaviours framework (Next Steps)</p> <p>Council recognised for its exceptional customer service, focused on delivery for the Community</p>	<p>27.1 - Ensure that our people, culture, strategies, plans and policies support the organisation and delivery of Council and Community outcomes</p> <p>27.2 - Provide opportunities for our staff to access the training and development to enable them to contribute to our organisational outcomes</p> <p>27.3 - Further develop and maintain an internal culture of trust, wellbeing and personal satisfaction</p> <p>29.1 - Continue staff and contractor professional development geared towards a culture of customer service excellence</p>	Q1 - Q4
Provide sufficient / adequate resources and support to the delivery end of the business	<p>Appropriate business planning &amp; financial management</p> <p>Adopt and resource best practice strategic and</p>	1.2 - Conduct a corporate systems review to identify improved efficiencies inclusive of service levels and consumables	Q1 - Q4



	financial planning processes  Council recognised for its exceptional customer service, focused on delivery for the Community	5.1 - Remove inefficiencies in Core Business processes to mitigate business risk  29.1 - Continue staff and contractor professional development geared towards a culture of customer service excellence	
Review level of service across all departments	Appropriate business planning & financial management  Adopt and resource best practice strategic and financial planning processes	1.1 - Establish long-term sustainable service levels appropriate for the service provided and the funding available  1.2 - Conduct a corporate systems review to identify improved efficiencies inclusive of service levels and consumables  5.1 - Remove inefficiencies in Core Business processes to mitigate business risk	Q1 – Q4

Asset Services – Business Undertakings						
Function		Operating Expenses	Operating Income	Capital Expenses	Capital Income	Net Total
001	Airport	1,643,832	-2,809,043	-	-	-1,165,211
003	Campgrounds	147,728	-67,430	-	-	80,298
031	Private Works	119,817	-186,880	-	-	-67,063
033	Property - Commercial (rental buildings)	55,621	-33,945	40,000	-	61,676
034	Property - Land only	-	-337,365	-	-	-337,365
<b>Total</b>		<b>1,966,998</b>	<b>-3,434,663</b>	<b>40,000</b>	<b>-</b>	<b>-1,427,665</b>

Projects and Activities for 2018-19 Include	Strategic Outcomes	Strategic Actions	Timeframe
Continued management and maintenance programs for Council campgrounds and recreation areas including	A built environment that delivers on Community Needs	23.1 Enhance the character, amenity, safety and accessibility of the built environment though the	Q1 – Q4

Vivonne Bay, Brown Beach, American River, Emu Bay, Western River		provision and maintenance of sporting facilities, parks, gardens, playgrounds, pools etc	
Property Portfolio Review to continue, as part of the broader revitalization of Infrastructure and Asset Management Plan (IAMP)	A long term infrastructure Asset Management Plan (IAMP) and a process of continuous improvement  Use Asset to best advantage	2.1 Develop and implement Infrastructure Asset Management Plans  12.1 Review underutilized reserves / non usable assets and explore potential to lease, sell, co-develop for commercial or Community return	Q1 – Q4
Continue to maximize private works opportunities, particularly DoT Loop income and sealed and unsealed road upgrades	Reduce costs to Community / Council  Appropriate business planning & financial management	7.2 Work collectively with State / Federal Governments to leverage funds  11.2 - Optimise opportunities for private works	Q1 – Q4
Optimise revenue to cost ratios for community assets – actively pursue community partnership opportunities, increased promotion and usage of Council facilities, and external funding	Optimise Costs to Council in partnership with Community	9.1 - Work with Community to identify areas of cost / service that may be "localised" and run at greater efficiency and lower cost (e.g. tidal pool, campgrounds, playgrounds, parks and gardens, sporting facilities and ovals)  19.1 - Collaborate to support external grant funding application opportunities between Council and Community Groups for key services and infrastructure	Q1 – Q4
Continued development of Kangaroo Island Airport	A long term infrastructure Asset Management Plan (IAMP's) and a process of continuous improvement  Reduce Costs to Community / Council	2.3 - Maintain and improve core infrastructure sustainably.  7.1 - Advocate for affordable access to Island by both sea and air, for freight and people.	Q1 – Q4

	Appropriate business planning & financial management	11.1 - Optimise service charge collection	
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Asset Services – Community Services						
Function		Operating Expenses	Operating Income	Capital Expenses	Capital Income	Net Total
014	Fire Protection	84,454	-5,000	-	-	79,454
025	Environmental Projects	-	-	-	-	
040	Risk Mitigation and/or Safety	84,109	-39,500	-	-	44,609
051	Ablution Facilities	288,783	-	60,000	-	348,783
Total		457,346	-44,500	60,000	-	472,846

Projects and Activities for 2018-19 Include	Strategic Outcomes	Strategic Actions	Timeframe
Ablution Facilities revitalisation of facilities <ul style="list-style-type: none"> <li>Re roof and enclose toilet block ceiling at Kingscote Tidal Pool</li> </ul>	A built environment that delivers on Community needs	23.1 Enhance the character, amenity, safety and accessibility of the built environment through the provision and maintenance of sporting facilities, parks, gardens, playgrounds, pools etc	Q1 – Q4
LIDAR hazard Mapping Coastal townships	Environmentally sustainable best practice in Council decision making  Increased resident population of Kangaroo Island to drive economic growth  Integrated & improved delivery of Government Services	36.2 - Continue focus on development of sustainable flood and Island drainage mitigation.  36.3 - Climate Change Adaptation  31.1 - Develop a vision for sustainable population growth  8.5 - Develop shared cross-agency plans such as Bushfire prevention, flood mapping of island and drainage approaches. Climate Change and Recovery Plan.	Q1-Q3

Bushfire management	<p>A built environment that delivers on Community needs</p> <p>Integrated &amp; improved delivery of Government Services</p>	<p>23.1 - Enhance the character, amenity, safety and accessibility of the built environment through the provision and maintenance of sporting facilities, parks, gardens, playgrounds, pools etc.</p> <p>8.5 - Develop shared cross-agency plans such as Bushfire prevention, flood mapping of island and drainage approaches. Climate Change and Recovery Plan.</p>	
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Asset Services – Culture						
Function		Operating Expenses	Operating Income	Capital Expenses	Capital Income	Net Total
032	Property - Amenity use (Halls	160,600	-19,600	-	-	141,000
<b>Total</b>		<b>160,600</b>	<b>-19,600</b>	<b>-</b>	<b>-</b>	<b>141,000</b>

Projects and Activities for 2018-19 Include	Strategic Outcomes	Strategic Actions	Timeframe
To implement and complete routine maintenance activities on Town hall facilities	<p>A built environment that delivers on Community needs</p> <p>Well managed, tangible and intangible heritage and culture</p>	<p>23.1 Enhance the character, amenity, safety and accessibility of the built environment through the provision and maintenance of sporting facilities, parks, gardens, playgrounds, pools etc.</p> <p>37.1 Support opportunities to record, preserve, manage and interpret our local heritage, arts and culture</p>	Q1 – Q4
Reclad oval side of Pavilion in Kingscote	<p>A built environment that delivers on Community needs</p> <p>Well managed, tangible and</p>	<p>23.1 Enhance the character, amenity, safety and accessibility of the built environment through the provision and maintenance of sporting facilities, parks, gardens, playgrounds, pools etc</p>	Q2

	intangible heritage and culture	37.1 Support opportunities to record, preserve, manage and interpret our local heritage, arts and culture	
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Development & Environmental Services - Development						
Function		Operating Expenses	Operating Income	Capital Expenses	Capital Income	Net Total
011	Development Planning	313,386	-62,720	-	-	250,666
060	Building Control	175,937	-48,390	-	-	127,547
061	Development Plan Amendments	2,500	-	-	-	2,500
<b>Total</b>		<b>491,823</b>	<b>-111,110</b>	<b>-</b>	<b>-</b>	<b>380,713</b>

Projects and Activities for 2018-19 Include	Strategic Outcomes	Strategic Actions	Timeframe
Maintain compliance with statutory functions and timeframes for development assessment processes under the <i>Development Act, 1993</i> and a high degree of regulation of development, public health and environmental matters	A supportive environment exists for business and economic development  Optimise KI Land use to grow the Island economy	28.1 - Provide effective, efficient development, building and environmental services solutions for the Community  30.1 - Continue to monitor and refine Kangaroo Island Development Plan to provide appropriate development opportunities underpinned by sound environmental, economic, social and technological considerations	Q1 - Q4
To continue to action and resource the Building Inspection Policy	A supportive environment exists for business and economic development	28.1 - Provide effective, efficient development, building and environmental services solutions for the Community	Q1 – Q4
Assist the CEO and Elected Members with a range of strategic and asset / land projects	Have a shared Vision & develop a whole of Island 10-20 year Community Plan	21.1 - Initiate, lead / facilitate Community discussion on vision for future  31.2 - Develop plan to meet vision	Q1 – Q4

	Increased resident population of Kangaroo Island to drive economic growth		
Continued review of Departmental service provision and efficiencies.	Appropriate business planning & financial management	1.1 - Establish long-term sustainable service levels appropriate for the service provided and the funding available  1.2 - Conduct a corporate systems review to identify improved efficiencies inclusive of service levels and consumables  5.1 - Remove inefficiencies in core business processes to mitigate business risk	Q1 – Q4
Develop and refine planning policy which supports economically invigorated town and district centres and propagates vibrant and attractive places for people	Optimise KI Land use to grow the Island economy	30.2 - Continue to develop more structural plans for the four major towns and coastal settlements  30.3 - Continue to lobby for better consideration of Island issues within State and Strategic infrastructure plans	Q1 – Q4

Asset Services - Environment						
Function		Operating Expenses	Operating Income	Capital Expenses	Capital Income	Net Total
009	CWMS	1,296,170	-1,424,571	-	-	-128,401
046	Standpipes	36,933	-48,000	-	-	-11,067
047	Stormwater	363,116	-	160,000	-	523,116
049	Street Cleaning	19,200	-	-	-	19,200
050	Street Lighting	99,656	-	-	-	99,656
056	Waste management	1,431,925	-1,582,923	-	-	-150,998
<b>Total</b>		<b>3,247,000</b>	<b>-3,055,494</b>	<b>160,000</b>	<b>-</b>	<b>351,506</b>



Projects and Activities for 2018-19 Include	Strategic Outcomes	Strategic Actions	Timeframe
Develop Kingscote/Penneshaw CWMS extension programs to connect all appropriate properties	A built environment that delivers on Community needs	<p>23.2 - Finalise the Penneshaw CWMS plan and engage contractor to complete works</p> <p>23.3 Connection of all premises to Penneshaw Scheme in compressed timescale</p> <p>23.4 Continue extension and rationalisation of existing schemes to provide whole of town approach to wastewater management</p>	Q2 – Q4
Upgrade of Stormwater: <ul style="list-style-type: none"> <li>• Millers Road</li> </ul>	Environmentally sustainable best practice in Council decision making	36.2 continue focus on development of sustainable flood and island drainage mitigation	Q2
Refinement of fortnightly waste collection implementation	<p>Environmentally sustainable best practice in Council decision making</p> <p>Appropriate business planning &amp; financial management</p>	<p>4.1 - Fleurieu Regional Waste Authority (FRWA) as regional subsidiary continues to develop best practice solutions</p> <p>4.2 - Explore opportunities to decrease costs around ongoing management of waste for whole of island</p> <ul style="list-style-type: none"> <li>• Review consumer needs</li> <li>• Glass crusher on island</li> <li>• Sorting facilities on island</li> </ul> <p>11.1 - Optimise service charge collection</p>	Q1 – Q4

Asset Services – Recreation						
Function		Operating Expenses	Operating Income	Capital Expenses	Capital Income	Net Total
024	Lookouts	-	-	-	-	-
028	Parks & Gardens	455,531	-	-	-	455,531
030	Playgrounds	44,822	-	-	-	44,822
063	Ovals & Sporting Facilities	64,559	-2,369	30,000	-	92,190
064	Council Pool	50,251	-	12,000	-	62,251
<b>Total</b>		<b>615,163</b>	<b>-2,369</b>	<b>42,000</b>	<b>-</b>	<b>654,794</b>

