



"The road to sustainability ..."



Contact Us

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Milton Turner - Councillor

27/02/30 – 08/07/09

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Carmel Noon, Chief Executive Officer

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Kangaroo Island Council

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Section II: Audited Financial Statements

Audited Financial Statements and Notes 1-19 commence at the rear of this publication.
Please flip the cover.

Welcome

This Annual Report demonstrates our Council's continued commitment to transparent and accountable government.

We present our achievements over the past year and provide a picture of our strategic and financial performance

Who is the annual report for?

Our report is produced for all interested stakeholders; ratepayers, residents, customers, potential investors and visitors.

What does our Annual Report tell you?

We have produced this Annual Report in accordance with the Local Government Act 1999 to provide you with a summary of our performance against our Strategic Plan 2008 - 2010. It will provide an insight into our operations and our financial performance, together with an understanding of the many challenges faced and successes achieved by our Island Community.

Kangaroo Island Council

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

Whole of Island Vision Statement

As agreed by Kangaroo Island Agencies

Our whole of Island approach will support community learning; health, social and environmental well-being and economic growth, ensuring a sustainable future for all

Council's Mission

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

Council's Vision Statement

A confident, growing and cohesive community:

Benefitting from a thriving economy based on strong tourism and primary production sectors

Preserving our unique heritage

Sustainably managing our natural environment

The core values that underpin this vision are:

Creativity and Innovation

To lead by initiative, innovation and have due regard for the community's aspirations

Equality

To treat citizens and each other with trust, honesty, tolerance and respect

Accountability and Transparency

To maintain the highest ethical standards in dealing with citizens and each other

Sustainability

To provide and manage the Island's assets for the current needs of the community and for future generations

Service Orientated

To provide appropriate service to our citizens in a prompt and pleasant manner

Participatory

To share information, listen and consult with the community and each other

Council's Strategic Plan for 2008-2010 identifies the goals, objectives and strategies for action which guide and inform all Council's corporate decision making. During 2009 we will commence the work required to develop our next four year Strategic Plan.

Kangaroo Island

Our place, our history, why we live here
Land, Sea and Heritage, Positive Outlook, Relaxing

Overview: History - Demographics - Geography - Culture

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

Location

Kangaroo Island is located 15 km off the tip of the southern coast of the Fleurieu Peninsula in South Australia 110 kilometres south-west of Adelaide. It is 55 km wide and 155 km east to west and has a coastline of some 509 km.

Geography and Environment

Kangaroo Island, Australia's third largest island is renowned for its scenery, geographic features and unique flora and fauna. It was isolated from mainland Australia by post-glacial rising sea levels about 12,000 years ago. It has retained many plants and animals no longer found on mainland Australia and the largest remaining tracts of remnant native vegetation within the agricultural zone in South Australia.

The Island boasts a temperate climate. It has a variety of landscapes; rolling hills, grassland plains, large granite outcrops, sheer cliffs, white sandy beaches, gum lined water courses and inland sand dunes.

There are a number of settlements varying in size and facilities, including Baudin Beach, Emu Bay, Island Beach, Stokes Bay and Vivonne Bay. The township of Kingscote remains the principal centre of the Island's administrative and economic activity. Parndana provides services to the western end of the Island, American River and Penneshaw likewise in the east and on the Dudley Peninsula.

Kangaroo Island

Our place, our history, why we live here
Land, Sea and Heritage, Positive Outlook, Relaxing

Beginnings

The discovery and naming of Kangaroo Island is credited to Matthew Flinders, Captain of the *Investigator* who came ashore on the north coast in March 1802. Soon afterwards French Captains Nicholas Baudin aboard the corvette *Le Geographe* and Jacques Hamelin of the '*Le Naturaliste*' mapped most of the southern and western coastline of the Island, which explains the predominance of French names along the coast.

Early explorers found no evidence of Aboriginal habitation. However, subsequent discovery of artefacts dating back more than 10,000 years confirm Aboriginal occupation. It remains a mystery as to why these first inhabitants left the Island, however it is clear from the rich oral history from Aboriginal communities on the adjacent mainland that Kangaroo Island retains an important position in contemporary Aboriginal culture.



Settlement

The earliest European settlers were deserters from whaling ships, ex-convicts and sealers. The first official settlers arrived on 27 July 1836 disembarking from the Duke of York at Reeves Point near Kingscote. This became the first free settlement in Australia, but due to lack of water and suitable building timber it was largely abandoned after four years in favour of Adelaide with only the hardest remaining.

Industry Development

For the next fifty years the Island's natural resources were in high demand from the developing mainland. This led to the establishment of various enterprises such as sealing, whaling and the export of salt and skins. Other industries attempted included timber cutting, saw milling, eucalyptus distilling, yacca gum harvesting and brick making. During the 1880s and 1890s there was a slow increase in the use of land for pastoralism mainly focussing on wool, but barley and other grain crops were also grown. By the early twentieth century attempts at mining coal, basalt, tin, silver, lead and gold proved unsuccessful with the exception of quarrying for gypsum which was the basis of a substantial operation at two sites near Pelican Lagoon.

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

Kangaroo Island

Our place, our history, why we live here
Land, Sea and Heritage, Positive Outlook, Relaxing

Economic Prosperity

Today Kangaroo Island has a diversity of commercial and industrial enterprises that contribute to investment in infrastructure and employment.

The Island's soil types and temperate climate support agricultural production. Primary industries consisting mostly of sheep, wool, grains, fishing, aquaculture and forestry continue to be a significant contributor to the Island's economy valued at more than \$100 million.

In recent times diversification from traditional production has led to expansion of the economic base. For example, in 2001 Kangaroo Island was declared Australia's eighteenth wine region, and now has some 28 growers and more than a dozen wine labels. Simultaneously, the Island's pristine environment has supported the development of high quality food and niche gourmet product industry. These include cheeses produced from a sheep dairy, honey from the purest strain of Ligurian bees in the world, olive oil, free range eggs, eucalyptus and lavender oils, quality fish and seafood such as farmed marron, abalone, barramundi and oysters.



Tourism has developed from its early beginnings in 1880 and is today one of the main economic drivers. The Island is promoted internationally as a premier eco-tourism destination and trades on its 'clean green' image and unique nature-based experiences. These include pristine beaches, native bushland and 21 national and conservation parks covering more than 30% of the Island.

Natural Environment

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

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

Kangaroo Island

Our place, our history, why we live here

Land, Sea and Heritage, Positive Outlook, Relaxing

Recreation, Culture and Community

Kangaroo Island has a relaxed atmosphere with all the essential services and facilities of a larger regional centre. Residents are friendly and share a strong sense of community spirit. The Island offers a wide range of cultural and recreational activities to residents and visitors. Sports and social clubs cater for a range of opportunities including island-wide competitive team sports, walking and gardening clubs, the annual Motor Fest and KI Racing Carnival. There is a vibrant arts community offering regular events, festivals and exhibitions and many commercial outlets and galleries offering local art and crafts for sale.

Services and Community Activities

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

On the regular social calendar are the Kingscote and Parndana Shows, KI Cup, KI Players production, Art Feast, Easter Art Show, Motor Fest, Speed Shearing Competition, bi-annual Field Day, fishing and sailing competitions and Christmas Parade. Other popular activities include surfing, yachting, canoeing, diving, snorkelling, fishing and bird watching.

The Kangaroo Island Council's Library is very well resourced providing access to a large collection of books, DVDs and videos, magazines, CDs, internet/email, photocopy, fax facilities, membership to a book club and Friends of the Library.

The Kangaroo Island Health Service, a privately operated Medical Clinic and visiting practitioners provide primary and preventative health care services. There is an emergency service, a thirty-bed hospital and aged care facility, and allied health and social support services.

Pre-school, day care services, primary and secondary education is offered at campuses across the Island and further education is offered by private providers and a TAFE Learning Centre located in Kingscote.



Legend

Commonly used acronyms in this report

AMP	Asset Management Plan
ASU	Australian Services Union
AWU	Australian Workers Union
CDO	Community Development Officer
CEO	Chief Executive Officer
CFS	Country Fire Service
CISM	Community Infrastructure Services Manager
CPN	Community Passenger Network
Cr	Councillor
CWMS	Community Wastewater Management System
DAP	Development Assessment Panel
DPA	Development Plan Amendment
DECS	Department of Children's Services
DEH	Department of Environment and Heritage
DSM	Development Services Manager
DTED	Department for Trade & Economic Development
DTEI	Department for Transport, Energy and Infrastructure
EPA	Environment Protection Agency
FOI	Freedom of Information
FPO	Fire Prevention Officer
IAMP	Infrastructure Asset Management Plan
IT	Information Technology
HR/OHSW	Human Resources & Occupational Health, Safety & Welfare
KI	Kangaroo Island
KIDB	Kangaroo Island Development Board
LGA	Local Government Association
Mgr	Manager
NRMB	Natural Resources Management Board
NVC	Native Vegetation Council
OHS	Occupational Health & Safety
PPRADS	Performance, Planning, Review & Development System
Rep	Representative
RLCIP	Regional & Local Community Infrastructure Program
RPT	Regular Public Transport
SAAS	South Australian Ambulance Service
SAFECOM	South Australian Fire & Emergency Services Commission
SAPOL	South Australian Police
SATC	South Australian Tourism Commission
SES	State Emergency Service
SFO	Senior Finance Officer
SMT	Senior Management Team
SOI	Statement of Intent
TOMM	Tourism Optimisation Management Model
TSD	Technical Services Department
TSM	Technical Services Manager

From the Mayor
Overview
Year in Review



Mayor Jayne's Overview

I am pleased to present this annual report on behalf of the Elected Members and Staff of the Kangaroo Island Council in what has been another full and challenging year.

Our focus and work has continued to be on delivering change and sustainability for this Community into the future. The direction set by the KI Study, released in March 2008 has seen many changes within the organisation during the last 12 months. A large body of work has been produced to underpin and direct our future decisions and sustainability. This work has included the completion of rigorous asset management plans for the Island and long term financial plans. For the first time this has given Community and Council a clear understanding of the annual shortfall in resources required to maintain the Island's infrastructure and services.

There are no easy or quick solutions to overcome the inability of this small Community to manage and maintain the extensive road network, and the community and tourism infrastructure over such a large geographical area. The growth in tourism numbers to 185,000 per annum is welcomed and encouraged, however is adding an extraordinary burden on this small Community. To sustain this growth, and as part of the solution, the KI Study recommended to;

"investigate the merits and implications of introducing a traveller's levy and in consultation with KI ratepayers, determine its position and subsequent actions once all necessary information is available"

This study will be completed in 2009, and will form the basis of an extensive Community consultation program which Council will carry out in the coming months. The results will be provided to the State Government, who is involved and supportive of the work and direction of Council in our efforts to resolve these critical resource issues.

From the Mayor

Overview Year in Review

The annual works of Council are detailed within this report, and I commend Carmel Noon, our Chief Executive Officer, Senior Managers and Staff for their commitment to achieving the many outcomes within the resources available. Through external funding, and many years of lobbying and planning, the first stage of Stokes Bay Road has been sealed, the Bay of Shoals boat ramp reconstruction has begun, the American River Community Wastewater Management Scheme has been installed, and the Penneshaw scheme is in the design phase. The new Bushfire Risk Management Plan, prepared by the KI Bushfire Prevention Committee is nearing completion, as are the changes to the Island's Development Plan through the Development Planning Assessment (DPA) process and the Airport Master Plan will be finalised in the coming months.

Local Government cannot work or achieve in isolation. I acknowledge and thank our many partners who assist and support us in both our day to day operations with major projects and programmes. These vital partnerships include our many valued and hard working Progress Associations, our Island and State Agencies and our local Peak Industry groups.

In closing, I wish to acknowledge the work and commitment of the Elected Members of the Kangaroo Island Council, who have worked tirelessly to address the challenges facing this Community and the difficult decisions they present. An integral member of this Council was Councillor Milton Turner who passed away after serving as an Elected Member for nearly 20 years. He was a respected valued member of this Council and is remembered as a man of great integrity and passion. We applaud and celebrate his lifelong contribution to this Community.

Jayne Bates
Mayor



Introducing your Council

Democratically elected by the community for the community
A role model for sound democratic governance

Kangaroo Island Council
 1 July 2008 – 30 June 2009

	<p>Bates, Jayne Mayor</p>	<p>de Rohan, Susan (Not pictured)</p>	
	<p>Boxall, Malcolm</p>	<p>Connell, Graeme</p>	
	<p>Davis, Rebecca</p>	<p>Draysey, Trevor</p>	
	<p>Morris, Mark</p>	<p>Turner, Milton (Deceased 7 July 2009)</p>	
	<p>Wickham, Craig Deputy Mayor</p>	<p>Willson, Joyleen</p>	

Introducing your Council

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Roles of the Elected Members

The Local Government Act 1993 prescribes the legal framework which gives councils the power to make local laws and also determines the roles and responsibilities of the elected representatives. The Mayor and nine Councillors serve four year terms. They make the strategic decisions in all the areas of Council's core business including developing Council's policies, operational plans, goals and overseeing it's performance. The Elected Members also serve a role in representing the overall public interest of all the stakeholders in the Council area.