Projects and Activities for 2018-19 Include	Strategic Outcomes	Strategic Actions	Timeframe
Parks & Gardens: <ul style="list-style-type: none"> <li>Reeves Point Mulberry tree maintenance</li> </ul>	A built environment that delivers on community needs  Well managed, tangible and intangible heritage and culture	23.1 Enhance the character, amenity, safety and accessibility of the built environment through the provision and maintenance of sporting facilities, parks, gardens, playgrounds, pools etc  37.2 With Council assets, ensure heritage component is properly considered in asset management	Q1 - Q4
Ovals & Sporting: <ul style="list-style-type: none"> <li>Landscaping around Kingscote skate park</li> </ul>	A built environment that delivers on community needs	23.1 Enhance the character, amenity, safety and accessibility of the built environment through the provision and maintenance of sporting facilities, parks, gardens, playgrounds, pools etc	Q1-Q4
Prospect Hill Stairs to be replaced and reopened (noting significant external funding support will be required for this to happen)	A built environment that delivers on community needs	23.1 Enhance the character, amenity, safety and accessibility of the built environment through the provision and maintenance of sporting facilities, parks, gardens, playgrounds, pools etc	Q1 – Q4

Planned maintenance programs for Community parks, gardens, lookouts, playgrounds, ovals and pool in accordance with adopted Levels of Service.	Optimise Costs to Council in partnership with Community	9.1 - Work with Community to identify areas of cost / service that may be "localised" and run at greater efficiency and lower cost (e.g. tidal pool, campgrounds, playgrounds, parks and gardens, sporting facilities and ovals).  23.1 - Enhance the character, amenity, safety and accessibility of the built environment through the provision and maintenance of sporting facilities, parks, gardens, playgrounds, pools etc	Q1 - Q4
Ongoing playground audits, maintenance and risk assessments	A built environment that delivers on Community needs	23.1 - Enhance the character, amenity, safety and accessibility of the built environment through the provision and maintenance of sporting facilities, parks, gardens, playgrounds, pools etc	Q1- Q4

Development & Environmental Services – Regulatory Services						
Function		Operating Expenses	Operating Income	Capital Expenses	Capital Income	Net Total
017	Health Services	100,822	-18,285	-	-	82,537
065	Town Centres	5,816	-	-	-	5,816
071	Dog & Cat Management	37,095	-54,360	-	-	-17,265
072	Environment Services	104,735	-	-	-	104,735
073	General Inspector	168,011	-3,179	-	-	164,832
<b>Total</b>		<b>416,479</b>	<b>-75,824</b>	<b>-</b>	<b>-</b>	<b>340,655</b>

Projects and Activities for 2018-19 Include	Strategic Outcomes	Strategic Actions	Timeframe
Continued dog and cat management programs including Community education	Environmentally sustainable best practice in Council decision making	36.4 - Encourage Community to adopt better cat and dog management	Q1 - Q4

Continued environmental health activities including relevant inspections and Community engagement and education	Integrated & improved delivery of Government Services. A supportive environment exists for business and economic development	8.4 - Island-wide approach to Community Program delivery - Re-direct current Council participation in health and education to appropriate entities e.g. Library  28.1 - Provide effective, efficient development, building and environmental services solutions for the Community	Q1 - Q4
General inspectors to undertake activities including management of Council by-laws, parking, and signage	Positive Internal Culture	27.1 - Ensure that our people, culture, strategies, plans and policies support the organisation and delivery of Council and Community outcomes	Q1 - Q4
Work with other agencies regarding feral cat management and possible eradication	Reduce Costs to Community / Council  Integrated & improved delivery of Government Services  Grant Optimisation Opportunities for Council / Community  Environmentally sustainable best practice in Council decision making	7.2 - Work collectively with State / Federal Governments to leverage funds  8.6 - Active collaboration / discussions with other Islands, partner councils (regional collaborations), reference groups and networks  19.1 - Collaborate to support external grant funding application opportunities between Council and Community Groups for key services and infrastructure  36.4 - Encourage Community to adopt better cat and dog management	Q1 - Q4
Business wide definition and review of service levels	Appropriate business planning & financial management       Adopt and resource best practice strategic and financial planning processes	1.1 - Establish long-term sustainable service levels appropriate for the service provided and the funding available  1.2 - Conduct a corporate systems review to identify improved efficiencies inclusive of service levels and consumables  5.1 - Remove inefficiencies in core business processes to mitigate business risk	Q1 - Q4

Develop and enhance healthy environments, recreation spaces and opportunities	High level of commitment for a Healthy Environment	38.5 - Adoption of the Kangaroo Island Regional Health Plan	Q1 - Q4
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Asset Services – Transport						
Function		Operating Expenses	Operating Income	Capital Expenses	Capital Income	Net Total
002	Bridges	223,304	-	-	-	223,304
004	Car Parks	68,401	-360	-	-	68,041
020	Jetty / Boat Ramps / Wharfs	117,114	-75,581	-	-	41,533
021	Kerbs & Paths	189,313	-	320,000	-110,000	399,313
041	Roads - sealed	1,534,645	-	827,400	-345,000	2,017,045
042	Roads - unsealed	1,620,270	-	545,000	-200,000	1,965,270
043	Roads - vegetation	271,031	-	-	-	271,031
045	Roads - patrol grading	582,641	-	-	-	582,641
052	Traffic Control - line marking	-	-	-	-	-
053	Traffic Control - signage	103,969	-	-	-	103,969
055	Verges	67,712	-	-	-	67,712
<b>Total</b>		<b>4,778,400</b>	<b>-75,941</b>	<b>1,692,400</b>	<b>-655,000</b>	<b>5,739,859</b>

Projects and Activities for 2018-19 Include	Strategic Outcomes	Strategic Actions	Timeframe
<p>Sealed Roads - Upgrade Program:</p> <ul style="list-style-type: none"> <li>Christmas &amp; Clark Streets upgrade to seal</li> <li>Upgrade to seal Trethewey Tce</li> <li>Begin upgrade to seal of The Lane - Penneshaw</li> <li>Intersection upgrades- Lovers Lane, Hillview Road with Playford Highway</li> </ul>	A long term infrastructure Asset Management Plan (IAMP's) and a process of continuous improvement	<p>2.1 Develop and implement Infrastructure Asset Management Plans</p> <p>2.2 Prioritise infrastructure based on residential and business needs - link infrastructure needs with town plans</p>	Q1 - Q4

<ul style="list-style-type: none"> <li>Intersection upgrades- Angle Pole Rd, Pennington Bay Rd with Hog Bay Rd</li> <li>Intersection upgrades – Mchughes rd, Harriet Rd, turkey Lane Rd with Playford Highway.</li> <li>Knofel Drive upgrade to seal</li> <li>Bitumen reseals on Ayliffe St, Emu Bay Rd, Redbanks Rd, Giles St, South Coast Rd</li> <li>Reseal South Coast Rd and Elsegood Rd intersection</li> </ul>		2.3 Maintain and improve core infrastructure sustainably	
<p>Unsealed Roads – Upgrade Program:</p> <ul style="list-style-type: none"> <li>Dover Farm Rd</li> <li>Island Beach Roads</li> <li>Pratts Road</li> <li>Patch repairs on Jews, Blue Gum, Hungerford, Dougs, Franks, Old Salt Lake, Moffotts</li> </ul>	<p>A long term infrastructure Asset Management Plan and a process of continuous improvement</p>	<p>2.1 Develop and implement Infrastructure Asset Management Plans</p> <p>2.2 Prioritise infrastructure based on residential and business needs. - link infrastructure needs with town plans</p> <p>2.3 Maintain and improve core infrastructure sustainably</p>	Q1 – Q4
<p>Continue Implementation of DPTI Unsealed Roads Upgrade Program</p> <p>Project Management of Stage 8 (Three Chain Road)</p>	<p>A Long Term Infrastructure Asset Management Plan (IAMP's) and a process of continuous improvement</p> <p>Reduce Costs to Community / Council</p>	<p>2.1 Develop and implement Infrastructure Asset Management Plans</p> <p>2.3 Maintain and improve core infrastructure sustainably</p> <p>7.2 Work collectively with State / Federal Governments to leverage funds</p>	Q1 – Q4
<p>Kerbs &amp; Paths – New and Kerb Replacement - Kingscote</p> <ul style="list-style-type: none"> <li>Investigator Avenue</li> </ul> <p>Stage 5 Brownlow to Kingscote Shared Use Path</p>	<p>A Long Term Infrastructure Asset Management Plan (IAMP's) and a process of continuous improvement</p>	<p>2.2 Prioritise infrastructure based on residential and business needs – link infrastructure needs with town plans</p>	Q2 – Q4
KI Road signage audit	A long term infrastructure Asset Management Plan	2.1 Develop and implement Infrastructure Asset	Q2



Review Traffic Management Plan	(IAMP's) and a process of continuous improvement  Optimise KI Land use to grow the Island economy	Management Plans  30.2 Continue to develop more structural plans for the four major towns and coastal settlements	
Continuation of Roadside Vegetation Control program	Environmentally sustainable best practice in Council decision making	36.5 - Roadside Vegetation Management Plan developed, agreed and implemented  36.1 - Incorporate environmentally sustainable practices in Council decision making.	Q1 - Q3
Management of Council Boating Facilities	A built environment that delivers on Community needs	23.1 - Enhance the character, amenity, safety and accessibility of the built environment through the provision and maintenance of sporting facilities, parks, gardens, playgrounds, pools etc.	Q1 - Q4

Asset Services – Plant and Depots						
Function		Operating Expenses	Operating Income	Capital Expenses	Capital Income	Net Total
010	Depot Operations	704,768	-	-	-	704,768
057	Workshop Operations	-	-	460,000	-	460,000
<b>Total</b>		<b>704,768</b>	<b>-</b>	<b>460,000</b>	<b>-</b>	<b>1,164,768</b>

Projects and Activities for 2018-19 Include	Strategic Outcomes	Strategic Actions	Timeframe
Maintenance of existing plant and equipment and allocation to appropriate works	Use Asset to best advantage	12.1 Review underutilised reserves / non usable assets and explore potential to lease, sell, co-develop for commercial or Community return	Q1 – Q4
Proposed purchase of Depot equipment <ul style="list-style-type: none"> <li>Vegetation groomer and excavator</li> </ul>	A Long Term Infrastructure Asset Management Plan and a process of	2.2 Prioritise infrastructure based on residential and business needs - link infrastructure needs with town plans.  27.1 Ensure that our people, culture, strategies, plans and policies	Q1 – Q4

<ul style="list-style-type: none"> <li>Grader replacement</li> <li>Multi-tyre roller</li> <li>Replacement of Parks and Gardens truck</li> <li>Sale of excess plant and equipment to offset purchase costs</li> </ul>	continuous improvement	support the organisation and delivery of Council and Community outcomes	
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Asset Services – Support Services						
Function		Operating Expenses	Operating Income	Capital Expenses	Capital Income	Net Total
	Asset Management	256,562	-180,000	-	-	76,562
Total		256,562	-180,000	-	-	76,562

Projects and Activities for 2018-19 Include	Strategic Outcomes	Strategic Actions	Timeframe
Implement long term Infrastructure Asset Management Plans and a process of continual improvement	<p>A long term infrastructure Asset Management Plan (IAMP's) and a process of continuous improvement</p> <p>Positive Internal Culture</p> <p>Optimise KI Land use to grow the Island economy</p> <p>Well managed, tangible and intangible heritage and culture</p>	<p>2.1 Develop and implement Infrastructure Asset Management Plans</p> <p>2.2 Prioritise infrastructure based on residential and business needs. - link infrastructure needs with town plans</p> <p>2.3 Maintain and improve core infrastructure sustainably</p> <p>27.1 Ensure that our people, culture, strategies, plans and policies support the organisation and delivery of Council and Community outcomes</p> <p>30.2 Continue to develop more structural plans for the four major towns and coastal settlements</p> <p>37.2 With Council assets, ensure heritage component is properly considered in asset management</p>	Q1 – Q4
Further enhancement of Council's Project Management Functions	Council recognised for its exceptional customer	29.1 Continue staff and contractor professional development geared towards a	Q1 – Q4

	service, focused on delivery for the Community	culture of excellent customer service	
Continued improvement of Contract and Procurement Functions	Council recognised for its exceptional customer service, focused on delivery for the Community	29.1 Continue staff and contractor professional development geared towards a culture of excellent customer service	Q1 – Q4

# Measuring Our Performance

To enable Council and the Community to assess Council's performance over the 2018-19 year, performance reporting tools have been established for a number of activities including:

## Audit committee

- Action plan
- Internal Control Self-Assessment Tool - finance and IT controls, Airport compliance and governance self-assessments
- External and internal audits of financial performance

## Finance committee

- Quarterly budget reviews measuring actual performance against budget
- Major project reports outlining status of capital projects undertaken during FY
- Cash flow and debt management reports

## Council

- Departmental status reports,
- Customer service notifications,
- FOI requests

## Leadership team

- Internal management reports, with traffic lights to show health of individual departmental budgets

## Human Resources

- Staff Satisfaction Survey
- WHS reporting

## Development Services

- ABS reporting/system indicators in Development Services
- Development Services Self-assessment Compliance Audit

## Other

- ESCOSA reporting to measure compliance with the Water Industries Act
- Grants Commission returns

## TOMM

Council is a key stakeholder in the Tourism Optimisation Management Model Resident and Visitor surveys. The project surveys residents and visitors on an annual basis. As a funding partner, Council can ask a few questions of each of the target groups. The results are used to measure and improve Council's performance and services.