Council's Senior Management Team provide advice to the Elected Members to guide this process. The Chief Executive Officer, Management and Staff deliver, monitor and implement the day to day services to facilitate the implementation of Council's decision making and strategic plan. The Mayor is the chair of Council meetings, ensuring Council decisions are implemented, and also represents Kangaroo Island at government, civic and ceremonial functions.

Representation Quota

In June 2009 the Local Government Association confirmed the representation quota for Kangaroo Island to be 522. This is determined by dividing the total number of electors 5,228 by the number of elected representatives (10). This compares with an average quota of 2,381 in metropolitan Adelaide and an average of 388 across ten other comparable rural, regional councils of South Australia.

In June the Kangaroo Island Council resolved to maintain the status quo in relation to Elector Representation and a Review Report was made available to the Community for public comment. The next Review will be concluded by November 2016.

Involving our Community

Council meetings are held in Chambers in the Kingscote offices on the second Friday of each month – unless otherwise advertised in *Council Matters* in 'The Islander'. The public are encouraged to attend these meetings and any held during the year in other key townships. Each month the agenda and Council minutes are posted on the Council website or available to read at the main Council office.

At ordinary meetings of Council formal provision is made for "questions from the gallery". Members of the public may also seek a deputation to a Council meeting by making an application in writing to the Chief Executive Officer. Approval for such deputations rests with the Mayor.

Introducing your Council

Democratically elected by the community for the community
A role model for sound democratic governance

Planning and Decision Making

The Council is committed to ensuring transparent, accountable and responsive decision making occurs. Our Public Consultation Policy was revised in 2007 and is currently being reviewed. This document sets a framework to encourage Community involvement in planning and decision making about the services Council provides and the Community resources we manage.

Through the Senior Management Team Community stakeholders are encouraged to be involved in the strategic planning processes of Council. Public consultation on key issues for example; Annual Business Plan and Budget, Rates Policy are advertised in 'The Islander', on our website, in *KI Matters* our twice yearly newsletter, and through direct mail-out. Staff have implemented processes to regularly meet with Progress Associations and other key Island stakeholders. The outcomes of strategic issues discussed are provided to Council for input into the strategic planning process.

Councillor Allowances

The Mayoral Allowance for the reporting period was \$18,900 per annum, paid monthly; the Deputy Mayoral Allowance for the period was \$8,500 per annum, paid monthly and the Councillors Allowances was \$7,000 per annum paid quarterly. During this period reimbursements for Councillor vehicle use were as follows: Mayor Bates \$11,184.90; Cr Wickham \$1,025.34, Cr Willson \$2,454.37; Cr Davis \$4,512.60 and Cr Boxall \$1,669.11.

Internal Review of Decisions

There were no formal requests during the year for a review of a Council decision.

Report on the Use of Confidentiality Provisions

Refer to Statutory and Legislative Section on pages 58 - 63 of this report.

Training and Development Activities of Elected Members

During 2008/2009 the Mayor and Councillors attended training on *Financial Sustainability - Implementing and Monitoring Key Strategies* conducted by Mr. John Comrie and *Rate Setting* conducted by Mr Michael Kelledy and Ms Natasha Jones.

Corporate Governance

Strong leadership with accountable management
A role model for sound democratic governance

Good Governance

Good governance ideals have been cemented across all aspects of the organisation, from Elected Members through to Management, Employees, general administration and operations. These ideals are about ensuring the delivery of value to our Community, being accountable and transparent, having honesty and integrity and providing equity and clarity to our Community. Good governance is about ethics and behaviour, managing risks and how we conduct ourselves and ensuring appropriate considerations are incorporated in providing the best outcomes.

The foundations for good corporate governance were laid in 2007/2008 with the application of reviews, audits and the establishment of public consultation processes, Long Term Financial Plans, Asset Management Plans and the continued addressing of recommendations of the Kangaroo Island Study.

2008/2009 saw Council building on those foundations by continuing to review the organisational structure, its operations, implementing internal controls, and improved efficiencies, systems and practices. Ensuring the placement of the building blocks are continuing to be strongly and steadily constructed.

Ethics

Elected Members, employees, contractors, volunteers and consultants are governed by Kangaroo Island Council's Codes of Conduct, which outline standards of behaviour, actions and decision making. There are five ethical principles within the Codes of Conduct:

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

The codes are applied throughout the Kangaroo Island Council's management systems, incorporated in the Council's policies, procedures and recruitment processes, in the contracting and delivery of services and the implementation of work practices.

Committee Membership

As of 9 April 2009

Committees of Council are referred to as Section 41 Committees (Local Government Act 1999). The minutes from these committees are tabled at the following Council meeting for ratification.

COUNCIL COMMITTEES (Section 41)	MEMBERSHIP
Airport Strategic Committee	Mayor, Crs de Rohan, Boxall, Turner, Wickham & Davis Advice - Airport Staff, CEO, SFO & TSM
American River Hall	Mayor, Crs Connell & Willson, Rep from the American River Community (3) and American River Progress Association & American River Community Sports Association Advice – CEO & CISM
Audit Committee	Mayor, Cr Wickham, Cr Morris & Mr John Comrie (Chair) Advice – CEO, SFO & Compliance Officer
Boating Facilities	Mayor, Crs Connell & Turner, Rep from American River, Emu Bay, Shoal Bay & Penneshaw Advice – TSM, CEO
Community Partnership Grants Program Advisory Committee	Mayor, Cr Davis Advice - CEO & CDO
Community Passenger Network	Cr Davis, Rep from Transport Industry, Education Sector, Employment Sector (2) & Health Sector (2) Advice - CPN Officer, CDO, CEO
Finance Committee	Mayor, Crs Wickham, Willson, Morris & Boxall, Advice - CEO, CISM, TSM & SFO
Roadside Vegetation Management Consultative Committee	Mayor, Crs Wickham, Boxall & Willson, Reps of NRMB, TKI, Botanist, Eco Action, AGKI, Forestry KI, KI Transport Operators, DEH & Transport Committee Advice – TSM, FPO, CEO
TOMM	Mayor, Reps from Industry (1), KIDB (1), Tourism KI (2), NRMB (1), SATC (1), DEH (1), & Community (2) Advice - CEO, TOMM PM & SFO
Town Centres	Mayor, Crs Davis, de Rohan & Connell, Reps from Progress Associations - Penneshaw, Advance Kingscote, Parndana, American River Advice – CEO, DSM, TSM, CDO, CISM, Planning SA Rep & Project Consultants

Committee Membership cont

COUNCIL COMMITTEES (Non Section 41)	MEMBERSHIP
Building Fire Safety	Building Officer, Senior Planning Officer, Rep from SA CFS & Building surveyor
Development Assessment Panel	Mayor, Crs Boxall & Wickham, Independent Chair & 3 Independent Reps
Workplace Consultative Committee (Administration/Regulatory)	CEO & HR/OHSW Mgr
Workplace Consultative Committee (Works)	CEO, CISM, TSM & HR/OHSW Mgr

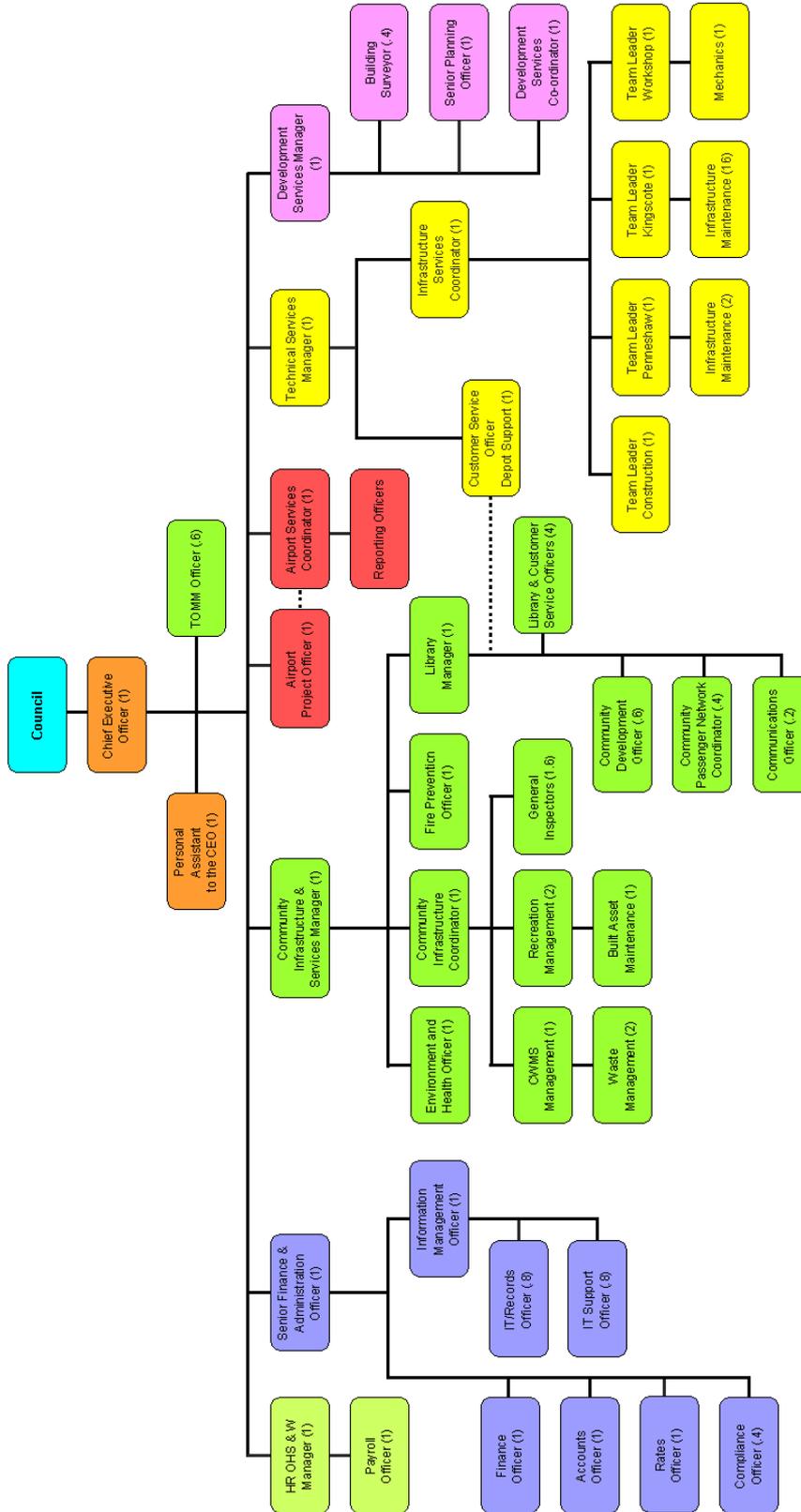
NON COUNCIL COMMITTEES	MEMBERSHIP/COUNCIL REPRESENTATIVE
Airport Security	CEO, Airport Mgr, Asst Airport Mgr, Reps of Regional Express, DOTARS, Royal Flying Doctor Service, Hertz KI, Budget KI, SAPOL, Air South, KI Transfers
Corella Committee	Cr Boxall
Fleurieu Regional Waste Authority	Cr Boxall (deputy Cr Willson) until Nov 2010 Cristian Barrios (deputy CISM) until Nov 2012
KI Community Housing	Cr Davis & CDO
KI Development Board	CEO
KI District Bushfire Prevention	Mayor, Cr Boxall, FPO & General Inspector
KI Health Advisory Council	Cr Draysey
KI Natural Resources Management Board	Mayor
KI Ports Management Group	Mayor & CEO
LGA of SA	Mayor [Proxy Deputy Mayor]
Penneshaw Community Business Centre	Mayor
Road Safety KI Committee	TSM
Southern & Hills LGA [Executive & General meetings]	Mayor & CEO [Proxy first Deputy Mayor & second CISM]
Southern & Hills LGA Roads Working Party	TSM
Tourism KI	Mayor (Proxy Cr Turner)

Committee Membership and Allowances

Members of the Development Assessment Panel (DAP) receive \$300 per meeting they attend and are reimbursed travel to/from the Island, for those who live on the mainland. Elected members who sit on a committee do not receive a benefit in addition to their annual allowance. No other allowances are paid to any other committee members.

Your Organisation

Our people, leadership team and organisational structure
Managing with propriety and probity



Kangaroo Island Council Organisational Structure as at 30th June 2009
 () = Full Time Equivalent Employees

Year in Review

Highlights, achievements and challenges – our key projects
From the Chief Executive Officer



C hief Executive Officer's Report

If I had one sentence to summarise the past year, it would read something like this...*the year we seriously commenced investigating a solution to our financial unsustainability.* We have known for a long time that we have a financial problem. The KI Study released in March 2008 confirmed this and hence we commenced addressing the recommendations within this report.