## Target Financial Indicators

While indicators provide a ready assessment of financial performance and sustainability, they need to be interpreted in the context of Council's operating environment. They do not replace the need for sound judgement. (Refer Appendix B for a detailed listing of financial targets).

These performance tools are reviewed throughout the year. A report on the performance outcomes will be included in the 2017-18 Annual Report.

Summary of Financial Indicators

	809	910	1011	1112	1213	1314 (restated)	1415	1516	1617	17/18 Budget	18/19 YTD	1920	2021	2122	2223	2324	2425	2526	2627
Operating Surplus Target 1																			
Operating Surplus Target 2																			
Operating Surplus Ratio																			
Net Financial Liabilities																			
Net Financial Liabilities Ratio																			
Interest Cover Ratio																			
Asset Sustainability Ratio																			
Asset Consumption Ratio																			

# APPENDIX A

## FINANCIAL STATEMENTS

## Kangaroo Island Council

### (Budgeted) Statement of Comprehensive Income (for the 2018-19 Financial Year) Proposed Budget 2018/19

Note		2015/16 Audited AFS	2016/17 Audited AFS	2017/18 Original Budget	2018/19 Proposed Budget	Variance between 2017/18 and 2018/19	Variance between 2017/18 and 2018/19
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	%
<b>1</b>	<b>Income</b>						
1.1	Rates Revenues	9,055	9,300	9,615	10,272	657	6.8%
1.2	Less Rates Rebate	(88)	(94)	(95)	(95)	0	0.0%
1.3	Statutory Charges	188	234	221	225	4	1.8%
1.4	User Charges	1,072	1,041	1,130	1,191	61	5.4%
1.5	Grants, Subsidies and Contributions	1,997	3,447	1,930	4,632	2,702	140.0%
1.6	Investment Income	31	12	7	6	(1)	-14.3%
1.7	Reimbursements	551	1,751	584	411	(173)	-29.6%
1.8	Other Income	96	148	95	72	(23)	-24.2%
1.9	Net Gain - Equity Accounted Council Businesses	4	7	-	-	0	
	<b>Total Income</b>	<b>12,905</b>	<b>15,845</b>	<b>13,487</b>	<b>16,714</b>	<b>3,227</b>	<b>23.9%</b>
<b>2</b>	<b>Expenses</b>						
2.1	Employee Costs	5,189	4,999	5,373	5,557	184	3.4%
	Less: Capitalized and distributed costs	(661)	(342)	(403)	(542)	(139)	-34.4%
	<b>Net Employee Costs</b>	<b>4,528</b>	<b>4,657</b>	<b>4,970</b>	<b>5,015</b>	<b>45</b>	<b>0.9%</b>
2.2	Materials, Contracts & Other Expenses	7,042	7,234	6,828	7,239	411	6.0%
	Less: Capitalized and distributed costs	(734)	(35)	(382)	(147)	235	-61.5%
	<b>Net Material Costs</b>	<b>6,308</b>	<b>7,199</b>	<b>6,446</b>	<b>7,092</b>	<b>646</b>	<b>10.0%</b>
2.3	Depreciation, Amortisation & Impairment	4,438	4,576	4,474	5,454	980	21.9%
2.4	Finance Costs	582	557	576	628	52	9.0%
	Net loss - Equity Accounted Council Businesses	-	-	-	-	0	
	<b>Total Expenses</b>	<b>15,856</b>	<b>16,989</b>	<b>16,466</b>	<b>18,189</b>	<b>1,723</b>	<b>10.4%</b>
	<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(2,951)</b>	<b>(1,144)</b>	<b>(2,979)</b>	<b>(1,475)</b>	<b>1,504</b>	<b>50.5%</b>
<b>3</b>	Asset Disposal & Fair Value Adjustments	(22)	(111)	-	-	0	
	Amounts Received Specifically for New or Upgraded Assets	3,777	258	963	655	(308)	-32.0%
	Physical Resources Received Free of Charge	2,021	2,024	2,000	2,000	0	0.0%
	Operating Result from Discontinued Operations	-	-	-	-	0	
	<b>NET SURPLUS/(DEFICIT)</b>	<b>2,825</b>	<b>1,027</b>	<b>(16)</b>	<b>1,180</b>	<b>1,196</b>	<b>7475.0%</b>
	<b>Other Comprehensive Income</b>						
	<b>Asset Revaluation Reserve</b>						
	Changes in Revaluation Surplus - I,PP&E	(5,611)	723	-	-	0	
	<b>Total Other Comprehensive Income</b>	<b>(5,611)</b>	<b>723</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0.0%</b>
	<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(2,786)</b>	<b>1,750</b>	<b>(16)</b>	<b>1,180</b>	<b>1,196</b>	<b>7475.0%</b>
	<b>Operating Surplus Ratio</b>	<b>-33%</b>	<b>-12%</b>	<b>-31%</b>	<b>-14%</b>		



# Notes on Budget Movements 2018-19

## 1. Income

### 1.1 Rates

2017/18 Budget	\$ 9.615m
2018/19 Budget	\$ 0.272m
Increase 6.8%	\$ 657,000

Uplift in rates revenue due to:

1	Increase in NRM Levy	\$ 206,000	Last year's budget \$179k now \$285k
2	Increase in PP Differential	\$ 50,000	As per Council instructions
3	Uplift 2.3%	\$ 150,000	
4	Growth	\$ 136,000	Identified properties with incorrect capping rebates to be removed, extra residential properties on bin rollout.
5	CWMS	\$ 62,000	Extra 46 properties budgeted
6	Waste	\$ 45,000	Extra properties budgeted.
7	Search fees	\$ 8,000	Increased activity

### 1.2 Rates Rebates – No change budgeted.

### 1.3 Statutory Charges – Expect slightly increased activity.

### 1.4 User Charges

2017/18 Budget	\$1.13m
2018/19 Budget	\$1.19m
Increase 5.4%	\$61,000

Uplift in:

1	Increase in Bio Solids	\$ 3,240	
2	Camping Fees	\$ 15,000	Based on YTD 17/18 actual receipts
3	Boat launching fees	\$ 0	No change – YTD 17/18 below expectations
4	Cemetery Fees	\$ 2,250	Based on YTD 17/18 actual receipts
5	Airport landing Fees	-\$ 6,000	Decreased – based on YTD 17/18
6	Airport Passenger Fees	\$ 9,000	CPI Increase
7	Other user charges	\$ 18,000	Based on YTD 17/18 actual receipts
8	Rent Received	\$ 1,500	CPI Increase
9	Sealink Income	\$ 18,000	Includes estimated income above CPI
10	Sundry income	\$ 0	No change

### 1.5 Grants, Subsidies & Contributions

2017/18 Budget	\$1.930m
2018/19 Budget	\$4.632m
Increase 140%	\$2.702m

Uplift in Grants, Subsidies and contributions due to:

1	FAGS Grant	\$ 324,000	CPI Increase on 17/18 grant
2	Community engagement	\$ 154,000	Known amounts
3	Regulatory Services	\$ 38,000	Based on YTD 17/18 actual receipts
4	Airport Grant	\$2,250,000	Income to be amortised

### 1.6 Investment income – down \$1,000 Based on YTD 17/18 actual receipts

### 1.7 Reimbursements – down \$173,000 Conservative estimate

### 1.8 Other Income – down \$23,000 Conservative estimate.

## 2. Expenses

### 2.1 Employee Costs

2017/18 Budget	\$5.373m	
2018/19 Budget	\$5.557m	
Increase 3.42%	\$184,000	Based on EBA, Incremental increases and staff numbers

### 2.2 Materials, Contracts & Other Expenses

2017/18 Budget	\$6.828m
2018/19 Budget	\$7.239m
Increase 6.02%	\$411,000

#### Increase in Materials, Contracts & Other Expenses

1	NRM Levy	\$206,000	NRM Levy increase not in LY Budget
2	KI Hazard Mapping grant	\$70,000	Grant money to be fully expended
3	Quarry Material	\$48,000	Using more higher quality crushed material
4	Construction materials	\$40,000	50% increase in materials budgeted
5	Cleaning Contracts & Materials	\$40,000	Variations to contacts
6	Plant Opex	\$25,000	Fuel costs increase
7	Training Elected Members	\$20,000	Training new Council Members
8	Water	\$18,000	Based on YTD 17/18
9	Minor Tools & Equipment	\$17,000	Non-costed plant costs to increase
10	Legal Fees	\$15,000	Based on YTD 17/18
11	Travel & Accommodation	\$10,000	Elected members residential Seminar Extra business & training travel

#### Decreases in Materials, Contracts & Other Expenses

1	Consultants	\$ 142,000	Reduction in consultants use
2	Misc Works Contracts	\$ 42,000	Offset by reduction in Reimbursement income

### 2.3 Depreciation

2017/18 Budget	\$4.474m	
2018/19 Budget	\$5.454m	
Increase 21.9%	\$980,000	Increase depreciation airport.