Anyone would agree that it is impossible to manage the infrastructure on the third largest Island in Australia with a budget of just under \$11 million! We obtained the 'science' behind our problem including; Asset Management and Long Term Financial Plans. We received our first unqualified audit; our Auditors were finally saying that our figures were real. We had forwarded our first KI Study status report to the Minister of Local Government and other relevant Ministers, adhering to Recommendation 10; detailing the work we had undertaken addressing the other recommendations in this Study. We were now more armed to take our issue to the Government to discuss a solution. However, prior to embarking on this process we needed to address one more recommendation in the KI Study;

Recommendation 8: Council, possibly in conjunction with other interested Island stakeholder organisations, investigate the merits and implications of introducing a travellers levy (or practical surrogate for it) and, in consultation with KI ratepayers, determine its position and subsequent actions once all necessary information is available.

Actions:

- Develop a long term financial plan which determines the gap between expenditure and income;
- Develop a model which includes a travellers levy that will fund the 'gap' between expenditure and income for Council infrastructure;
- Consult the community/stakeholders once developed (strategy);
- Develop a cause and effect (impact) study;
- Actively involve SATC to advocate on our behalf to ensure the development and maintenance of infrastructure is achievable;
- Investigate funding sources;
- Re-name the Travellers Levy to ensure that it states what this revenue will be used for.

I'm pleased to report that we achieved all of the above within this year.

An Impact Study on the affects that a levy would have on tourism, community, and businesses is almost completed by Access Economics who were commissioned to undertake this assessment as a result of a tender process.

The South Australian Tourism Commission (SATC), Local Government Association (LGA), Department of Trade and Economic Development (DTED) are all financial partners. A media release and a robust presentation process is planned as soon as the report is released. This will include all residents and ratepayers both on and off the Island, Government Agencies, relevant Ministers and the media. When the report is released Council will develop a *position paper*, based on the findings of the report and this document will be released for public consultation.

The Senior Managers of the various departments of Council will further detail the highlights and achievements of this year, addressing our Business/Strategic plans within their reports. However, as well as the abovementioned the following is my overview;

Governance

At the commencement of 2009 we introduced a new process for the Senior Management Team (SMT) to report to Council. Within the Council agenda each member of SMT provides a monthly *Status Report* that addresses the objectives/actions of the current Business Plan which *falls out* of the Strategic Plan.

This now gives the Elected Members and Community a snap shot view on a regular basis, on how we are 'sailing' against these plans. Next year is the final year of the current Strategic Plan and therefore discussions on planning for the next four years have already commenced. I envisage that we will commence formally planning this process in November 2009 for finalisation at the end of the next financial year, being one of our legislative requirements.

This year we have focused on reviewing, updating, establishing; policies, procedures, delegations, codes of practice and further Staff/Elected Members training. Although commenced the year prior, we are working through the outcomes of the Internal Control Audit and Good Governance Pilot and making many positive changes that enable us to be more transparent and compliant. We have made enormous progress with our Staff's annual performances, review and development and have addressed the backlog of Human Resource, Occupational Health, Safety and Welfare (OHS&W) issues, where we were very much underperforming. This level of work has been mainly achieved by employing a professional in this area. This position replaced the previous Corporate and Community Services Manager where other duties of this role were disseminated across other areas of the organisation. Increased workshops for Elected Members and Senior Staff have occurred ensuring strategic issues of Council have been discussed in detail prior to decisions being made.

Economic

Although commenced in the previous year the Asset Management and Long Term Financial Plans are still being 'fine tuned'. However, these are 'live' documents and will be subject to regular reviews. As previously mentioned these plans have confirmed to us our financial dilemma; that we have an annual \$3M deficit. In October 2008 Council adopted the following financial model, ensuring the Community, Visitors and Government had equal representation;

The optimum amount of capital renew and replacement support by an increase in rates of 2% greater than CPI, the State Government taking ownership of our 'ring route roads' and the introduction of a new income stream derived by a levy or the like.

We have had positive feedback from our Auditors this year congratulating us on the level of work that has been implemented and achieved and rewarding us, as previously mentioned, with our inaugural unqualified audit. Our Audit Committee is overseeing the implementation of the recommendations of the Internal Control Audit and Good Governance pilot to ensure we are meeting timelines.

Infrastructure

When referring to Asset Management Plans (AMP) we are not just discussing roads, a separate AMP has commenced for the airport. We have allocated resources to ensure the completion of an Airport Strategic Plan which will underpin the Masterplan for the airport; this will be completed by end of 2009. The main purpose of these plans is to give us a good understanding of our requirements enabling us to make decisions on the roads and airport. This will ensure that we can plan both short and long term for appropriate maintenance and upgrades for these two very critical areas of the Island. Next financial year we will be focusing on other infrastructure areas including; Campground and Visitor sites, Library and park grounds, to name a few. Taking our \$3M deficit into consideration we are currently working with all levels of Government for financial assistance with maintenance and capital upgrades, as many of our assets are utilised by our 185,000 visitors to the Island and this number is steadily increasing. Hence, investigating another source of income, being a levy or the like is critical. These plans also assist us in confirming our issues when having discussions with all levels of Government, or when submitting applications for grants.

Other

There have been many other highlights including; improved Community consultation/participation and local, regional and State partnerships. The near finalisation of our Development Plan Amendment (DPA), the commencement of the next DPA being General Farming and Forestry, increased surveying of our Community, analysing the outcomes for the purpose of improved operations within Council, together with policies and procedures underpinning the improvement of our bottom line, efficiencies and service delivery.

Summary

The ability for the Kangaroo Island Council to fulfil its role appropriately and into the future relies on sourcing an alternative revenue stream, and/or obtaining government assistance for the maintenance and upgrade of our infrastructure.

The Island's infrastructure and facilities under Council's care and responsibility are critical to the ability to satisfy our Community, grow our economy and to provide our visitors with an experience that meets expectations. It is beyond Council's ability to appropriately fulfil its role with our current budget and the number of visitors to the Island. The Council cannot on its own find a solution, even with the reviews/audits occurring within all areas of our operations, we are still not going to be able to resolve the ongoing issue of Council's sustainability. This will require assistance and support from our Residents, Ratepayers and all three levels of Government.

I wish to acknowledge our Mayor Jayne Bates as one of the hardest working, persistent and focused individuals I have ever had the opportunity to work with. I also acknowledge our Elected Members are a united team and as the CEO of the Council I am very fortunate. Finally the Senior Management Team, inside and outside Teams of Council for their consistent efforts within a very challenging and constantly changing environment.

If I was asked to pre-empt what the sentence would be to summarise the next financial year, it would hopefully read something like...*the year we found a solution to our sustainability!*

Carmel Noon
Chief Executive Officer



Year in Review

People Development, Safety and Well Being

Human Resources / Occupational Health, Safety and Welfare



Human Resources Report

Council has continued throughout 2008/2009 to undertake regular evaluations, reviews and audits and to make the necessary changes to ensure the most effective and efficient application possible of human resources, systems and processes, as reported in the 2007/2008 Annual Report. This resulted in the appointment of a Human Resources / Occupational Health, Safety & Welfare Manager in September 2008 followed by the transfer of Payroll Services from the Finance and Information Technology Department to the Human Resources / Occupational Health, Safety & Welfare Department.

The development of the Human Resources / Occupational Health, Safety & Welfare (HR/OHSW) Management role has brought together the basis of good people management. This commenced with a review and full training for all the staff of the Kangaroo Island Council's Employee Code of Conduct.

Numbers and Structure

As we have progressed through 2008/2009, Council has taken every opportunity when existing positions within the organisation have become vacant, to not only review the position before replacement, but also to review the structure of the department and the relationship the position has within the Council. Consequently change has occurred, and continues to occur within the organisation to ensure that the structure of Council best meets the needs of the community.

The changing structure and numbers of Council staff are shown in the Organisation Chart on Page 18 of this Annual Report.

Performance, Planning, Review and Development

Council acknowledges the value of our human resources and this is reflected in the implementation and completed cycle of the Performance, Planning, Review and Development System (PPRADS), that has recognised the contributions of our staff as well as identified a range of training for all elected members and employees. In addition, the PPRADS process has also provided an avenue for Council succession planning and ongoing employee development.

As the provider of a range of services that benefit the Kangaroo Island Community, it is essential the Kangaroo Island Council continually reviews all internal support systems providing an improved, productive and efficient organisation. The PPRADS process assists Council to achieve this aim.

Industrial Relations

Current employment arrangements are via contract or through one of two Enterprise Bargaining Agreements between Council and the Australian Services Union (ASU) or the Australian Workers Union (AWU). There has been no time lost due to industrial action during 2008/2009.

The Kangaroo Island Council has adopted a progressive approach to the ongoing legislated industrial relation changes and reforms. The combined Consultative Committee comprising of Senior Management and employee representation of Council, the ASU and the AWU has seen ongoing negotiations conducted throughout 2008/2009 to develop one Enterprise Bargaining Agreement incorporating the two current Agreements and the two Industrial Awards. Negotiations are continuing.

Occupational Health Safety and Welfare

The commencement of the HR/OHSW Manager saw a full review of the Kangaroo Island Council's occupational health, safety and welfare systems. As a result, a restructure of the Kangaroo Island Council OHS Committee was implemented ensuring a strong representation from the high risk areas and the development of a 2009 OHS Plan incorporating identification and implementation of an OHS Training Program.

Kangaroo Island Council's strong commitment to ensuring that the health, safety and welfare of all employees, visitors and persons in the work place has been demonstrated through the implementation and associated training of the OHS Contractor Management Policy and Procedure, the Kangaroo Island Council's Drug and Alcohol Policy and Procedure and the development of the 2009 OHS Plan that provides a focus on Training, Work Practices Risk Assessments, OHS Contractor Management and Hazardous Substances.

Equal Opportunity

The Kangaroo Island Council has ensured its commitment to Equal Opportunity by clearly setting standards through the Employee Code of Conduct, providing training in Anti-Harassment/Anti-Bullying across the whole of the organisation and incorporating Equal Opportunity in every position description.

As defined by the Equal Opportunity legislation, the Council practices fair treatment by:

- treating people as individuals without making judgments based on irrelevant personal characteristics
- creating a work environment free from discrimination, harassment, bullying and victimization
- allowing all employees to work to their full potential
- making decisions based on merit

Remuneration, Benefits & Allowances of Senior Executives

The Senior Management Team comprised a total of five executives employed by the Kangaroo Island Council throughout 2008/2009, as well as two senior officers. The following table reflects the annual remuneration packages for the seven personnel.

Number of Executives	Salary Package Range \$	Package
1	120,000 – 130,000	*
2	120,000 – 130,000	**
2	100,000 – 110,000	*
Number of Senior Staff	Salary Package Range \$	Package
1	100,000 – 110,000	***
1	80,000 – 90,000	****

* Package includes Superannuation, Private Use of Vehicle, Mobile Phone, Remote Areas Rental Concession

** Package includes Superannuation, Private Use of Vehicle, Mobile Phone, and Enterprise Bargaining Conditions

*** Package includes Superannuation and Enterprise Bargaining Conditions

**** Package includes Superannuation, Mobile Phone and Enterprise Bargaining Conditions

Risk Management

Risk Management is defined as *“the chance of something happening that will have an impact upon objectives”*. (AS/NZS 4360:1999 Risk Management). It is measured in terms of consequences and likelihood and is controlled by actively seeking to eliminate, reduce or minimise adverse risks in the areas of commercial and legal relationships, economic, human behaviour, natural events, political circumstances, technology / technical issues, management activities and controls and individual activities.

During the reporting period Council has actively pursued a number of mechanisms to implement effective risk management, including insurance (insurable risks) occupational health and safety management systems, internal and external audits and instigated effective policies, procedures and systems, application of the Codes of Conduct, accessed quality expert advice and communicated and consulted with stakeholders.

Summary of Insurances

As of 30 June 2009 Council had the following insurances:

<u>Type</u>	<u>Limit of Liability</u>
Local Government Special Risks	\$ 5,000,000
General and Product Liability	\$10,000,000
Personal Accident	\$20,000,000
Journey Insurance	\$ 5,000,000
Asset Mutual Fund	\$40,000,000
Income Protection	\$10,000,000

Summary

In summary, 2008/2009 saw the Kangaroo Island Council review its performance, evaluate its measures, restructure the organisation and develop new processes and practices, which has built on the foundations laid in 2007/2008. Change and improvement will continue throughout 2009/2010 as the Kangaroo Island Council establishes a new Strategic Plan and as further reviewing, evaluating, restructuring, and development occurs towards operating at best practice.

Bernadette Brennan
Human Resources, OHS & W Manager

Year in Review

Highlights, achievements and challenges – our key projects
Technical Services



Technical Services Report

The Technical Services Department (TSD) underwent a structural review, aimed primarily at improving its service delivery and ensuring maintenance works received priority as well as construction activity.

Training

Local Government recognise the need to maintain staff who are trained in current technologies and who possess suitable skills to undertake the works effectively. Eight Technical Services Department staff completed the Certificate in Civil Construction 3 (Plant) in 2009 and joined 10 others who have completed this level of training.

TSD staff also undertake training in Work Zone Traffic Management, Confined Spaces, Green Card OH&S Induction (National) and staff actively participate and are trained in, Occupational Health and Safety representation.