### 2.4 Finance Costs

Increased borrowings

## 3. Amounts Received Specifically for New or Upgraded Assets

2017/18 Budget	\$963,000	
2018/19 Budget	\$655,000	
Decrease 31.98%	\$308,000	Last year received one-off grant for Rising Main C in Kingscote of \$320,000

<b>Kangaroo Island Council</b> <b>(Budgeted) Statement of Financial Position (for the 2018-19 Financial Year)</b> <b>Proposed Budget 2018/19</b>				
	2015/16 Audited AFS	2016/17 Audited AFS	2017/18 Original Budget	2018/19 Proposed Budget
	\$ '000	\$ '000	\$ '000	\$ '000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	2,647	2,917	853	886
Trade & Other Receivables	1,658	2,566	1,221	2,182
Inventories	221	216	260	216
<b>Total Current Assets</b>	<b>4,526</b>	<b>5,699</b>	<b>2,334</b>	<b>3,284</b>
<b>Non-Current Assets</b>				
Equity Accounted Investments in Council Businesses	101	108	101	108
Infrastructure, Property, Plant & Equipment	191,881	197,346	198,751	214,866
Other Non-Current Assets	3,474	6,132	800	5,000
<b>Total Non-Current Assets</b>	<b>195,456</b>	<b>203,586</b>	<b>199,652</b>	<b>219,974</b>
<b>TOTAL ASSETS</b>	<b>199,982</b>	<b>209,285</b>	<b>201,986</b>	<b>223,258</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade & Other Payables	1,827	2,191	1,497	2,191
Borrowings	1,036	1,166	1,082	1,296
Provisions	800	880	777	880
<b>Total Current Liabilities</b>	<b>3,663</b>	<b>4,237</b>	<b>3,356</b>	<b>4,367</b>
<b>Non-Current Liabilities</b>				
Trade & Other Payables	39	4,324	-	15,375
Borrowings	11,157	13,866	13,719	15,544
Provisions	303	287	258	287
<b>Total Non-Current Liabilities</b>	<b>11,499</b>	<b>18,477</b>	<b>13,977</b>	<b>31,206</b>
<b>TOTAL LIABILITIES</b>	<b>15,162</b>	<b>22,714</b>	<b>17,333</b>	<b>35,573</b>
<b>NET ASSETS</b>	<b>184,820</b>	<b>186,571</b>	<b>184,653</b>	<b>187,685</b>
<b>EQUITY</b>				
Accumulated Surplus	11,817	13,093	11,650	14,257
Asset Revaluation Reserves	170,990	171,713	170,990	171,713
Other Reserves	2,013	1,765	2,013	1,715
<b>TOTAL EQUITY</b>	<b>184,820</b>	<b>186,571</b>	<b>184,653</b>	<b>187,685</b>

<b>Kangaroo Island Council</b> <b>(Budgeted) Statement of Changes in Equity (for the 2018-19 Financial Year)</b> <b>Proposed Budget 2018/19</b>				
	<b>Accumulated Surplus</b>	<b>Asset Revaluation Reserve</b>	<b>Other Reserves</b>	<b>TOTAL EQUITY</b>
	\$ '000	\$ '000	\$ '000	\$ '000
<b>2018/19 Proposed Budget</b>				
<b>Balance at the end of previous reporting period</b>	<b>13,077</b>	<b>171,713</b>	<b>1,765</b>	<b>186,555</b>
a. Net Surplus / (Deficit) for Period	1,180	-	(50)	1,130
b. Other Comprehensive Income	-	-	-	-
- Gain (Loss) on Revaluation of I,PP&E	-	-	-	-
Total Comprehensive Income	1,180	-	(50)	1,130
c. Transfers between Reserves	-	-	-	-
<b>Balance at the end of period</b>	<b>14,257</b>	<b>171,713</b>	<b>1,715</b>	<b>187,685</b>
<b>2017/18 Original Budget</b>				
<b>Balance at the end of previous reporting period</b>	<b>11,666</b>	<b>170,990</b>	<b>2,013</b>	<b>184,669</b>
a. Net Surplus / (Deficit) for Period	(16)	-	-	(16)
b. Other Comprehensive Income	-	-	-	-
- Gain (Loss) on Revaluation of I,PP&E	-	-	-	-
Total Comprehensive Income	(16)	-	-	(16)
c. Transfers between Reserves	-	-	-	-
<b>Balance at the end of period</b>	<b>11,650</b>	<b>170,990</b>	<b>2,013</b>	<b>184,653</b>
<b>2016/17 Audited AFS</b>				
<b>Balance at the end of previous reporting period</b>	<b>11,817</b>	<b>170,990</b>	<b>2,013</b>	<b>184,820</b>
a. Net Surplus / (Deficit) for Year	1,028	-	-	1,028
b. Other Comprehensive Income	-	-	-	-
- Gain (Loss) on Revaluation of I,PP&E	-	723	-	723
<b>Total Comprehensive Income</b>	<b>1,028</b>	<b>723</b>	<b>-</b>	<b>1,751</b>
c. Transfers between Reserves	248	-	(248)	-
<b>Balance at the end of period</b>	<b>13,093</b>	<b>171,713</b>	<b>1,765</b>	<b>186,571</b>
<b>2015/16 Audited AFS</b>				
<b>Balance at the end of previous reporting period</b>	<b>8,713</b>	<b>176,601</b>	<b>2,292</b>	<b>187,606</b>
a. Net Surplus / (Deficit) for Year	2,825	-	-	2,825
b. Other Comprehensive Income	-	-	-	-
- Gain (Loss) on Revaluation of I,PP&E	-	(5,611)	-	(5,611)
<b>Total Comprehensive Income</b>	<b>2,825</b>	<b>(5,611)</b>	<b>-</b>	<b>(2,786)</b>
c. Transfers between Reserves	279	-	(279)	-
<b>Balance at the end of period</b>	<b>11,817</b>	<b>170,990</b>	<b>2,013</b>	<b>184,820</b>

<b>KANGAROO ISLAND COUNCIL</b> <b>(Budgeted) Statement of Cash Flows (for the 2018-19 Financial Year)</b> <b>Proposed Budget 2018/19</b>				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2015/16 Audited AFS</b>	<b>2016/17 Audited AFS</b>	<b>2017/18 Original Budget</b>	<b>2018/19 Proposed Budget</b>
<u>Receipts</u>	\$ '000	\$ '000	\$ '000	\$ '000
Operating Receipts	14,012	20,598	13,717	14,458
Investment Receipts	28	12	7	6
<u>Payments</u>				
Operating Payments to suppliers & employees	(11,430)	(12,800)	(12,611)	(12,851)
Finance Payments	(645)	(529)	(576)	(628)
<b>Net cash provided by (or used in) Operating Activities</b>	<b>1,965</b>	<b>7,281</b>	<b>537</b>	<b>985</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<u>Receipts</u>				
Amounts specifically for new or upgraded assets	3,777	258	963	655
Sale of replaced assets	100	23	0	0
Sale of surplus assets	88	39	0	0
<u>Payments</u>				
Expenditure on renewal/replacement of assets	(1,565)	(2,162)	(1,224)	(1,232)
Expenditure on new/upgraded assets	(3,426)	(7,958)	(2,690)	(1,232)
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(1,026)</b>	<b>(9,805)</b>	<b>(2,951)</b>	<b>(1,809)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<u>Receipts</u>				
Proceeds from borrowings and Bonds received	1,610	4,115	2,780	1,500
<u>Payments</u>				
Repayment of borrowings	(1,662)	(1,321)	(1,520)	(1,553)
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>(52)</b>	<b>2,794</b>	<b>1,260</b>	<b>(53)</b>
<b>Net Increase (Decrease) in cash held</b>	<b>887</b>	<b>270</b>	<b>(1,154)</b>	<b>(877)</b>
Cash & cash equivalents at beginning of period	1,760	2,647	2,007	1,763
Cash & cash equivalents at end of period	2,647	2,917	853	886

<b>KANGAROO ISLAND COUNCIL</b> <b>(Budgeted) Uniform Presentation of Finances (for the 2018-2019 Financial Year)</b> <b>Proposed Budget 2018/19</b>				
	2015/16 Audited AFS	2016/17 Audited AFS	2017/18 Original Budget	2018/19 Proposed Budget
	\$ '000	\$ '000	\$ '000	\$ '000
<b>Income</b>	12,905	15,845	13,487	16,714
less Expenses	(15,856)	(16,988)	(16,466)	(18,189)
<b>Operating Surplus / (Deficit)</b>	(2,951)	(1,143)	(2,979)	(1,475)
<b>less Net Outlays on Existing Assets</b>				
Capital Expenditure on renewal and replacement of Existing Assets	1,565	2,162	1,224	1,232
less Depreciation, Amortisation and Impairment	(4,438)	(4,576)	(4,474)	(5,454)
less Proceeds from Sale of Replaced Assets	(100)	(18)	0	0
	(2,973)	(2,432)	(3,250)	(4,222)
<b>less Net Outlays on New and Upgraded Assets</b>				
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	3,426	7,958	2,690	1,232
less Amounts received specifically for new and Upgraded Assets	(3,777)	(258)	(963)	(655)
less Proceeds from sale of Surplus Assets (including investment property & real estate developments)	(88)	(39)	0	0
	(439)	7,661	1,727	577
<b>Net Lending / (Borrowing for Financial Year)</b>	461	(6,372)	(1,456)	2,170

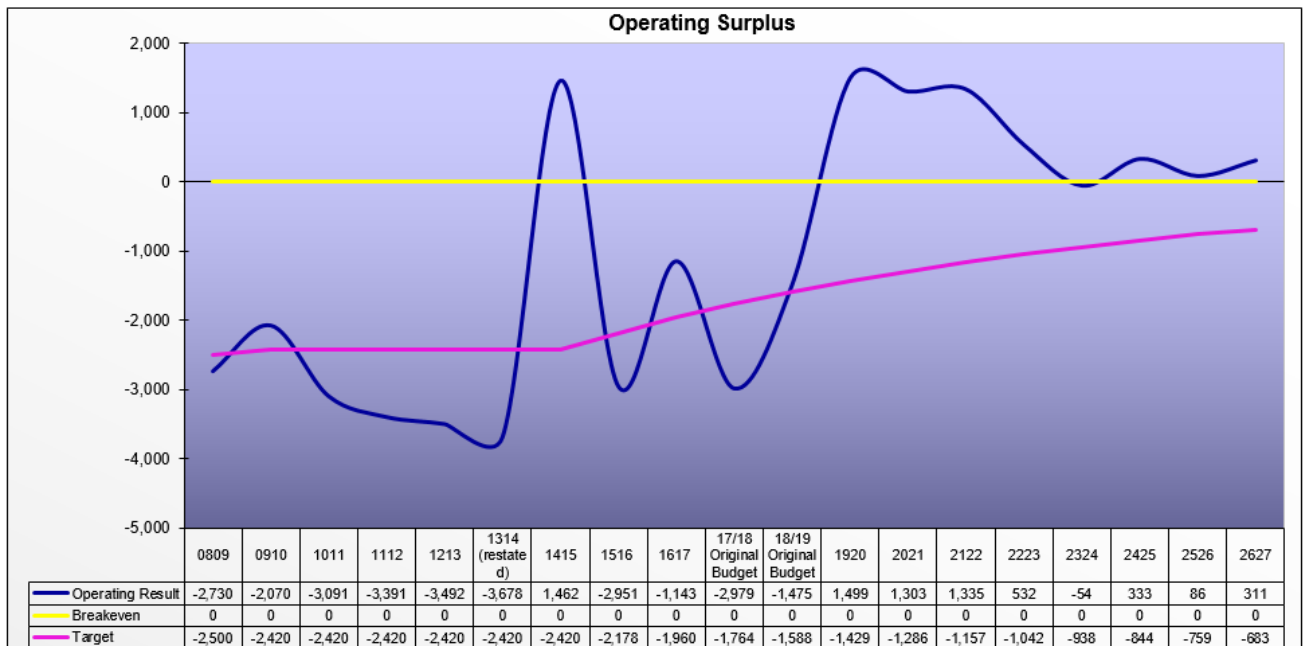


# APPENDIX B

## FINANCIAL INDICATORS

## Operating Surplus/(Deficit)

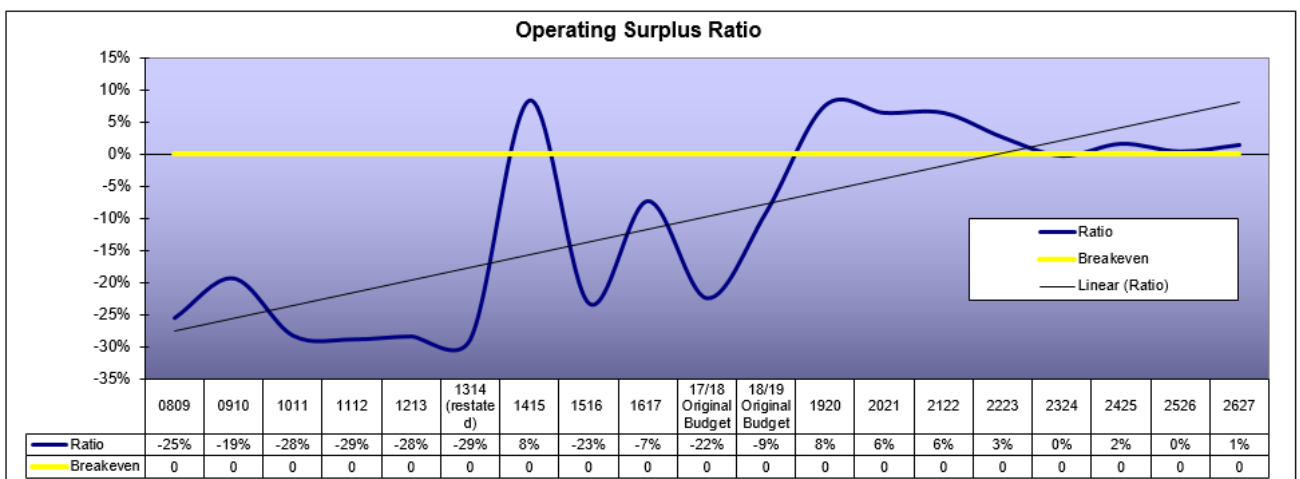
This ratio indicates the difference between day-to-day income and expenses for the particular financial year.



**TARGET:** To achieve a decreasing budget operating deficit and the achievement of an Operating Breakeven Position, or better, over a ten year period.

## Operating Surplus Ratio

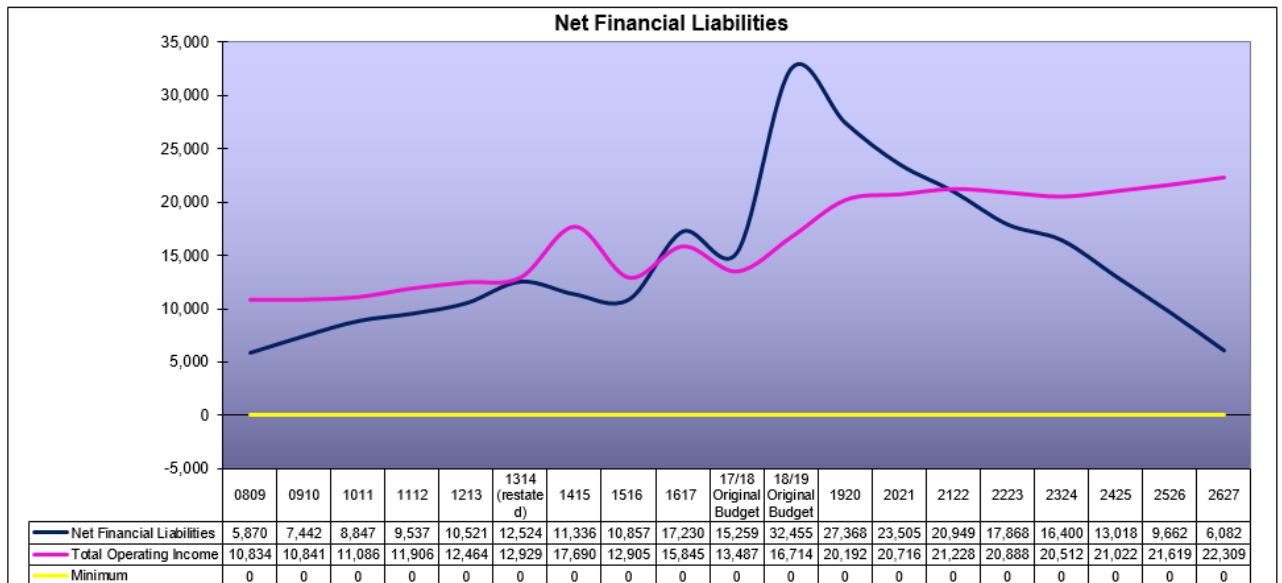
This ratio indicates by what percentage does the major controllable income source vary from day to day expenses.



**TARGET:** To achieve an Operating Surplus Ratio of 0% within 10 years

## Net Financial Liabilities

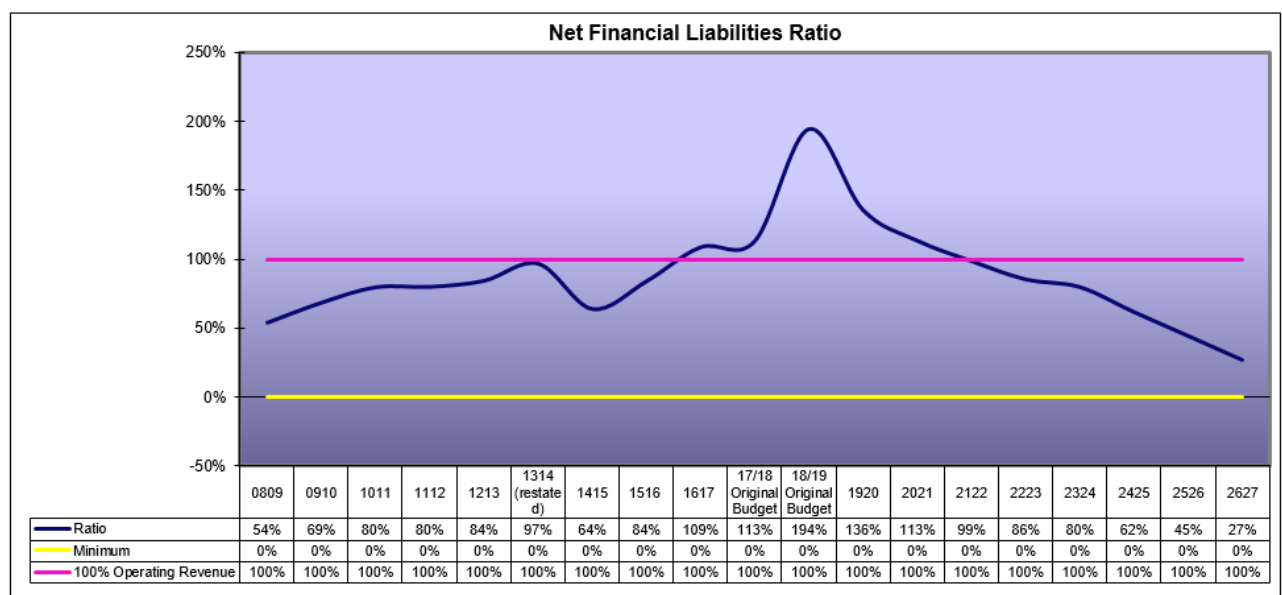
This ratio indicates what is owed to others less money held, invested or owed to the Authority.



**TARGET:** Council's level of Net Financial Liabilities is no greater than its Annual Operating Revenue and not less than zero.

## Net Financial Liabilities Ratio

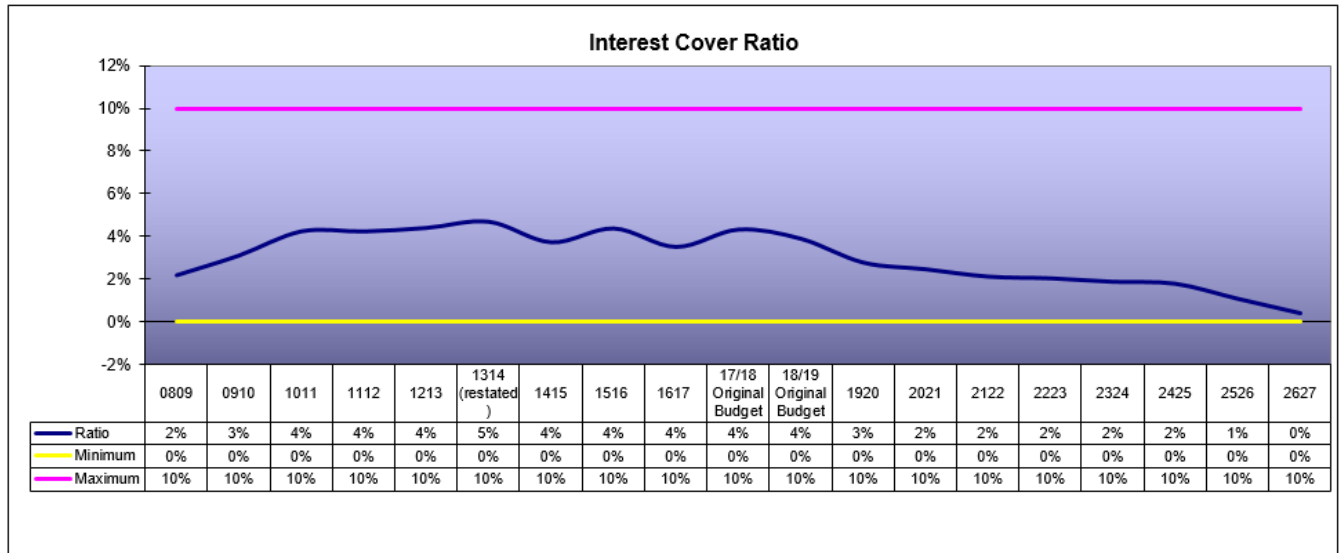
This ratio indicates how significant the net amount owed is compared with income.



**TARGET:** Net Financial Liabilities Ratio is greater than zero but less than 100% of total Operating Revenue.

## Interest Cover Ratio

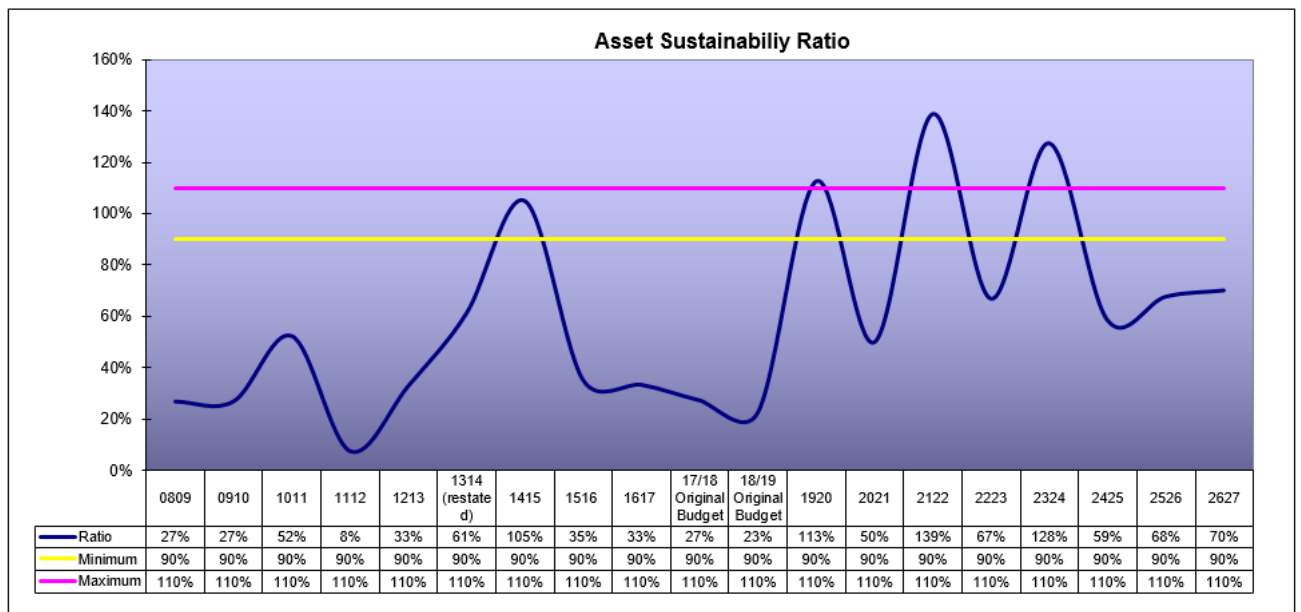
This ratio indicates how much income is used in paying interest on borrowings.