All staff are assessed by Council's Performance Planning, Review and Development System (PPRADS) which identifies training needs and allows closer involvement with personal development. This system also identifies Council's needs for skills in plant operation and maintenance, which forms a major part of any employees daily work duty.

Asset Management

TSD staff have been actively involved in the continued development of Asset Management Plans for infrastructure, in particular, roads and associated items - bridges, stormwater, roadside vegetation, signage and guard railing. Staff are trained in the use of equipment used to capture data, such as any completed road works, downloading this data to Council's IT system and forward to Council's Asset Management Service provider.

All Council road assets have been assessed on current condition, and the Asset Management Plan has been developed which include long term programs of works, from which each year's capital works activity is determined and approved.

Maintenance works are determined from a separate assessment based on condition, safety, access, public safety and public health.

Regional Representation

The TSD have represented Council at Regional Local Government Level, and have been actively involved in development of the 2020 Regional Transport Plan (the planning for this region includes six Fleurieu Councils). From this we were able to have many Kangaroo Island Council roads nominated as "Roads of Regional Significance", these have included; Freight, Tourism and Community Routes.

As Stokes Bay Road was one of the roads of Regional Significance nominated, it was placed in a favourable position by the Local Government Transport Advisory Panel for success for a funding allocation for improvement. Council staff will continue this representation in order to maintain status of these roads and others on the Local Roads Database.

Infrastructure - Capital Works

Council were successful in securing significant funds from external sources to undertake the following major projects:

- o *Stokes Bay Road* - \$600,000 from the 'Special Local Roads Program'
- o *Brownlow Storm Surge Levee* - \$240,000 from South Australian Fire and Emergency Services Commission
- o *Bay of Shoals Boat Ramp* - \$100,000 from Department of Agriculture, Forestry and Fisheries and \$100,000 from Regional Local Communities Infrastructure Program



Council will fully fund the Kingscote Aerodrome Runway lighting upgrade costing \$441,000 if not successful in seeking grant assistance. A local company has successfully tendered for this work.

Sealed Roads – Capital Works

Kangaroo Island Council continued it's commitment to maintaining the sealed road network with the resealing works undertaken at:

- o Playford Highway - between Parndana and Turkey Lane
- o Birchmore Road - 1 Km past Roland Hill Highway
- o South Coast Road - Timber Creek to Gregors Roads



This work was funded from the Federal Governments Road to Recovery program, from which Council have allocated funds since 2002, ensuring this important arterial route is maintained to a high standard.

Unsealed Roads – Capital Resheeting

Council allocated funds to resheet over 20km of its unsealed road network. Many of the target roads were identified from Council's Asset Management Plan development, and were of high Tourist and Community significance. Sections of North Coast Road, Springs Road, Three Chain Road and Jetty Road were upgraded, among many others.

Bridges

Following an analysis of the condition of its 34 bridges, Council allocated funds to upgrade a bridge on Springs Road. The treatment included installation of pre-cast "Link Slabs", new concrete floor treatment and strengthening of the abutments.



This process will be undertaken on one bridge per year to protect the structural integrity of Council's bridges. Significant maintenance was also undertaken on several other bridges in need of repair, as identified in Council's 2008 Bridges Audit Report.

Plant Replacement

With the ever increasing need to source suitable material as near as possible to road work sites, it has become critical to utilise and treat any available material. Much of the readily available material has traditionally required separation from unsuitable contaminants or has been rejected, while much material has displayed basic consistency only.



Council approved the purchase of a new age material crusher, tractor mounted, able to mix any material provided. Large rocks within the material can be crushed and, as the material is mixed mechanically, is now more refined and produces an improved pavement and surface treatment.

Council also replaced its medium sized Wheel Loader, which had reached optimum replacement point.

Signage

Council staff continued the review of all signage. It has been noted that some signage does not comply with Australian Standards, and an assessment is being made of cost to replace.

The Australia wide *Rural Numbering Program* has required significant preliminary activity for Council staff, who needed to ensure all rural roads are named correctly. The Department of Transport, Energy and Infrastructure (DTEI) and staff from the Surveyor Generals Office convened numerous meetings involving Council staff in development of a database for this project to commence on the Island. Works involving the rollout of signs to each rural property are expected to be finalised in 2010. This will be the new standard for emergency access and will replace previous systems. It will be consistent across Australia.

Road Safety KI (RSKI)

TSD staff represent Council on the Road Safety KI Committee which is sponsored and funded by DTEI. This committee focuses on any initiatives to heighten road safety awareness and improve education and general safety. The committee has representatives from South Australian Police, SA Ambulance Service, Department of Children’s Services, KI Development Board and KI Health to name a few. There have been rollouts of safety posters, stickers, campaigns through schools and support for Rock Eistedford and other events. This committee has developed a significant Strategic Plan and will be implementing the measures of that plan annually.

Roadside Vegetation Clearance

This important activity, which provides a level of safety for road users, continued in 2008/2009 with 130 kilometres of roadside vegetation cleared at various locations across the Island. Following the December 2007 fires complex, application was made to Native Vegetation Council (NVC) to seek approval for alteration to the KI Council Roadside Vegetation Management Plan (2007) to widen vegetation clearance by an additional width. This process was undertaken to reduce the frequency of costly clearance activity and to attempt to reduce the incidence of road kill. NVC have approved clearance of an additional one metre on sealed roads.

Partnering with other Statutory Bodies

The department continued to work closely with State Agencies on Kangaroo Island in order to investigate ways to share responsibilities and costs. Council staff liaised with the Natural Resources Management (NRM) Board to develop Safe Operating Procedures for alignment with the NRM Water Policy. Additionally, Council staff have consulted with the Department of Environment and Heritage (DEH) extensively in the search for means of sharing services and facilities, and this project will continue in 2009/2010.

Summary

The allocation of the funds from the Local Government Transport Advisory Panel (LGTAP) through the Special Local Roads Program (SLRP) for the second year in a row has meant Council’s plant and equipment resources will be utilised to maximum effect. The nomination of a further section of Stokes Bay Road for upgrade and the continuation of the *Roads to Recovery* Funding Program will allow the TSD to improve and maintain the vital road infrastructure.

John Fernandez
Technical Services Manager



Year in Review

Highlights, achievements and challenges – our key projects
Community Infrastructure Services



C ommunity, Infrastructure and Services Report

The Community Infrastructure and Services team was formed in early 2008 and delivers outcomes to the Kangaroo Island Community through the following teams:

- Community Infrastructure -*
 - Parks and Gardens*
 - Community Buildings Maintenance (Cleaning Services)*
 - Community Wastewater Management Scheme (CWMS) Management*
 - Waste Management*
- Environmental Regulatory and Compliance -*
 - Fire Prevention*
 - General Inspectoral*
 - Environmental Health*
- Community Engagement -*
 - Library*
 - Customer Service*
 - Communications*
 - Community Development*
 - Community Passenger Network*

The team provides the link between Community consultation and delivery of programs and services. This ensures that the organisation delivers what is negotiated with the Community.

Community Infrastructure and Services continues to deliver major outcomes for the Community ensuring that the needs of the Community are met over the long term while providing the foundations for a sustainable future of Council. Following is a summary of the key outcomes achieved against the 2008/09 Business Plan adopted by Council.

Governance

In 2008/09 a major review of the Community Engagement Team commenced. The objective of this review is to ensure the needs of the Community are met and consistent messages are delivered to the Community. This will ensure that the Community is fully aware of the direction Council is taking and this is then appropriately communicated.

The review of the Community Engagement team has delivered -

- Assurance that the Library meets the needs of the Community
- Opportunities for the whole Community to be engaged
- Consistent and high quality customer service to the Community
- Consistent communication about Council business and directions

In 2009 Kangaroo Island Council, as is required under the Local Government Act 1999, undertook a public Elector Representation Review. This review considers the structure of the elected representation of the area and covers wards, number of Councillors and whether to have a Mayor or Chair. Kangaroo Island Council resolved to maintain status quo as the current situation serves the Community extremely well.

The Kangaroo Island Council has been reviewing its Leases, Licences and Permits for occupying land that is under the management of Council standard clauses and documents have now been introduced. The first part of the review has been the formalisation of the Leases and Licences process. The next phase of the review will be the establishment of Permits for occupying road reserves.

A key element of good governance is providing the Staff with the skills to undertake their roles within the organisation. In 2008/09 the team has invested heavily in providing the employees with the required training and development of comprehensive performance review programs. The training offered to Staff has been identified through performance reviews and organisational development opportunities.

The achievements of 2008/09 will be consolidated in 2009/10 when the team will exercise new skills. There will be a continued focus on customer service, delivering positive outcomes to the Community.

Environment

A key focus of the Community Infrastructure and Services Team is the delivery of quality environmental outcomes to the Community in the areas of infrastructure development and environmental practice. This focus builds on the achievements in previous years in relation to waste management and sustainable business.

In 2008/09 Kangaroo Island Council resolved to be a member of the newly formed Fleurieu Regional Waste Authority. This is the next step in the continual development and improvement of the waste management program on Kangaroo Island. Joining the Authority will benefit Kangaroo Island by ensuring that waste disposal and contract costs are minimised. Kangaroo Island Council will still maintain control over how the waste is managed.

Council continues to be licensed by the Environmental Protection Agency to accept asbestos waste which is landfilled at the Kangaroo Island Resource Recovery Centre. Council staff provide assistance to residents in relation to the safe removal, transportation and disposal of asbestos. Council continues to maintain an asbestos register in relation to asbestos on Council infrastructure.

The Council, in partnership with many other Kangaroo Island Stakeholders, assisted in the coordination of the Hog Bay Road Clean Up Day as part of World Environment Day. This event was a great success for all involved. Council was also involved with the KI Field Day where a stand presented comprehensive information on Council business.



The American River Community Wastewater Management Scheme became operational in June of 2009. This project is one of the largest single construction projects undertaken by Council and is a major achievement. Property owners in American River are in the process of connecting to the scheme.

In partnership with the Local Government Association, Council commenced the investigation phase for the establishment of a Community Wastewater Management Scheme in Penneshaw. This is an ongoing project which Council will deliberate on in 2009/10 to determine if the project proceeds.

The Community Wastewater Management Schemes in Kingscote and Parndana are undergoing a major upgrade to ensure these facilities meet the needs of the various communities in the future. The facilities will continue to operate at the highest environmental standards. Linked with all these schemes is the management of on-site sewerage infrastructure to ensure full compliance with all health guidelines.



Fire management continues to be a major focus for Kangaroo Island residents and agencies. In 2008/09 the Council Fire Prevention Officer in partnership with the Kangaroo Island Bushfire Prevention Committee have, after extensive public consultation, developed the Kangaroo Island Bushfire Risk Management Plan. This plan is the first of its type in South Australia and will form a basis for future bushfire planning in South Australia.

Assisting the Community in the management of disease outbreaks is a key role Council's play within the Community. The Environmental Health Officer provided information to the Community, particularly through the Council website, on the recent Influenza A(H1N1) *Swine Flu* Pandemic.

In 2008/09 Council initiated a process to better understand the implications of Climate Change and associated legislative requirements for Council operations and the Community. This is an ongoing program where risk assessments and further training will occur.

The focus throughout 2009/10 for the Community Infrastructure and Service Team will remain on the environment with the above programs continuing. Due to some changing aspects in relation to the environment, the team will continue to assist the Council in the following areas-

- Climate Change
- Sustainability
- Natural Resources Management Liaison
- Environment Management Strategies
- Waste Management Practices

Economic

In 2008/09 Stage 1 of the Urban Design Framework (Town Centres) project was completed with the establishment of “entry statements” to the four key towns; Kingscote, Penneshaw, Parndana and American River. This project was delivered primarily by volunteers representing respective Progress Associations with leadership provided by Council.

Council was also successful in obtaining funding for Stage 2 of the Urban Design Framework Project. This stage is primarily a design phase of the project for walking trails, street scapes and entrance statements in the four towns. This will all be rolled out in 2009/10.



Infrastructure

The upgrade, rationalisation, maintenance and management of Community infrastructure are a key focus of the Community Infrastructure and Services Team. Council’s infrastructure is characteristically aged, of poor standard and requires a high level of maintenance resulting in a high cost to Council.

In 2008/09 the development of the Council Camping and Day Visitor Strategy was completed. The strategy has determined service levels for each camping and day visitor sites and facility design standards. The strategy provides for the use of high quality infrastructure that requires minimal maintenance while maintaining an appropriate service level to each site. The strategy has and will be used as the basis on which to apply for funding for the upgrade of facilities across Kangaroo Island.

The following infrastructure projects were undertaken in 2008/09-

- Emu Bay Toilet upgrade complete
- Reeves Point upgrade complete
- New playground at Reeves Point and Bernie Davis Reserve Kingscote
- Commenced Kingscote Cemetery redevelopment
- Penneshaw Youth and Community Park
- Planning for the Parndana BMX Track



Continued removal of treated pine fixtures from reserves



In 2008/09 Kangaroo Island Council received approval for the revocation of the Community Land Classification of the land surrounding the American River Hall. This has resulted in Council placing this land on the market for sale. The funds from this sale will be used to assist the upgrade of the American River Hall. The American River Community will be asked to determine the future direction and use of this facility to ensure the upgrade is sustainable in the long term.