**TARGET:** Net Interest is greater than 0% and less than 10% of Operating Revenue

## Asset Sustainability Ratio

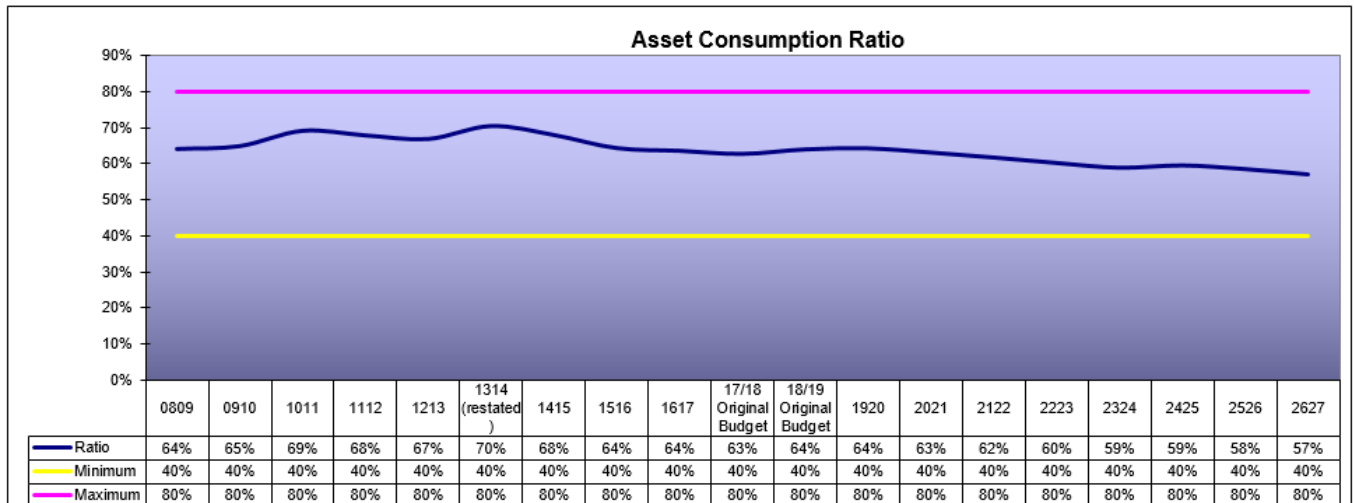
This ratio indicates whether assets are being replaced at the rate they are wearing out.



**TARGET:** Capital outlays on renewing/replacing assets net of proceeds from sale of replaced assets is greater than 90% but less than 110% of depreciation over a rolling 3 year period.

## Asset Consumption Ratio

This ratio indicates the average proportion of 'as new condition' left in assets.



**TARGET:** The average proportion of 'as new condition' left in assets is greater than 40% and less than 80%.

Estimates for Council's Operating Surplus Ratio, Net Financial Liabilities Ratio and Asset Sustainability Ratio for 2018-19 budget are set out below in a manner consistent with the note in the Model Financial Statements entitled "*Financial Indicators*".

	Budget 18/19	Budget 17/18	Actual 16/17
Operating Surplus Ratio	-9%	-22%	-7%
Net Financial Liabilities Ratio	194%	113%	109%
Asset Sustainability Ratio	23%	27%	33%

## APPENDIX C

### 2018-19 PROJECTS - CAPITAL, NEW & RENEWAL, DEFERRED, DISCRETIONARY

## 2018-2019 Capital Projects List

		CAPEX	CAPIN
<b>Ablution Facilities</b>	Penneshaw Toilet Upgrade	\$ 60,000	
<b>Buildings</b>	Gallery Painting (external) and rewiring/electrical upgrade Reclad Pavilion (oval side) Re-roof and enclose ceiling Toilet Block Kingscote Tidal Pool	\$ 82,000	
<b>Cemeteries</b>	Cemetery Plinths	\$ 10,000	
<b>Footpaths and Kerbs</b>	Stage 5 Kingscote to Brownlow walking trail Investigator Avenue	\$ 320,000	\$ 110,000
<b>Plant and Equipment</b>	Roadside vegetation equipment Replace Mitsubishi Canter - Parks & Garden truck	\$ 460,000	
<b>Sealed Roads</b>	The Lane, Penneshaw reconstruction Christmas and Clark Streets South Coast Road Trethewey Terrace (Mansell - South Terrace) Knofel Drive, Vivonne Bay Giles Street (Telegraph Road - Todd Street) Ayliffe Street Lovers Lane and Playford Highway Hillview Road and Playford Highway Redbanks Road to Buick Drive Emu Bay Road from Gap Road Intersections with DPTI Roads - Bullock Track, North Coast Road, Angle Pole Road, Pennington Bay Road Intersections with Playford Highway - McHughes Road, Harriet Road, Turkey Lane South Coast Road and Elsegood Road	\$ 827,400	\$ 345,000
<b>Stormwater</b>	Extend stormwater pipes on Millers Road American River streets engineering design and initial construction	\$ 160,000	
<b>Unsealed Roads</b>	Island Beach Roads Pratts Road Dover Farm (Bullock Track – Glen Barrett Drive) Jews Highway Blue Gums Road Hungerford Road Doug Road Frank Road Old Salt Lake Road Moffatt Road Wedgewood/Hickman Road	\$ 545,000	\$ 200,000
	<b>Total</b>	\$ 2,464,400	\$ 655,000
	<b>Net Capital Spend</b>	<b>\$1,809,400</b>	



2018-19 New and Renewal Projects		
<b>New</b>	67.76%	\$ 1,670,000
<b>Renew</b>	32.24%	\$ 794,400
<b>Total</b>	<b>100%</b>	<b>\$ 2,464,400</b>

2018-19 Deferred Projects			
		CAPEX	CAPIN
<b>Kerbs</b>	Investigator Avenue, Kingscote – <i>balance of project</i> Thisby Road, Kingscote	\$ 427,000	
	<i>Deferred</i>		
<b>Plant and Equipment</b>	Small Aggregate Spreader	\$ 10,000	
	<i>Deferred</i>		
<b>Cemeteries</b>	Cemetery Plinths – <i>balance of project</i>	\$ 10,000	
	<i>Deferred</i>		
<b>Sealed Roads</b>	The Lane reconstruction, Penneshaw – <i>balance of project</i>	\$ 333,400	
	South Coast Road		
	Todd Street (Giles – Esplanade), Kingscote		
	Burdon Drive, Kingscote		
	<i>Deferred</i>		
<b>Total</b>		<b>\$780,400</b>	

## 2018-19 Discretionary Projects

Council has noted a commitment to this project subject to successful grant applications. The leverage attained is significant and spending will only be undertaken if successful.

### Capital Projects

		CAPEX	CAPIN
<b>Parks &amp; Gardens</b>	Prospect Hill Stairs	\$ 1,000,000	\$ 750,000
	<i>Project only considered if grant funding obtained. Council will fund up to 25% of the cost</i>		
<b>Total</b>		<b>\$250,000</b>	

# APPENDIX D

## RATING AND REBATE POLICY

	<b>Rating and Rebate Policy</b>
<b>File Number</b>	18.8.11
<b>Date Adopted:</b>	08 August 2008
<b>Minute Reference:</b>	11.3
<b>Next Review date:</b>	June 2019
<b>Responsible Manager/s or Department:</b>	Business Support Department
<b>Related Policies / Codes:</b>	<ul style="list-style-type: none"> <li>➤ Code for Establishing and Applying Property Units as a Factor of the Imposition of Annual Service Charges for Community Wastewater Management Systems - published by the Local Government Association of South Australia, April 2006</li> <li>➤ Fees &amp; Charges Policy</li> <li>➤ Funding Policy</li> <li>➤ Kerbside Waste Collection Policy V7.1 (FRWA)</li> </ul>
<b>Related Procedure(s):</b>	<ul style="list-style-type: none"> <li>➤ Rates Management Procedure Manual</li> </ul>
<b>Related Document(s):</b>	<ul style="list-style-type: none"> <li>➤ <i>Aged Care Act, 1997 (Commonwealth)</i></li> <li>➤ <i>Community Titles Act, 1996</i></li> <li>➤ <i>Education and Early Childhood Services (Registration &amp; Standards) Act, 2001</i></li> <li>➤ <i>Goods and Services Act, 1999</i></li> <li>➤ <i>Local Government Act, 1999</i></li> <li>➤ <i>Local Government (General) Regulations, 1999</i></li> <li>➤ <i>Health Care Act, 2008</i></li> <li>➤ <i>Valuation of Land Act, 1971</i></li> <li>➤ <i>Natural Resources Management Act, 2004</i></li> <li>➤ <i>Water Industries Act, 2012</i></li> </ul>

## 1. Introduction

This document sets out the policy of the Kangaroo Island Council for setting and collecting rates from its community for the year ending 30 June 2019.

## 2. Scope

Council's powers to raise rates are found in Chapter 10 of the *Local Government Act 1999* (the *Act*). The *Act* provides the framework within which the Council must operate, but also leaves room for the Council to make a range of policy choices. This document includes reference to compulsory features of the

rating system, as well as the policy choices that the Council has made on how it imposes and administers the collection of rates.

### 3. Definitions

**'CPI'** means Consumer Price Index

**'CWMS'** means Community Wastewater Management Scheme

**'DCSI'** means Department for Communities & Social Inclusion

**'DVA'** means Department of Veterans' Affairs

**'EFTPOS'** means Electronic Funds Transfer at Point Of Sale

**'LGA'** means the Local Government Association of SA

**'NRM Levy'** means Natural Resources Management Board Levy

**'Notional Valuation'** means the capital valuation assigned by the State Valuation Office after allowing for the portion of land under a current State Heritage Agreement

**'SFE'** means Single Farm Enterprise

**'the Act'** means the *Local Government Act, 1999*

### 4. Policy Statement

#### 4.1. Strategic Focus

In setting its rates for each financial year Council will consider the following:

- Its Strategic Plan.
- Its Long Term Financial Plan.
- State legislative requirements.
- Its Budget requirements.
- The current economic climate.
- The specific issues faced by our community.
- The impact of rates on the community.
- The impact of rates on businesses.
- The relationship between Council objectives and rating policy.
- Council's debt strategy.
- Required funding for future asset replacement.
- The impact of differential changes in property valuations across the Island.
- As may be relevant, issues of consistency and comparability across Council areas in the imposition of rates on sectors of the community.

Copies of Council's Strategic Plan and Budget will be available for inspection and purchase at the Kangaroo Island Council offices and at Council's website [www.kangarooisland.sa.gov.au](http://www.kangarooisland.sa.gov.au)

#### 4.2. Method Used to Value Land

Councils may adopt one of three valuation methodologies to value the properties in their areas. They are:

- Capital Value – the value of the land and all the improvements on the land.
- Site Value – the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements.
- Annual Value – a valuation of the rental potential of the property.

The Kangaroo Island Council has decided to use Capital Value as the basis for valuing land within the Council area. Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers because property value is considered a reasonable indicator of income and capital value, which closely approximates the market value of a property.

### **4.3. Adoption of Valuations**

A Council may employ or engage a Valuer to value the land in the area or it may use the valuations provided by the Valuer-General, or it may use a combination of both subject to certain restrictions. The Valuer-General is a statutory officer appointed by the Governor.

The Kangaroo Island Council has adopted the most recent valuations made by the Valuer-General.

### **4.4. Objection to Valuation**

A person may object to a valuation of the Valuer-General in writing, setting out the reasons for the objection, and the Valuer General must consider the objection. An objection to a valuation must be made within 60 days after the date of service of the valuation notice to which the objection relates, explaining the basis for the objection. If the person then remains dissatisfied with the valuation, they have a right to a review.

Right-of-Review applications must be made within 21 days of receipt of the notice of the decision (in relation to the objection) from the Valuer-General. A payment of the prescribed fee for the review to be undertaken, together with the review application must be lodged in the Office of the Valuer-General, who will then refer the matter to an independent Valuer. If the person remains dissatisfied with the valuation then they have a right of appeal to the Land and Valuation Court.

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

Postal:	State Valuation Office GPO Box 1354 Adelaide SA 5001
Telephone:	1300 653 345
Email:	<a href="mailto:lsgobjections@sa.gov.au">lsgobjections@sa.gov.au</a>
Website:	<a href="http://www.sa.gov.au/landservices">www.sa.gov.au/landservices</a>

**Note:** Council has no role in the process of considering an objection to a valuation. It is also important to note that the lodgement of an objection does not change the due date for the payment of rates.

### **4.5. Notional Values**

Certain properties may be eligible for a notional value under the *Valuation of Land Act 1971*. This relates to some primary production land or where there is State Heritage recognition. Any owner who believes that they are entitled to a 'notional value' must apply in writing to the Office of the Valuer-General.

#### **4.6. Business Impact Statement**

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

- Those elements of Council's strategic management plans relating to business development.
- The current and forecast economic climate.
- Operating and capital projects for the coming year that will principally benefit industry and business development on the Island.
- Movement in the Consumer Price Index (Adelaide Capital City index) and other relevant indices. The CPI represents the movement in prices associated with the goods and services consumed by the average metropolitan household for the most recent calendar year.
- Valuation changes in commercial and industrial properties as compared with valuation changes in residential properties across the Island.

#### **4.7. Council's Revenue Raising Powers**

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

In addition, Council can raise separate rates for specific areas of the Council or service rates or charges for specific services. Council also raises revenue through fees and charges, which are determined giving consideration to the cost of the service provided and any equity issues. The list of applicable fees and charges is available for inspection and purchase at the Kangaroo Island Council offices and free of charge from Council's website [www.kangarooisland.sa.gov.au](http://www.kangarooisland.sa.gov.au)

A Goods and Services Tax at a rate determined under the *Goods and Services Act, 1999* will be charged on those fees not given exemption under the *Act*.

#### **4.8. Differential General Rates**

Council set the differential general rates for the current year after consideration of capital value changes as advised by the Valuer-General. Other factors taken into consideration include equity and fairness, simplicity, benefit to the community, impact of the differentials and the capacity to pay.

Kangaroo Island Council uses differential rating as it believes it is the fairest method of allocating rates. Council's differential rating system is based on land use.

The proposed differential general rates on the capital value of all rateable land in the area of the Council vary according to the use of the land for the current year as follows:

1. Residential
2. Commercial – Shop
3. Commercial – Office
4. Commercial – Other
5. Industry – Light
6. Industry – Other
7. Primary Production
8. Vacant Land
9. Other
10. Marinas



If a ratepayer believes that a particular property has been wrongly classified by Council as to its land use, then the ratepayer (the objector) may object to that land use classification (to Council) within 60 days of being notified. The objection must set out the basis for the objection and details of the land use that, in the opinion of the ratepayer, should be attributed to that property. Council may then decide an objection as it sees fit and notify the objector in writing of its decision. An objector also has the right to appeal against Council's decision to the Land and Valuation Court.

A ratepayer may raise the matter with Council and, upon request, Council will provide a copy of Section 156 of the *Local Government Act*, 1999 which sets out the rights and obligations of ratepayers in respect of objections to a land use classification.

**Note:** Lodgement of an objection does not change the due date for the payment of rates.

#### **4.9. Fixed Charge**

Council imposes a fixed charge on each assessed property.

Where two or more adjoining properties have the same owner **and** are occupied by the same occupier, only one fixed charge is payable by the ratepayer.

The reason for a fixed charge is to ensure that all residents / owners contribute towards the provision of basic services at a reasonable level.

#### **4.10. Service Charge – Community Wastewater Management Scheme (CWMS) (formerly known as STEDS)**

Council provides a Community Wastewater Management Scheme to most properties within the townships of Kingscote, Brownlow, Parndana, American River and Penneshaw, while also maintaining a service at Parndana East. Council must cover the full cost of operating and maintaining the service, inclusive of interest payments on loans raised to upgrade the CWMS systems. Council must also allow for the future capital replacement of the system.

Council has committed to sustainable charging for CWMS on Kangaroo Island, which has been determined by the LGA and other external sources. Council will recover this cost through the imposition of a sustainable service charge per property unit as follows:

- Areas in the townships of Kingscote, Brownlow, Parndana, Parndana East, American River and Penneshaw, with the service charge being levied on all properties whether connected or otherwise, and if property is developed or vacant, and located in the defined collection scheme boundaries.

The property units are determined by reference to the "CWMS Accounting Principles – The Costing and Pricing of CWMS – December 2016." published by the Local Government Association of South Australia.

#### **4.11. Service Charges – Waste Management**

Council is continuing to impose a Waste Management Service Charge in respect of the collection, treatment and disposal (including by recycling) of waste for the whole of Kangaroo Island. This charge is calculated and incurred in line with the Fleurieu Regional Waste Authority Kerbside Waste Collection Policy, whilst separating the waste management services provided and payments determined as follows:

Category 1: Waste Treatment & Disposal	Category 2: Waste Collection
All Rateable Properties.	Residential
	Commercial
	Industrial
	Primary Production

Note:

- Approved Single Farm Enterprises receive Waste Rebates, however all occupied property Assessments are charged the applicable Waste Service Charges.
- Non-rateable property Assessments will incur the annual Waste Management Service Charge if the Waste Collection Service is provided to the property Assessment.

Pursuant to Section 155 of the *Local Government Act, 1999* and Regulation 13 of the *Local Government (General) Regulations, 2013*, waste collection charges are applied on properties that are required to take their waste a distance to be collected. The Waste Collection charges are then charged based on the following tiered rates:-

- Collection Charge Rate: Distance Less than 500 metres 100%;
- Collection Charge Rate: Distance Less than 2 kilometres 75%;
- Collection Charge Rate: Distance Less than 5 kilometres 50%;
- Collection Charge Rate: Distance Over 5 kilometres 0%.

Where more than one occupied building is located on land under a single assessment, Council reserves the right to impose additional charges in respect of these residential or commercial buildings. This proviso also applies to strata or other community title properties.

Council has determined that where land has been annexed specifically for the purpose of supporting telecommunications facilities, an application may be made by the land owner for a full rebate of the waste service charge based upon the merit of the application.

#### **4.12. Tenanted property**

Council has determined that tenants of premises where there are multiple occupants in occupation of what would otherwise be considered to be contiguous properties, or a single property having multiple occupants who lease the property from a common owner, will be charged rates in accordance with the Valuer-General's land use determination and will be levied the relevant waste management charges as determined under Council's Waste Management Policy. In addition, where CWMS is available, a separate CWMS charge will be levied on each assessment.

#### **4.13. Single Farm Enterprise (SFE)**

A SFE is defined in Section 152 of the *Act*. The definition imposes an absolute requirement that all the occupiers be the same for all of the assessments comprising the SFE (regardless of who may own the land).

Existing SFE's that have applied to Council in preceding financial years will not need to reapply – unless requested to do so by Council. However, new SFE applications will need to be submitted by 30<sup>th</sup> June..

Council reserves the right to impose additional service charges on existing SFEs if the properties have additional occupied housing contained within the properties.

#### **4.14. Natural Resources Management (NRM) Levy**

The NRM Levy, set by the NRM Boards, is a State Government tax imposed under the *Natural Resources Management Act, 2004*. As such, Councils are obliged to collect the levy on behalf of the State Government for no gain to Council.

The NRM Levy is distributed evenly throughout the Council area by the imposition of an amount on each separate assessment of rateable land in the Council area for the same amount.

#### **4.15. State Government Concessions**

##### ***Cost of Living Concession (COLC)***

The previous State Government Pension Concession of Council rates has been replaced with a COLC from 1<sup>st</sup> July 2015. Unlike the Pension Concession on Council rates which was paid directly to Council on your behalf, the COLC will be paid directly to those eligible from the State Government.

##### ***Self-Funded Retirees***

The Government of South Australia may determine that self-funded retirees meeting certain conditions will be entitled to a rebate on rates for their principal place of residence. Ratepayers who hold or are eligible and applying for a State Seniors card may be entitled to this rebate and will need to submit an application to State Government, Department of Communities and Social Inclusion (DCSI).

##### ***Centrelink Recipients and Low Income Earners***

The DCSI may assist Centrelink recipients and low income earners with the payment of Council rates for their principal place of residence. (Remissions are not available on vacant land or rental premises).

All queries and applications are to be directed to the DCSI at:-

- Email – [concessions@sa.gov.au](mailto:concessions@sa.gov.au)
- Concessions Hotline– 1800 307 758
- Website – [www.sa.gov.au/concessions](http://www.sa.gov.au/concessions)

#### **4.16. Rebate of Rates**

The *Act* sets out in Chapter 10, Division 5 (Sections 159 to 166) those provisions applicable to the Council granting a rebate of rates to persons or bodies.

##### **Mandatory Rebates**

Council must grant a rebate in the amount specified in respect of those land uses which the *Act* provides will be granted a rebate.

Rates on the following land will be rebated at **100%**:

- Health Services - Land being predominantly used for service delivery or administration by a hospital or health centre incorporated under Health Care Act 2008;
- Religious Purposes - Land containing a church or other building used for public worship (and any grounds), or land solely used for religious purposes;
- Public Cemeteries - Land being used for the purposes of a public cemetery;
- Royal Zoological Society of SA - Land (other than land used as domestic premises) owned by, or under the care, control and management of, the Royal Zoological Society of South Australia Incorporated.

Rates on the following land will be rebated at **75%**:

- Community Services - Land being predominantly used for service delivery and administration by a community services organisation. A “community services organisation” is defined in the Act as a body that –
  - is incorporated on a not for profit basis for the benefit of the public; and
  - provides community services without charge or for a charge that is below the cost to the body of providing the services; and
  - does not restrict its services to persons who are members of the body.

It is necessary for a community services organisation to satisfy all of the above criteria to be entitled to the mandatory 75% rebate. The Act further provides that eligibility for a rebate by a community services organisation is subject to it providing one or more of the following community services –

- emergency accommodation
  - food or clothing for disadvantaged persons (i.e., persons who are disadvantaged by reason of poverty, illness, frailty, or mental, intellectual or physical disability);
  - supported accommodation (i.e., residential care facilities in receipt of Commonwealth funding or accommodation for persons with mental health, intellectual, physical or other difficulties who require support in order to live an independent life);
  - essential services, or employment support, for persons with mental health disabilities, or with intellectual or physical disabilities;
  - legal services for disadvantaged persons;
  - drug or alcohol rehabilitation services; or
  - the conduct of research into, or the provision of community education about, diseases or illnesses, or the provision of palliative care to persons who suffer from diseases or illnesses.
- Educational Purposes
    - Land occupied by a government school under a lease or licence and being used for educational purposes; or
    - Land occupied by a non-government school registered under the *Education and Early Childhood Services (Registration and Standards) Act, 2011*, and being used for educational purposes; or
    - Land being used by a University or University College to provide accommodation and other forms of support for students on a not for profit basis.

Where a person or body is entitled to a rebate of **75%** Council may, pursuant to Section 159(4) of the Act, increase the rebate up to a further **25%**. Council may grant the further **25%** rebate upon application or on its own initiative. In either case Council **will** take into account those matters set out within the Applications Clause of this Policy and **may** take into account any or all of those matters set out within that Clause.

Where an application is made to Council for a rebate of up to a further **25%** the application will be made in accordance with the Applications Clause of this Policy and Council will provide written notice to the applicant of its determination of that application.

### **Discretionary Rebates**

Council may in its absolute discretion grant a rebate of rates or service charges in any of the following cases pursuant to Section 166 of the Act:

- a. Where it is desirable for the purpose of securing the proper development of the area (or a part of the area);
- b. Where it is desirable for the purpose of assisting or supporting a business in its area;
- c. Where it will be conducive to the preservation of buildings or places of historic significance;
- d. Where the land is being used for educational purposes;
- e. Where the land is being used for agricultural, horticultural or floricultural exhibitions;
- f. Where the land is being used for a hospital or health centre;
- g. Where the land is being used to provide facilities or services for children or young persons;
- h. Where the land is being used to provide accommodation for the aged or disabled;
- i. Where the land is being used for a residential aged care facility that is approved for Commonwealth funding under the *Aged Care Act, 1997* (Commonwealth) or a day therapy centre;
- j. Where the land is being used by an organisation which, in the opinion of the Council, provides a benefit or service to the local community;
- k. Where the rebate relates to common property or land vested in a community corporation under the *Community Titles Act, 1996* over which the public has a free and unrestricted right of access and enjoyment; and
- l. Where the rebate is considered by the Council to be appropriate to provide relief against what would otherwise amount to a substantial change in rates payable due to a change in the basis of valuation used for the purposes of rating, rapid changes in valuations, or anomalies in valuations.
- m. Where the rebate is considered by the Council to be appropriate to provide relief in order to avoid what would otherwise constitute a liability to pay a rate or charge that is inconsistent with the liabilities anticipated by the Council in its annual business plan or a liability that is unfair or unreasonable.
- n. Where the rebate is to give effect to a review of a decision of the Council under the *Act*, Chapter 13 Part 2.
- o. Where the rebate is contemplated under another provision of the *Act, 1999*.