All these projects were achieved with a high level of public input and consultation to achieve positive outcomes for the Community. Overall, the linkages created by Community Infrastructure and Services have resulted in positive outcomes in infrastructure development.

Social and Community

A key focus of the Community Engagement team in 2008/09 was the establishment of good public communication practice. The new Public Participation Policy and Procedure was developed and adopted by Council. This Policy and Procedure was trialled with the Annual Business Plan 2009/10 process and was extremely successful in engaging the Community.

Council continues to be involved in assisting Kangaroo Island Youth. In 2008/09 Kangaroo Island Council engaged Finding Workable Solutions (FWS) to assist in delivering youth programs including; Youth Week and the Launchpad Project. This engagement enabled the pooling of youth funding across Kangaroo Island to provide a higher level of outcomes for youth on Kangaroo Island.



Linked with this program, the Community Infrastructure team worked with the local communities including youth in the completion of the Penneshaw Youth and Community Park and the planning for the Parndana BMX Track.

A key role of Council is to ensure that food premises on Kangaroo Island comply with the appropriate legislation. The Environmental Health Officer undertakes inspections of premises and provides advice and approvals to potential new premises. This ensures compliance with the legislation and limits the potential for food related illnesses.

Council continues to coordinate an immunisation service in partnership with the Community Health Service. This service provides immunisations through a childhood clinic, the Cook Community Health Centre and school based immunisation programs.

The Community Passenger Network (CPN) project in 2008/09 for the first time appointed a dedicated coordinator. The primary objective of this role was to develop an integrated transport network for Kangaroo Island. This objective has been progressed to the stage where a tender will soon occur for an integrated transport network on Kangaroo Island. The CPN Officer will be responsible for coordination of this network.

The establishment of an integrated transport network across Kangaroo Island will be a major achievement in 2009/10 that will ensure transport needs for the Kangaroo Island Community are undertaken in a sustainable integrated manner.

The engagement of the Community in the area of Climate Change has become a focus of local government across Australia. In 2008/09 Kangaroo Island Council joined the Fleurieu Peninsula Council's in promoting the C-Prep program, where solar panels are being installed on private properties at a very much reduced price. Council will continue to connect the Community with programs that are linked to Climate Change outcomes.

The Library continues to be a key focus of Community involvement with Council. Programs delivered include school holiday programs and story time sessions. These programs have a very high participation rate and are a very well received part of the overall Library service.

In 2008/09 a major review of the Library and Customer Service area commenced to ensure that Council is providing appropriate services to the Community. This review will ensure that services are maintained at a high level with active Community engagement.

The Community Engagement Team is developing a Volunteer Register which will assist agencies to link skills of volunteers with their requirements. This register will also assist in emergency situations where Council may take a volunteer coordination role.

Council continues to engage the Community in many of the activities that Council undertakes as well as assisting the Community in delivering their own key local objectives. Volunteer support programs have been established across Kangaroo Island by partnering numerous other agencies and volunteers.

Future

In 2009/10 the Community Infrastructure and Services Department will expand to include TOMM and all communications, and will be referred to as the Community Engagement Team. This will ensure a more cohesive service where the Community is fully and accurately informed about Council activities and is invited to engage with Council.

Council has a number of statutory requirements that the Community Infrastructure and Service area of Council needs to implement in 2009/10. These include the development of new By-laws and new Animal Management Plan (expanded on the previous Dog and Cat Management Plan). These documents will be made available for comment to the Community through the Community Engagement Team.

In response to the developing Climate Change obligations for all Councils and communities, the Regulatory Services Team will be preparing an Environmental Management Strategy for Council. This strategy will consolidate all environmental deliverables of Council into a unified approach. This will enable Council to meet its environmental and Climate Change obligations into the future.

The finalisation of the Bushfire Risk Plan in 2009/10, in partnership with other agencies and the Bushfire Prevention Committee, will make Kangaroo Island the lead region in the State for bushfire planning. The lessons learnt on Kangaroo Island will be used throughout South Australia.

2009/10 will be a changing and exciting period for the Community Engagement Team with a major review being undertaken of the Library and Customer Service area ensuring it meets the needs of the Community and Council. The introduction of Customer Service Standards and Procedures will also increase the standard of service provided to the Community.

The Community, Infrastructure and Services Team will be undertaking many projects in partnership with the Community and other stakeholders including –

- Penneshaw Community Wastewater Management Scheme
- Upgrade of the Kingscote Community Wastewater Management Scheme
- Upgrade of the Parndana Community Wastewater Management Scheme
- Integrated transport network across KI
- Upgrade of Hanson Bay Toilet
- Upgrade of Vivonne Bay Campground and Toilet
- Upgrade of Western River Campground and Toilet
- Commencement of planning for a major upgrade at the Kingscote Oval
- Implementation of the Urban Design Framework Stage 2 project
- Formal establishment of the Fleurieu Regional Waste Authority

All of these abovementioned projects will be undertaken in partnership with the Community to develop outcomes that meet the needs of the Community and Council as a whole. The Community, Infrastructure and Services Team will be the key contact for the organisation in delivering the community engagement programs Council needs to achieve in the future.

Daniel Rowley
Community, Infrastructures Services Manager

Year in Review

Highlights, achievements and challenges – our key projects
Development Services



D evelopment Services Report

Council's Development Services department assess development applications against the Kangaroo Island Development Plan, Development Act and Regulations, Building Code of Australia and relevant Australian Standards and Codes. The department is also responsible for providing accurate and concise planning advice to people undertaking development at all levels of scale and complexity, and provides strategic planning functions to maintain a purposeful direction for development of Kangaroo Island.

Development Services staff work within a high level of delegated authority. Assessments of matters that fall outside Officers' delegations are forwarded to the Kangaroo Island Council Development Assessment Panel (DAP). This is constituted under legislative requirements and is empowered to deal with planning approval where public notification is required and/or where public objection is received.

Building

Development Services incorporates Building Surveying and Town Planning functions, as well as some supplementary land administration roles. The building component involves the assessment of technical and structural aspects of developments, undertaking audit inspections of building work in progress, and the operation of the Kangaroo Island Building Fire Safety Committee. This committee carries out audit inspections, typically on commercial buildings such as hotels, motels and halls as well as other buildings for public assembly and accommodation.

Planning

The planning component concerns assessment of development proposals against the Kangaroo Island Development Plan, to promote suitable forms of development in appropriate areas across Kangaroo Island in order to preserve, enhance and advance Kangaroo Island through socially, economically and environmentally beneficial outcomes. Supplementary roles include provision of property searches required for the sale and conveyance of real estate, consultation on strategic project works, such as those for the town centres and local progress association projects, maintaining development compliance including occupancy and fire safety provision documentation.

Partnering

The Department works in synergy with other departments of Council, particularly Environmental Health and Technical Services Staff to achieve appropriate outcomes that are compliant with various legislation, codes and standards. Through this work the department liaises with a range of stakeholders including Council, State Government Agencies (eg SA Country Fire Service, Department of Transport, Coast Protection Board and the Environment Protection Agency), allied professionals, tradespeople and the Community to meet public expectations of well configured, safe and healthy development.

Milestones

The Department has continued to strive for excellence, high performance and innovation throughout the year. Challenges which have been overcome include; Staff changes, maintaining and refining the essential development services functions for local government, meeting statutory timeframes and as well serving the Community with sound planning advice and succinct planning assessment to the highest level. Officers have continued to progress the Strategic Planning in the form of the Kangaroo Island General Development Plan Amendment, which was initiated in 2004, and procedural commencement of investigations focused upon elements of General Farming/Primary Production, Rural Living, Forestry land uses and Bushfire Protection.

Public Information

Council's website continues to evolve, and now a greater resource of information is available for public use than ever before. There is a growing suite of nearly thirty information guides tailored to Kangaroo Island's Planning policy. This includes a range of forms for various applications and submissions, Council's Development Plan, frequently asked questions and links to other State planning guides from Planning SA to better inform and guide prospective developers prior to compiling plans and lodging an application.

Most of these Development Services resources are also available in hard copy from Council's main customer service area in the Kingscote Office. Alternately some documents eg The Development Register can be accessed at the electronic kiosk in the Dauncey Street foyer. You can use the computer to view lists of all development applications submitted to council since 2003. In time, the Kiosk will be expanded to include access to a greater range of documents.

In addition to these resources, the Senior Planning Officer is available by appointment, on most Mondays, to assist applicants regarding the development and planning process. It is advisable that people bring their preliminary plans, photos or concept drawings to assist the Officer to provide relevant information and planning advice.

Local Development

Reasonably high levels of activity within the local building industry continued during the past year. The number of development applications lodged with Council during the 2008/2009 financial year totalling 252 land use and 38 land division applications to a total development value of \$19,710,927. This indicates lower than average, but still significant investment in Kangaroo Island's built environment and development. Notably applications for rural land divisions have declined, and it is likely that development has slowed generally due to the Australian economy over this period.

Human Resources

As within any organisation, the department's most important asset is its human resources and it is here that the department has continued to adapt to restructuring and the changing composition of Kangaroo Island Council.

During this period staff have united to work effectively and productively to improve customer service valuing the input from consultancies such as; Katnich Dodd & Harmer CLG Building Surveyors and Private Certifiers and Urban and Regional Planning Solutions (URPS). Their support has provided back up and assistance with managing the various assessment functions. In a fast paced, changing, and high pressure environment Staff have embraced increasing levels of responsibility, demonstrating ability to develop new skills, adopt and implement different strategies and demonstrate compliance with legislative change.

Development Assessment Panel

A further component of Council's Development (Planning) Assessment function, is that of the Council Development Assessment Panel or DAP as it is commonly known. The DAP continues its established role of development assessment in cases where proposals fall beyond the bounds of Council's Senior Management Team and Planning Officer's levels of delegation, or purports significant variance from the provisions of the Development Plan.

The Development Assessment Panel established under Section 56A of the Development Act 1993, comprises 3 Elected Members of Council, 3 independent members and an independent Chairperson. The Panel continues to convene on the first Monday of each month in Council's Chambers (unless otherwise notified in *The Islander*, or where coincident with a public holiday, on the next available Monday) to deliberate and determine applications of significance and/or where delegated authority does not extend to individual officers of the department.

Meetings are open to the public and anyone is welcome to attend and observe proceedings.

Strategic Planning

The Kangaroo Island Council Development Plan is the principal document used to control development across the Island. The Kangaroo Island Council General Development Plan Amendment initiated during 2004 is undergoing final review by the State Minister for Urban Development and Planning and nearing Ministerial approval and consolidation as Kangaroo Island's principal instrument for development assessment.

Council's Heritage DPA was finalised with some minor format errors being attended to in May 2009, and functions within the recent versions of the Development Plan. Few applications have been received and processed with regard to buildings identified as demonstrating Local Heritage significance.

Council will submit a Statement of Intent (SOI) to undertake further investigation focused upon elements of General Farming / Primary Production, Rural Living, Forestry and Bushfire Protection, to identify greater development opportunities and establish clear guidelines for the kind and intensity of rural activities and accommodate increased resident growth in appropriate rural areas of Kangaroo Island.

Staff continue to liaise with bodies such as the Kangaroo Island Natural Resources Management Board, Coastal Protection Board and Department of Environment and Heritage in workshopping projects of environmental and cultural significance.

The Kangaroo Island Coastal Issues Work Group continues to focus upon coastal works for common goals of preservation of flora and fauna, the environment, and creating positive outcomes that allow public interface and interaction in identified fragile environments.

Kangaroo Island Town Centres Projects

A product of the 2004 Section 30 Review, the Kangaroo Island Town Centres Projects continue to be implemented to enhance town and district centres in line with the Kangaroo Island Urban Design Framework documents compiled in 2007.

Council's Development Services department renders design and development assessment input at the Town Centres Committee level. This assistance helps facilitate a collaborative approach with local artists, craft persons and tradespersons to design and construct features for each town centre. Projects included entry statements to each town, providing designs focused on elements of cultural and heritage significance and embracing iconic features of their respective townships, as well as undertaking associated civil works to improve Council parks, trails and open spaces.

Aaron Wilksch and Melissa Grimes
Senior Planning Officer and Development Services
Coordinator

Year in Review

Highlights, achievements and challenges – our key projects
Kingscote Airport



Kingscote Airport Report

Kingscote Aerodrome provides a vital transportation link between Kangaroo Island and mainland Australia providing facilities for regular public transport (RPT) services, tourism and private charter operations, emergency medical evacuations, freight, general aviation and flight training.

With the increase in luxury accommodation establishments on Kangaroo Island, an increase has been experienced in the number and type of private and charter aircraft requesting landing permission at Kingscote Airport.

During the 2008/2009 financial year a full review of airport operations was commenced and is still underway. The review paved the way for efficiencies to be achieved in Aerodrome Staff resources, assisting to ensure the airport's longer term financial sustainability.