Council may grant a rebate of rates up to and including 100% of the relevant rates or service charges. Council may grant a rebate for a period exceeding one year, but not exceeding 10 years in respect of (a), (b) or (k) and not exceeding 3 years in respect of (l).

Council has an absolute discretion:

- To grant a rebate of rates or service charges in the above cases; and
- To determine the amount of any such rebate.

Persons who, or bodies which, seek a discretionary rebate, will be required to submit an application form to Council and provide to Council such information as stipulated on the application form and any other information that Council may reasonably require.

Council acknowledges that it has a number of long standing arrangements with various organisations to provide discretionary rebates. For each such organisation Council reserves the right either to extend the rebate for another 12 months (and to inform the organisation accordingly without requiring it to submit an application) or to request an application for Council consideration. This latter situation will particularly apply if the circumstances of the organisation are known (or perceived) to have changed.

### **Rate Capping**

To provide ratepayers with relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to rapid changes in valuation, a rebate of general rates for the current year will be granted to the Principal Ratepayer of an Assessment under Section 166 (1) (l) of the *Act*. This can

occur either by Council of its own initiative where Council is in possession of sufficient information to determine the entitlement to the rebate or otherwise on application to Council, where the amount of any increase in rates in respect of that assessment in monetary terms between the amount of general rates imposed for the last full year and the amount of general rates imposed for the current year, is greater than 20%.

The maximum increase in the general rates will be capped at a maximum of 20% increase from the previous year, subject to the below criteria being met. The amount of the rate capping rebate to be provided will be the amount which would normally apply (if the rate capping rebate did not apply) above the 20% increase.

Example:	\$1,500.00	Previous full year general rates
	\$2,000.00	Current full year general rates
	33.3%	Increase to the general rates (i.e. greater than 20%)
	\$1,500.00	Previous year general rates
Plus	<u>\$ 300.00</u>	20% of previous year general rates
	\$1,800.00	Maximum increase to general rates
Less	<u>\$2,000.00</u>	(Current year general rates), a
	<b>-\$ 200.00</b>	Rate Capping Rebate applies in current year

The rebate is only applicable if:

- The property has the same owner(s) in both the previous & current years;
- The increase in capital improvement is <\$10,000; and
- The rate code in both the previous & current years are the same.

The rebate will be calculated collectively on adjoining properties under identical ownership and single farm enterprises and the rate rebate will be applied to the first assessment listed.

In providing the rates capping rebate to the applicable assessments, Council has deemed the rebate should provide relief in respect of any substantial valuation change.

#### **4.17. Payment of Rates**

As required by Section 181 of the Act, Kangaroo Island Council offers ratepayers the opportunity to pay their rates in four equal or approximately equal instalments, due in the months of September, December, March and June each year.

In cases where the initial account requiring payment of rates is not sent at least 30 days prior to this date, or an amended account is required to be sent, the Chief Executive Officer has the authority to fix the date by which rates must be paid for these assessments.

The Chief Executive Officer also has the authority to enter into agreements with principal ratepayers relating to the payment of rates in any case where they consider it necessary or desirable to do so.

Rates may be paid by:-

- Bpay – through your bank;
- In Person during the applicable business hours at the Council office
  - 43 Dauncey Street, KINGSCOTE

Or

- Penneshaw Community Business Centre Middle Terrace, PENNESHAW
- Internet – [www.kangarooisland.sa.gov.au](http://www.kangarooisland.sa.gov.au)
- Mail (cheque/money order) – PO Box 121, KINGSCOTE 5223

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

**Note:** Late payment fines and interest may still apply.

#### **4.18. Late Payment of Rates / Debt Recovery**

The *Act* provides that Councils may impose a penalty on any payment for rates, whether instalment or otherwise, that is received late. A payment that continues to be late is then charged an interest rate, set each year according to a formula in the *Act*, for each month it continues to be late.

The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow Councils to recover the administrative cost of following up unpaid rates and to cover any interest cost a Council may incur because it has not received the rates on time.

Any payment extensions or arrangements will continue to be charged fines & interest until the outstanding amount is paid in full.

The Kangaroo Island Council imposes late payment penalties strictly in accordance with the *Act*. The ability to remit penalties in whole or part is a power vested in Council. At the Kangaroo Island Council, each case will be considered on its merits based on the information provided.

#### **4.19. Postponement of Rates**

A postponement of rates may be granted if Council is satisfied that the payment of rates would cause financial hardship. Council may on application and subject to the ratepayer substantiating the hardship, request additional information pertaining to the relevant property. When considering the granting of a postponement of rates in respect of an assessment, the ratepayer also agrees to pay fines and interest on the amount affected in line with the *Act*.

All successful applications will require the full outstanding rates to be paid upon the completion of the postponement period or at the transfer of ownership settlement date, whichever occurs the earliest.

#### **4.20. Postponement of Rates – Seniors**

Eligible senior ratepayers (i.e. persons eligible to hold a Seniors card) have the option to apply to Council for a postponement of the payment of the prescribed proportion of rates for the current or a future financial year. The postponement is only available in relation to the prescribed proportion of rates being any amount in excess of \$500 per rateable year and applies to the principal place of residence of the eligible senior ratepayer.

Additional information pertaining to the property may be requested by Council to help in the decision making of the application, for example, mortgage documents.



If a postponement of the payment of rates occurs, interest will accrue at the rate specified in the Act on the amount affected by the postponement, until the amount is paid in full.

During the postponement period, Council may complete regular reviews of the outstanding balance. The reviews will be to ensure there is adequate property value available to repay the postponement amount, plus any interest held against the property upon the sale of the property. Council may request additional information be provided to complete the review.

#### **4.21. Deferred Payments**

Under special circumstances, Council's CEO or delegate may authorise a deferred payment option to ratepayers. Deferred payment options may not incur fines and / or interest during the period specified.

The deferred payment option is intended to provide financial relief for a group of property assessments who have/are experiencing the same circumstance, as a once off relief. It is not the intention of this relief to be provided on property assessments/ratepayers singularly or on an ongoing/regular basis.

#### **4.22. Delivery of Rate Notices**

Ratepayers are able to elect to have their rate notices delivered in the post or electronically and the options are:-

- Post;
- Email;
- Bpay View – via internet banking;

The default is to deliver rate notices in the post and ratepayers are able to request Council in writing if delivery by email is preferred. If no written request is received from the ratepayer, rate notices will continue to be sent in the post.

#### **4.23. Debt Recovery**

All ratepayers have until the date on which the instalment of rates is due. After that the following recovery procedure will come into effect:

1. Fines and interest as provided by the Act will be added.
2. An overdue notice will be forwarded within 28 days of the imposition of a late payment penalty.
3. The debt may be placed in the hands of a debt collector if payment or arrangement for payment is not made within the overdue notice pay by date (21 days from date on overdue notice) and a notice of intention to issue a claim will be forwarded by the debt collector.
4. Court proceedings will be instigated if the payment is still overdue after 21 days.

All fees and court costs will be recovered from the ratepayer.

When Council receives a payment in respect of overdue rates, Council applies the money received in the following order:

1. To satisfy any costs awarded in connection with court proceedings;
2. To satisfy any interest costs;
3. In payment of any fines imposed;
4. In payment of rates, in date order of their imposition (starting with the oldest account first).

#### **4.24. Sale of Land for Non-Payment of Rates**

Section 184 of the Act provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to provide the principal ratepayer and the owner (if not the same person) with details of the outstanding amounts and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month. The

Kangaroo Island Council enforces the sale of land for non-payment of rates after 3 years or more in accordance with the provisions of the Act.

#### **4.25. Overpayment of Rates**

Council will not pay interest on any voluntary overpayment of rates and will not refund any amount unless requested by the principal ratepayer. Any credit balance will be applied against the next instalment of rates.

Council may review the balance of rates on each property and if rates have been overpaid, a refund payment may be processed to the principal ratepayer. Council will require in writing if the ratepayer requests any rate refunds or overpaid rates to be paid towards future rate payments.

#### **4.26. Applications**

All applications for rebates, remissions or postponements must be in writing, addressed to the Chief Executive Officer, Kangaroo Island Council via email at [kicouncil@kicouncil.sa.gov.au](mailto:kicouncil@kicouncil.sa.gov.au) or post at PO Box 121, Kingscote SA 5223 and include sufficient details to identify the relevant property and any supporting documentation in support of the application.

#### **4.27. Changes to Assessment Records**

All changes to postal address of ratepayer/owner, changes of ownership of a property and changes to ratepayer/owner name must be notified promptly to Council in writing or via Council's website at [www.kangarooisland.sa.gov.au](http://www.kangarooisland.sa.gov.au).

#### **4.28. Disclaimer**

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

Where a ratepayer believes that Council has failed to properly apply this policy it should raise the matter with Council. In the first instance contact should be directed to the Rates Officer to discuss the matter. If after this initial contact a ratepayer is still dissatisfied, they should then write to the Chief Executive Officer, Kangaroo Island Council explaining the nature of their concerns:-

- email at [kicouncil@kicouncil.sa.gov.au](mailto:kicouncil@kicouncil.sa.gov.au); or
- post at PO Box 121, Kingscote SA 5223

### **5. Contact Details for Further Information**

	<b><u>Rates Officer</u></b>	<b><u>KI Council</u></b>
Email	<a href="mailto:rates@kicouncil.sa.gov.au">rates@kicouncil.sa.gov.au</a>	<a href="mailto:kicouncil@kicouncil.sa.gov.au">kicouncil@kicouncil.sa.gov.au</a>
Telephone	08 8553 4500	08 8553 4500
Facsimile	08 8553 2885	08 8553 2885
Website	<a href="http://www.kangarooisland.sa.gov.au">www.kangarooisland.sa.gov.au</a>	<a href="http://www.kangarooisland.sa.gov.au">www.kangarooisland.sa.gov.au</a>

### **6. Review & Responsibilities**

This Policy shall be reviewed and updated by the Kangaroo Island Council and Audit Committee annually

## 7. Availability and Grievances

This Policy will be available for inspection at the Council's Offices 43 Dauncey Street, Kingscote during ordinary business hours and via the Council's website: [www.kangarooisland.sa.gov.au](http://www.kangarooisland.sa.gov.au) Copies will also be provided to the public upon request, and upon payment of a fee in accordance with the Council's Schedule of Fees and Charges.

Any grievances in relation to this policy or its application should be forwarded in writing addressed to the Chief Executive Officer, Kangaroo Island Council, PO Box 121, Kingscote SA 5223

SIGNED:



Chief Executive Officer

Date: 08 August 2017

Being a Policy adopted by the Mayor and Elected Council

History:		
Date Reviewed:	Version:	Reason for Amendment:
8 August 2008	Version 1	Final Policy
27 April 2009	Version 2	Draft Policy Adoption 2009-10
2 July 2010	Version 3	Draft Policy Adoption 2010-11
30 June 2011	Version 4	Draft Policy Adoption 2011-12
13 June 2012	Version 5	Annual Policy Review by Council 2012-13
12 June 2013	Version 6	Annual Policy Review by Council 2013-14
11 June 2014	Version 7	Annual Policy Review by Council 2014-15
09 June 2015	Version 8	Annual Policy Review by Council 2015-16
21 June 2016	Version 9	Annual Policy Review by Council 2016-17
13 June 2017	Version 10	Annual Policy Review 2017-18 Ref# C189:2017
08 August 2017	Version 11	Minor Addition to recognise transition from Council's Waste Management Policy to FRWA's Waste Management Policy. C263:2017
12 June 2018	Version 12	Annual Policy Review 2018-19