Under a revised staffing structure, day-to-day airport operations are now managed by the Airport Services Coordinator and Airport Administration Coordinator. The Aerodrome is also well served by a team of Aerodrome Reporting and Works Safety Officers who primarily conduct duties on weekends.

Airport Strategic Planning

During the last quarter of 2008/2009 a contract position was established to undertake a project to develop a long term strategic plan for the Airport. This plan underpins the development of the engineering plan (Masterplan). The plan which is due for completion in late 2009 will provide strategic direction for development of airport infrastructure over the next 15 years.

Airlines

Throughout the year Kangaroo Island has continued to have two RPT airline services offering between 6 and 8 regular weekday flights operating between Adelaide and Kingscote. Kingscote is the only regional airport in South Australia to have been served by two RPT operators.

The competition between Regional Express and Air South Regional and the flexibility of additional scheduling this provides has been a benefit for passengers with the availability of an increased number of discounted internet fares.

Passenger Movements

2008/2009 saw a reduction in RPT numbers from the previous year with total passenger movements reaching 55,319.

This represented a total variation of -12.65 % on RPT numbers for the previous financial year and -7.4% on the previous 5 year average.

The global economic climate is thought to have been a contributing factor with international visitors making up a significant proportion of air travellers on the Adelaide-Kingscote route. It is worth noting that the decline experienced at Kingscote Airport is reflective of a similar trend on some other South Australian regional aviation routes during the same period.

The Adelaide-Kingscote air route continues to face strong competition within the travel sector from ferry transport as a viable way to travel to and from Kangaroo Island.

Airport Infrastructure

A report by our engineer Peter Francis of Aerodrome Design was commissioned in early 2009 to review the status of the airport runway and provide ongoing advice on suitability for landing various charter aircraft.

In mid-March the Kangaroo Island Council Technical Services Department successfully completed the planned work to reseal some areas of pavement that had been identified as requiring remedial attention to ensure exclusion of water to base layers under the pavement surface.

Initial trenching work was commenced in May to get the runway and taxiway lighting facility upgrade underway however, the wet seasonal conditions prevented continuation of this work. This project is now to be completed in 2009/2010.

In mid June an inspection was conducted and a report received on the status of the under sealed runway drainage pipes. It is pleasing that this has shown the integrity of these pipes is still high. This knowledge will assist in Strategic and Master Planning in addition to considerations for the Pavement Concession Requests that are received to facilitate aircraft movements that are outside of our pavement classification guidelines.

Security

In December 2008, as part of the 'Securing our Regional Skies' program, the Airport again hosted a security exercise similar to that conducted in 2007, which included participants from SA Police, CFS, SA Ambulance Service, SES, Council Staff and Community volunteers. This exercise provided valuable additional training for response to a security incident at the Airport as well as testing Airport response and procedures in an emergency.

Compliance

Each year the Airport is required to undergo a series of audits and inspections to ensure compliance with aviation standards and regulations. Once again Kingscote successfully completed Annual Technical inspections, Civil Aviation Safety Authority Audit and Electrical inspections to ensure it meets the requirements of a Certified Aerodrome. Areas highlighted for attention from these inspections and audit reports have been actioned.

From 23 March 2009 we have had additional legislation to comply with as part of a Civil Aviation Safety Authority (CASA) initiative to instigate a Drug and Alcohol Management Plan for any safety sensitive airside activity. To comply with this requirement a Drug and Alcohol Policy and Procedure has been developed and introduced which will be extended to whole of Council.

The airport was required to undergo a mandatory emergency exercise during 2008 to test and activate the Airport Emergency Plan. Airport Management believes the requirement to demonstrate control command and coordination at an incident and fully activate the Kingscote Aerodrome Emergency Plan was carried out as part of the security exercise. This exercise was very successful and the assistance and participation of all in attendance was greatly appreciated.

Aims and Challenges for 2009/2010

Completion of the Airport Runway lighting project is a priority for the first half of the 2009/2010 year.

Finalisation of the Kingscote Airport Strategic and Master Plans will provide strong direction for the future of Kingscote Airport over the next 15 years. In conjunction with this, completion of the Airport Infrastructure and Asset Management Plan will ensure Council have financial sustainability plans in place for the Airport for the long term.

Together these plans will ensure a vision is in place for Kingscote Airport to continue to serve the needs of Kangaroo Island's Community, Visitors and Businesses well into the future.

David West and Cathy Williams
Airport Services Coordinator and Airport
Project Officer



Year in Review

Highlights, achievements and challenges – our key projects
Finance, Information Technology and Records



Finance, Information Technology and Records

The Finance and Information Services Department is an important and pivotal part of the Kangaroo Island Council's operations. The finance section provides accountability for the administration and control of all of Council's finances. This includes rates administration, the accounts payable and accounts receivable sections. Most importantly the day to day finances including budget and annual financial statements.

The information services section of the department administers the records system of Council and the day to day maintenance of the Information Technology (IT) network of the Kangaroo Island Council.

Finance

The Finance Department has had a significant focus on statutory compliance in 2008/09. Throughout the financial year the Department has completed a Long Term Financial Plan and Infrastructure Asset Management Plans (IAMP) for the Roads Infrastructure, Building & Structures, Community Wastewater Management Scheme and Stormwater assets of Council. The work undertaken was extensive and all the requirements were undertaken prior to the November 2008 deadline set by the Office for Local Government.

The Finance Department also met statutory requirements to produce an Annual Business Plan, for both the 2008/09 and 2009/10 financial years. Both annual business plans involved extensive internal *workshopping* and extensive input from the public.

The public consultation process for the Annual Business Plan included meetings Island wide plus an inaugural public consultation meeting in Adelaide, which gave our off island ratepayers an opportunity to participate in the process. The 2009/10 Annual Business Plan was adopted by Council prior to the end of the financial year in readiness for the start of the new financial year.

Local Government Programs

Throughout the 2008/09 financial year Council agreed to participate in pilot/audit programs with the Local Government Association (LGA). The first was the Internal Controls Audit. The Internal Controls Audit focussed on reviewing the existing financial internal controls of Council and exposing any deficiencies. The review revealed that Council had nearly 400 separate financial internal controls, of which Council needed to develop and strengthen 85 of these internal controls. The Finance Department has been systematically implementing these internal controls and as at the 30th June 2009, half of the suggested 85 internal controls have been implemented.

The second program was the Good Governance Pilot Program. With the assistance of the LGA, a full independent review was undertaken of statutory compliance within Council. The results of the pilot program flagged a number of processes, systems and policies that were required to be implemented. To assist Council in the implementation of the suggested internal controls and good governance requirements, a part time Compliance Officer role has been implemented. The main purpose of the role is not only to assist in the implementation of the outstanding requirements, but also to commence an internal checking mechanism to provide assurance to Council, Management and the Audit Committee that processes and controls are being adhered to and meeting timelines.

Information Services

Information Services Staff have concentrated during the year on data integrity. Resources have been dedicated to improve the data available on Council's software with a particular focus on the rates and property database. Staff undertook an extensive survey of all ratepayers to assist in obtaining up-to-date names and addresses for all rate assessments. The project has been enormously successful and Council received an overwhelming response from the ratepayers.

Information Services continue to improve processes and streamline the electronic records management system. In addition, the Information Services Team has focused on reducing a backlog of accumulated older records. The identification of historically important documents are to be shipped to State Records and the destruction of older non requisite Council records continues as an important ongoing project for the department.

The security of the information services was also a focus in 2008/09. Council secured a three year Information Technology (IT) support contract with Alexandrina Council. This arrangement has been mutually beneficial to both Councils. For Kangaroo Island Council in particular it has provided a cost effective, secure and stable information technology environment supported by high level IT knowledge.



Information Technology

During the year the main IT project was to secure a replacement for the imminently ceasing Telstra Voice Grade Dedicated Line (VGDL). The solution was to set up a microwave IT link between Council, Kingscote Depot, Waste Transfer Station, Kangaroo Island Development Board and the Airport. The microwave link has improved connectivity, and has provided a stable, secure IT link that has proved to be a cost effective replacement solution for the redundant Telstra (VGDL).

Rural Road Numbering

In conjunction with the Department for Transport, Energy and Infrastructure (DTEI) the Finance and Information Services Department has been assisting DTEI in the roll out of rural numbering to local rural residents. It is planned that this project will be completed by the end of December 2009. Once completed, it is envisaged that the roadside rural road numbering signs will be erected across the Island.



Summary

Overall the Finance and Information Services Department has achieved a tremendous amount of work and it has contributed significantly to the achievement of Council's strategic and annual goals for 2008/09. In 2009/10 the Finance and Information Services Department will continue to have a strong focus on compliance. The completion of the outstanding IAMP's will be undertaken and a longer term solution to asset management will be sought. It is also envisaged that the final implementation of the outstanding internal controls, good governance requirements and the rural road numbering project will be finalised.

Paul Duka
Senior Finance and Administration Officer



Valuing our Partnerships

Your input, research, and results
Community Engagement

Kangaroo Island Council is committed to engaging its Community in the development of its long term strategic planning and in gathering Community opinion on Council's performance to inform future planning.

The principles of Community engagement will underpin the delivery of Council's future planning, Community service delivery and inform activity across all of Council's services and departments.

Council utilises a number of tools to both inform and gather information from the Community throughout the year. A brief overview of these is provided below.

Community Measurement Tools

There are two key tools that Council uses in gathering information on community attitudes, priorities and measurement of Council's performance. This information is integral to ensuring future planning reflects the priorities of the community.

Local Government Community Performance Measurement

A survey conducted through the Local Government Association is annually undertaken by Roy Morgan Research. Comparative Performance Measurement data is used by Councils across the State to measure trends in their own performance over time and to compare their performance with the average results for other Councils. The key areas covered by this survey are; Governance, Community Satisfaction, Financial and Asset Management, and Quality of Life.

Councils are provided with the opportunity to participate in this survey annually. Kangaroo Island Council took part in this survey in 2008-09, and previous to this in 2006. For the first time in 2008-09 the survey covered both Kangaroo Island Resident and Non-Resident Ratepayers, providing Community measurement of the importance and performance of Council across a wide range of measures. The results of the 2008-09 survey can be accessed via www.kangarooisland.sa.gov.au or in hard copy at the main Council offices for those without the internet.

TOMM Resident Survey

The Tourism Optimisation Management Model (TOMM) Resident Survey randomly surveys around 10% of the Island's resident population and has been undertaken annually since 2000. The survey measures key indicators as part of the TOMM process as well as providing stakeholders with the opportunity to ask residents their opinions regarding issues specific to their organisation. TOMM provides an invaluable tracking tool measuring community values and opinions over time regarding an array of issues.

Council utilises information from this survey including; resident values, opinions regarding specific Council issues (eg bridging Council's financial gap, methods of communication, vehicles on beaches and appropriate development), perceptions of lifestyle and levels of satisfaction with Council's performance.

Nine years of tracking data is available to agencies to utilise in agency planning, setting strategic direction and addressing specific issues. The survey also provides a powerful tool in tracking Community attitudes towards management actions put in place as a response to issues raised in the survey. Further information regarding TOMM can be found at www.tomm.info and the results of the 2008-09 survey can be accessed via www.kangarooisland.sa.gov.au .

Public Participation

In any Community there are many different interest groups and the role of Local Government is to engage with and seek direct feedback from a representative cross section of its constituency.

Council is committed to engaging with the Community on both an ongoing and tactical nature to gather feedback on selected projects or issues as well as to develop an understanding of the broader issues facing the Community. Council currently undertakes this in a number of ways.

Progressing KI and Town Progress Associations

Kangaroo Island is home to several local Progress Associations (generally based in towns and community centres). Council Staff and Elected Members work with these groups to seek input into a variety of projects and processes, as well involving these groups as a voice for their local communities. Council also work with these groups to deliver projects on behalf of the Community, such as recreational facilities, interpretation and town landscaping.

Council continues to support "Progressing Kangaroo Island" a regular forum where representatives from Progress Associations across the Island come together and update each other on current projects and issues as well as share experiences and provide feedback to Council Staff.

Public Participation Meetings

As part of its overall commitment to Community engagement, Council undertakes public meetings in relation to strategic and annual business planning (including annual budgeting) for the Community to provide both information and the opportunity for feedback.

Council invites key stakeholders to identify their town's priority projects for the forthcoming year by letter or at public meetings regarding the Annual Budget and Business Plan presentations. It also convenes Community meetings on a needs basis, in relation to specific projects or issues (e.g. the proposed Kangaroo Island Local Roads Levy).

Issues Related Research

Council undertakes research in relation to topical issues as they arise. Recent examples include the extensive surveying of both visitors and residents in relation to the KI Local Roads Levy and the Kingscote Airport Strategic Plan.



Valuing our Partnerships

Working together to achieve better outcomes for Kangaroo Island
Tourism Optimisation Management Model

TOMM is a collaborative project between the Kangaroo Island Council, Tourism Kangaroo Island, South Australian Tourism Commission, Kangaroo Island Natural Resources Board, Department for Environment and Heritage, Kangaroo Island Development Board, Industry and Community.

These stakeholders form the TOMM Management Committee (a Section 41 Committee of Council) and oversee the project. TOMM measures the long term health of the tourism industry and of Kangaroo Island from a variety of aspects including social, environmental, economic and visitor experience. TOMM collects and collates a variety of information that is utilised by all stakeholders to assist in informing decision making processes.

TOMM is delivered by a Project Manager, engaged at 0.6 Full Time Equivalent, employed through the Kangaroo Island Council. Project highlights for 2008-2009 follow.

Data Collection and Management

During the reporting period the 2007-2008 Visitor Exit Survey was distributed and the 2008-2009 Visitor Exit Survey Questionnaire was reviewed and implemented. The 2008-2009 Resident Survey was reviewed, conducted, analysed and reported on, including stakeholder questions. TOMM produced and circulated visitor numbers for Kangaroo Island at least quarterly, and this year also reviewed visitor numbers due to a discrepancy discovered in the 2006-2007 data. In 2008-09 financial year 185,081 people visited Kangaroo Island.

Publications and Presentations

TOMM conducts a variety of presentations including Visitor and Resident Survey results, tailored issue specific presentations and general overview of TOMM. This year presentations were made to a variety of forums including: the regional stream of the 2008-09 Eco-tourism conference (Kangaroo Island Field Trip); Tourism Ministers Round Table; Stakeholder Agency Staff and Board Members.

TOMM was also published in a variety of formats and publications, including: "Caring for our Island" page and an article included in the Kangaroo Island Visitor Guide; submission of abstract for Island Arks Conference; and local newspaper articles.

Enquiries regarding TOMM

Many requests for TOMM data and information have been received and responded to via phone or email. Access to TOMM reports is also available via the website. Whilst not all enquiries are tallied, over 30 enquiries regarding TOMM were received from Students and those working in the educational sector and over 45 general enquiries received (eg real estate agencies, businesses developers, government planners).



Valuing our Partnerships

Working together to achieve better outcomes for Kangaroo Island
Tourism Optimisation Management Model

Strategic Tourism Plan

Funding of \$12,585.60 was received in 2008-2009 from SATC to be the body responsible for monitoring and reporting on the implementation of the Kangaroo Island Strategic Tourism Plan. The TOMM Project Manager convenes the Steering Committee for this plan.

To date over 19% of actions identified in the plan have been completed; 29% were on target for completion by end 2008/2009; and 27% had been incorporated into the ongoing business of the responsible agency. Around 25% of actions had been deferred, however over half of these rely on the completion of a tourism development plan amendment, which has been deferred until 2010/2011.

Funding has been secured to continue this role for 2009/2010 and it is anticipated the plan will undergo review with stakeholders in this timeframe.

The plan provides an excellent example of collaboration of agencies to achieve a common goal, and has been used as a model for implementation in the State.

Indicator Review

TOMM completed a comprehensive review of optimal conditions and indicators on 2008/2009, including input and workshops with Stakeholder Agencies and the Management Committee. This has resulted in over 60 refreshed Indicators endorsed by the Management Committee, with a further 20 awaiting finalization.

National Landscapes

Kangaroo Island was declared as Australia's Ninth National Landscape Region in 2008/2009. Towards the end of the year TOMM handed day to day responsibility for this process over to Tourism Kangaroo Island, with the TOMM Management Committee group to still act as the Steering Committee for the program. Commencement of the "Branding" process for the Island began, with results of this to be delivered in 2009/2010.

Stakeholders also provided seed funding to support this process including the attendance of two representatives at the inaugural National Landscapes Forum.

Reported Agency use of TOMM

TOMM has been used in a multitude of ways by Stakeholder Agencies, including strategic planning (e.g. Kangaroo Island Airport Strategic Plan (KIC), Seal Bay Strategic Plan (DEH), Kangaroo Island Natural Resources Management Regional Plan), issues based consultancies (e.g. Kangaroo Island Water Gap Project (KIDB), Travellers Levy Impact Study report (KIC), grant submissions (e.g. Council Signage and Camping Facilities), and general planning (e.g. Bushfire Prevention Planning, Trails Strategy Review (DEH), Cape Borda to Barossa nature links project (DEH).

Valuing our Partnerships

Working together to achieve better outcomes for Kangaroo Island
Tourism Optimisation Management Model

Other

Other activities TOMM has been involved with in 2008/2009 include:

- Hosted a visit from four ministerial delegates from Okinawa Prefecture in Japan to look at TOMM as a model for their area.
- Assisted with World Environment Day, Clean-Up Hog Bay Road initiative in conjunction with the Natural Resources Management Board.
- Liaison with representatives in Alberta Canada using TOMM as a tool for tourism management.



Toni Duka
TOMM Project Manager

Highlights of the TOMM 2008/09 Resident Survey Results

The Resident Survey collects information generally relevant to Council, which can be accessed in the 2008/09 resident Survey report.

- The main reason most residents choose to live on Kangaroo Island is lifestyle. This has consistently ranked highest over the nine years of the survey.
- More than one third (39%) of residents are unwilling to accept any environment costs for economic and population growth, and 64% felt that tourism development was not occurring in line with Community values.
- 61% of residents agree that tourism results in better infrastructure and services for the Island.

Council asked several key questions in the 2008/09 Survey regarding the possible options for bridging Council's identified financial gap of around \$3M. For the full results access the 2008/09 Resident Survey report at www.tomm.info. A summary of these results shows that:

- Half of the residents were in strong disagreement that the Council should increase rates and as many as 78% disagreed that the Council should reduce the services provided as a means to bridge the monetary gap.
- Seven in ten residents were supportive of the introduction of an infrastructure levy on the visitors alone. As compared to the 02/03 findings, the reaction to the introduction of an infrastructure levy in 08/09 was more favourable.
- Regarding the ownership of the ring route road (South Coast / West End Highway), 85% agreed that it ought to be the State Government's responsibility and ownership.
- *Council Matters* the weekly feature in *The Islander* is the most popular form of communication (81%). The majority of the residents also thought that the *KI Matters* six monthly Newsletter was a useful source of information about the Council activities.

TOMM 2008/09 Visitor Survey

The Visitor Exit Survey is a self completion survey, available at departure points from the Island and for nine years the research has measured visitor experience and satisfaction.

Roads and the condition of roads rank consistently in the three lowest satisfaction ratings for visitors out of 14 categories. Road and road infrastructure improvements ranked number one in response to what would encourage them to stay longer and also to what suggestions could improve the travel experience to the Island.

Valuing our Partnerships

Working together to achieve better outcomes for Kangaroo Island
Acknowledging our Community resources



Kangaroo Island Council has recognised it can achieve better outcomes for our Community if we maximise resources by working together with the support, input and partnerships of our key stakeholders.

The involvement of volunteers, community members, businesses, associations, industry bodies and staff at varying levels within government agencies is essential to the work we do to achieve the directions outlined in our Strategic Plan 2008 – 2010.

During 2008/09 we acknowledge the following partnerships within the Kangaroo Island Community and with the organisations and agencies listed below;

- Kangaroo Island Development Board
- Kangaroo Island Natural Resource Management Board
- Tourism Kangaroo Island
- Ag KI
- KI Eco Action
- Tourism Optimisation Management Model (TOMM) Committee
- Community Passenger Network
- Finding Workable Solutions Youth Inc and Employment/ Disability Services
- Road Safety Kangaroo Island RSKI
- KI Tourist Services
- KI Transfers
- Smart Car
- Council of the Ageing
- The History Trust of SA
- Kangaroo Island Pioneers
- Department for Environment & Heritage
- Kangaroo Island Community Education
- KI Field Day

Valuing our Partnerships

Working together to achieve better outcomes for Kangaroo Island
Acknowledging our Community resources

Our Partners - cont.

- Friends of the Library
- Fleurieu and Kangaroo Island Be Active
- Progressing KI
- Cook Centre
- KI Cancer Support
- Community Housing
- Dudley United Netball Club
- Parndana Bowling Club
- Parndana Sports Club
- Penneshaw Business and Community Centre
- Sealink
- Penneshaw School and Community Landcare Group
- Solo Resource Recovery
- The Islander
- CLASS Community Living & Support Services
- Country Fire Service
- Fleurieu Regional Waste Authority
- State Emergency Service
- Southern Fleurieu Health Service
- Community Service Organisations; Lions, Rotary, RSL
- Alexandrina Council
- Environmental Protection Agency
- Southern Hills District Local Government Association
- Local Government Association of South Australia
- Local Government Managers Association
- South Australian Government Departments and Agencies
- Australian Government Departments and Agencies
- Advance Kingscote; Island Beach Ratepayers Association; and American River, Parndana, Penneshaw, Baudin Beach, Stokes Bay, Vivonne Bay, and Emu Bay Progress Associations



Valuing our Partnerships

Working together to achieve better outcomes for Kangaroo Island
Project Development

Town Centres

In 2010 with the commencement of Town Centres Stage 2, it is expected that representatives from the four main towns will work with Council and consultants to develop; walking trail plans, style manuals to guide new infrastructure installations, the final western entry statement at Parndana, and road works in Kingscote and Penneshaw to improve access and safety. These plans will enable Council to seek further funds to implement the plans in the proposed third stage of the Town Centres project.

Progressing KI

Throughout the year Council convenes quarterly meetings of combined Progress Associations. The location of these move around the Island so as to be hosted by different communities. This is a dynamic opportunity to unite volunteers to discuss priorities, issues, initiatives, outcomes and funding options for Community benefit for the whole island.

Information is brought to Council's attention about what is happening voluntarily through Community action. This enables the Community Development Officer to inform the Senior Management Team to better assist communities to achieve mutually beneficial objectives. Community representatives also share information about sources of assistance available from outside Council.

Examples of co-ordinated or joint activities this year include:

- o BMX planning at Parndana
- o Community and Youth Park developments at Penneshaw
- o Sporting and recreational facility improvements in Penneshaw, Parndana and Kingscote including playground installation at Reeves Point
- o Other smaller needs based support to maintain town amenity and infrastructure

Progressing KI and Town Centres are examples of Community co-operation at work, facilitated by the Council.



Valuing our Partnerships

Working together to achieve better outcomes for Kangaroo Island
Project Development

KI Youth our future Community leaders

During 2008/09 Council identified the benefits of developing a strategic partnership with, and resourcing, a youth specific service provider who could on Council's behalf consult with young people to effectively and efficiently engage with them.

The partnership with Finding Workable Solutions Inc - Youth Services (FWS) enables Council to support the development of youth initiatives by young people, for young people. By encouraging young people to identify what they are interested in, and guiding their planning towards achieving these outcomes, young people learn vital life skills which Council values highly.

FWS has done an excellent job on behalf of Council in engaging the Youth Advisory Committee (YAC) which meets in Kingscote, Penneshaw and Parndana to discuss youth perspectives on services and activities for young people. The three groups merge for a joint planning session for advice to Council.

Some key outcomes in the last year have been:

- Young Achiever Awards given on Settlement Day 2008
- Completion of the Penneshaw Community and Skate Park
- Parndana BMX track planning
- The acquisition of film, sound and lighting equipment for use by Island youth
- Regular YAC meetings

Council has also convened a joint agency group; the KI Youth Partnership that meets quarterly to discuss issues and opportunities for young people. This group includes Health, Police, Fleurieu Work Scheme, Kangaroo Island Community Education, KI Development Board and Council. The objective of the group is to share information about services, problems and opportunities for young people with a view to joint action if appropriate.

Council greatly values these partnerships and the feedback that it obtains from young people about their priorities.



Legislative Information

Requirements under the Local Government Act, information and disclosures

Performance Monitoring and Management

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

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

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

REQUIREMENT	COMPLIANCE	REPORT PAGE
A copy of the audited financial statements of the council for the relevant financial year.	Yes	Reverse Cover
A list of the registers that are required to be kept under this Act or the <i>Local Government (Elections) Act 1999</i> .	Yes	60-61
A list of the codes of conduct or practice required under this Act or the <i>Local Government (Elections) Act 1999</i> .	Yes	60
A copy of its most recent information statement under the <i>Freedom of Information Act 1991</i> .	Yes	59
Information on allowances paid to members of the Council or a Council committee.	Yes	14,17
Information on the number of senior executive officers and information on the kinds of allowances, bonuses and benefits that are made available to those officers as part of a salary package.	Yes	25
A report on the use of sections 90(2) and 91(7) by the Council and its Council committees containing the information required by the regulations.	Yes	62
A report on the applications made to the Council under the <i>Freedom of Information Act 1991</i> during the relevant financial year containing the information required by the regulations	Yes	61
A statement of— the Council's representation quota; and	Yes	13
the average representation quota for Councils of a similar size and type (taking into account various factors prescribed by the regulations); and	Yes	13
when the Council next intends to conduct a review under Chapter 3; and	Yes	13
the procedures that are available under Chapter 3 for electors to make submissions on representation under this Act.	Yes	13

Schedule 4 Requirements – cont.

The annual report of any subsidiary received by the Council under Schedule 2 for the relevant financial year.	Yes	N/A
Other information to be included in the annual report under this or another Act.	Yes	N/A
The Council's performance in implementing its strategic management plans during the relevant financial year, and the Council's projections and targets under its plans for the next financial year; and the Council's performance against its annual business plan for the relevant financial year.	Yes	19 - 47
The extent to which activities of the Council have been subjected to competitive tender or other measures to ensure services are delivered cost effectively, and the extent (if any) to which the council has pursued policies for purchasing local goods and services.	Yes	62
The decision-making structure of the Council.	Yes	13-14
The training and development activities for members of the Council during the relevant financial year.	Yes	14
The implementation of equal employment opportunity programs, and other human resource management or development programs, during the relevant financial year.	Yes	24-25
The progress of the Council in preparing or finalising any management plans for community land required under the Chapter 11.	Yes	63

Documents to be made available by Councils – Schedule 4

The *Local Government Act 1999* and *Local Government (Elections) Act* requires that a number of registers be kept and made available to the public on request.

Information Statement

Every year Kangaroo Island Council publishes an Information Statement which complies with the provisions of the *Freedom of Information Act*, 1991, and the *Local Government Act*, 1999.

Council Policy and Administration Documents

There are a number of documents that Council holds such as policies, codes and registers which outline procedures and the conduct of the organisation in its business affairs.

List of Registers:

Many of the documents, listed below, are available for public inspection free of charge at the Council Offices, 43 Dauncey Street, Kingscote between 9:00 am and 5:00 pm Monday to Friday. They can also be viewed on Council's website <http://www.kangarooisland.sa.gov.au> under Council Information / Council Policies and copies may be purchased on payment of \$0.30 per single A4 page or \$0.50 per double A4 page for each extract. A full list of fees and charges is listed under Council Policies. Our Website site map is included in the Appendices on Page 64.

Policy Documents

Authorised Officers 9 May 08
 Boat Ramp 13 July 07
 Concessions and Waivers non-rates 8 Feb 08
 Council Members Allowances & Benefits 8 Jun 07
 CWMS Policy 14 March 08
 DAP & Staff Delegations 26 Feb 07
 Donations 10 Aug 07
 Elected Members Training and Development 14 Jun 06
 Election Signage 9 Nov 07
 Fees and Charges 26 Jun 09
 Food Vending Vehicles 14 Sep 05
 Motor Vehicle Policy 8 Feb 08
 Outdoor Dining 11 May 07
 Privacy 14 Sep 07
 Public Consultation 13 Apr 07
 Rating & Rebate Policy 26 Jun 09
 Records Management 14 Jun 06
 Road Naming 12 Oct 07
 Safe Environment Policy 14 Dec 07
 Staff Training & Development 19 Jul 06
 TOMM Customer Feedback 10 Oct 08
 TOMM Survey Fee Structure 18 Feb 09
 Treasury Management 13 Feb 09
 Waste Management 19 Jan 07

By-Laws

By-Law 1 - Permits and Penalties
 By-Law 2 - Moveable signs
 By-Law 3 - Local Government Land
 By-Law 4 - Roads
 By-Law 5 - Dogs
 By-Law 6 - Bird Scaring Devices
 By-Law 8 - Cats

Codes

Code of Conduct - DAP Panel
 Code of Conduct - Elected Members 19 Jan 07
 Code of Conduct - Employees 19 Jan 07
 Code of Practice - Access to Council Meetings & Documents 9 Mar 07
 Code of Practice - Meeting Procedures 19 Jan 07

Delegations

Delegations - Community Titles Act 1996 02 Apr 09
 Delegations - Development Act 1993, Development (Development Plans) Amendment Act 2006 & Development Regulations 2008 02 Apr 09
 Delegations - Dog & Cat Management Act 1995 02 Apr 09
 Delegations - Environment Protection Act 1993 (Waste Management) Policy 1994 02 Apr 09
 Delegations - Expiation of Offences Act 1996 02 Apr 09
 Delegations - Fences Act 1975 02 Apr 09

Delegations – cont.

Delegations - Fire & Emergency Services Act/Emergency Services Regulations 2005 02 Apr 09
 Delegations - Fire Prevention Officers Under Fire & Emergency Services Regulations 2005 02 Apr 09
 Delegations - Food Act 2001 02 Apr 09
 Delegations - Freedom of Information Act 1991 & Freedom of Information (Fees & Charges) Regulations 2003 02 Apr 09
 Delegations - Housing Improvement Act 1940 02 Apr 09
 Delegations - Land & Business (Sale & Conveyancing) Act 1994 02 Apr 09
 Delegations - Liquor Licensing Act 1997 02 Apr 09
 Delegations - Local Government Act 1934 02 Apr 09
 Delegations - Local Government Act 1999 02 Apr 09
 Delegations - Natural Resources Management Act 2004, (Transitional Provisional Levies) Regulations 2004 NRM (General) Regulations 2005 02 Apr 09
 Delegations - Occupational Health, Safety & Welfare Act 1986 02 Apr 09
 Delegations - Public & Environmental Health Act 1987 02 Apr 09
 Delegations - Public & Environmental Health Act (Waste Control) Regs 1995 (Legionella) Regs 2008 02 Apr 09
 Delegations - Road Traffic (Miscellaneous) Regs 1999 (Road Rules – Ancillary Miscellaneous Provisions) Regulations 02 Apr 09
 Delegations - Roads (Opening & Closing) Act 1991 02 Apr 09

Documents

Annual Report
 Annual Financial Statements
 Corporate Plan
 Council and Committee Agendas
 Council and Committee Minutes
 Council Budget
 Development Assessment Panel Agendas
 Development Assessment Panel Minutes
 Development Plan

Registers

Register of Campaign Donation Returns
 Register of Development Approvals
 Register of Elected Members' Allowances & Benefits
 Register of Elected Members' Interests
 Register of Public Roads
 Register of Salaries and Allowances
 Strategic Plan

Other Information Requests

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

There were seven requests for information under the provisions of the *Freedom of Information Act* 1991, for the 12 months to 30 June 2009. All seven of these requests were successfully determined and the information was provided to the applicant. Council did receive seventy six requests for information which did not need to be determined under the Act, and the majority of these requests were granted.

Freedom of Information enquiries or requests can be submitted in writing to:

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

Amendment to Council Records

A member of the public may gain access to Council documents to make amendments to their personal records by making a request under the Local Government Act. As part of this application it is necessary to complete a *Freedom of Information Request* form to access the records he/she wishes to inspect.

Confidential Items

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

During 2008/09 provisions of the Act Section 90 (3) and Section 91 (7) were utilised 44 times, or for 5% of the total agenda items considered.

Matters relating to the personal affairs of a person	12
Matters relating to commercially sensitive information	11
Matters relating to the security of Council	5
Matters relating to breach of law or court order or duty	6
Matters relating to legal advice or possible litigation	2
Matters relating to information to/from another authority	4
Matters relating to tenders for supply	4
Total	44

On 15 of the 44 occasions information originally declared confidential has subsequently been made publicly available.

Extent to which Council has ensured competitive tender

Council is committed to delivering cost effective services to our Community whilst supporting local business where possible. We are also mindful of the *Government Business Enterprises (Competition) Act 1996*. For purchase of items under \$3,000 it is Council's practice to pursue a local purchasing policy. For the contracting of significant works, services are released to open competitive tender unless there are mitigating reasons e.g. specialist expertise is required and then a limited select tender process is carried out.

The Bay of Shoals Boat Ramp Upgrade Project and the Kingscote Aerodrome Runway Lighting Upgrade Project works were placed out to competitive tender. Five tenders were received for the Boat Ramp Project and two for the Runway Lighting Project. The competitive tender process was undertaken for the acquisition of a replacement loader and a new age rock crusher and tractor. All light vehicles purchased were in accordance with Council Procurement Policy, with keen competition to supply Council's needs. Council sought tender submissions for the upgrade of Council visitor facilities and CWMS upgrades.

The TOMM Market Research Brief was a limited tender, due to the specialist expertise required to undertake the project. The brief was circulated to six companies and five tender proposals were received.

Community Land

During the reporting period Council has been involved in the progress, preparation and finalisation of management plans for the land at American River Hall. Following extensive consultation Council has revoked the Community Land Classification on the land surrounding the American River Hall to enable the proceeds of the sale of the land to be used as a contribution towards the upgrade of the hall.

Subsidiaries

There were no new Subsidiaries established under Section 42 of the Local Government Act during 2008/09. The Minister for State and Local Government Relations has the responsibility to approve the Charter for the establishment of the Fleurieu Regional Waste Authority which will be endorsed in the second half of 2009.

Adoption and Distribution

Pursuant to the requirements of the *Local Government Act, 1999* the reports within this Annual Report, including the Audited Financial Statements were adopted by the Kangaroo Island Council at a Special Council meeting held on the 24 day of November 2009.

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

Copies are made available for public perusal at the Kingscote Council at front counter and on the electronic kiosk, Penneshaw Business Centre and at the Kingscote Public Library. Copies are also available to download from our website www.kangarooisland.sa.gov.au or can be purchased at the Council Offices for a cost of \$15.00.

Appendices

1: *Website Map*

2: *Acknowledgements*

Audited Financial Statements

Audited Financial Statements and Notes 1-19 are at the rear of this publication

Appendix 1: Council Website Site Map

<p>Home</p> <p>Welcome</p> <p>Council Info</p> <p>Council Documents</p> <ul style="list-style-type: none"> ▶ Annual Business Plan 2009-2010 ▶ Annual Reports ▶ By-Laws ▶ KI Study ▶ Policies ▶ Strategic Plan 2008-2010 <p>Council History</p> <ul style="list-style-type: none"> ▶ History <p>Council Information</p> <p>Council & Committee Meetings</p> <ul style="list-style-type: none"> ▶ An Overview ▶ Audit Committee Agendas & Minutes ▶ Council Agendas & Minutes ▶ DAP Agendas & Minutes ▶ Finance Committee Agendas & Minutes <p>Elected Members</p> <p>Local Government Focus</p> <p>Performance</p> <p>Staff</p> <ul style="list-style-type: none"> ▶ Positions Vacant ▶ Staff by Department 	<p>Council Services</p> <p>Airport</p> <p>Animal Management</p> <ul style="list-style-type: none"> ▶ Animal Management Plan - Draft <p>Boating Facilities</p> <p>Cemeteries</p> <p>Community Passenger Network</p> <p>Development Services</p> <ul style="list-style-type: none"> ▶ Caution - Potential Roof Truss Failure <p>Environmental Health</p> <ul style="list-style-type: none"> ▶ Chemical Safety ▶ Food Premises ▶ Immunisations ▶ Online Food Safety Training <p>Fire Prevention</p> <ul style="list-style-type: none"> ▶ Bushfire Risk Management Plan ▶ Fire Management <p>Online Services</p> <ul style="list-style-type: none"> ▶ Change of Address - Company ▶ Change of Address - Individuals ▶ Rate Payments ▶ Sundry Debtors Payments <p>Operations Centre and Works Depot</p> <p>Parks and Reserves</p> <ul style="list-style-type: none"> ▶ Overview ▶ American River Community Hall ▶ Camping & Day Visitor Strategy ▶ Camping Fees <p>Roadside Vegetation</p> <p>Tenders</p> <p>Waste Management</p> <p>Water & Wastewater Management</p>	<p>Community Info</p> <p>Businesses</p> <p>Community Partnerships Grants</p> <p>Community Information</p> <p>Families S.A. Concessions</p> <p>Justices of the Peace</p> <p>Library and Information Services</p> <p>Progress Associations</p> <ul style="list-style-type: none"> ▶ Contact Details <p>Progressing KI</p> <ul style="list-style-type: none"> ▶ Meeting Notes <p>Recreation & Sport</p> <ul style="list-style-type: none"> ▶ Be Active ▶ Grants/Funding Guide ▶ Open Space Strategy ▶ Penneshaw Youth & Community Park <p>Regional Profile</p> <p>Starting a Business</p> <p>Tourist Info</p> <p>Council Campgrounds</p> <p>How to get to the Island</p> <p>KI Visitor Information</p> <ul style="list-style-type: none"> ▶ Tour Kangaroo Island (SATC) ▶ Penneshaw Visitor Information <p>National Parks of KI</p> <p>Tourism Management (TOMM)</p> <p>Contact Info</p> <p>Contact</p>	<p>Forms & Guides</p> <p>Planning & Building</p> <p>Rates & Property</p> <p>Youth Corner</p> <p>Kangaroo Island Youth Partnership</p> <p>Launchpad FYA Eastside</p> <p>National Youth Week Report - 2008</p> <p>Young Achiever Awards</p> <ul style="list-style-type: none"> ▶ 2009 <p>Youth Advisory Committee</p>																																							
<p>Visitors 08/09</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Year</th> <th>Hits</th> </tr> </thead> <tbody> <tr> <td>June</td> <td>2009</td> <td>5049</td> </tr> <tr> <td>May</td> <td>2009</td> <td>4948</td> </tr> <tr> <td>April</td> <td>2009</td> <td>4302</td> </tr> <tr> <td>March</td> <td>2009</td> <td>4775</td> </tr> <tr> <td>February</td> <td>2009</td> <td>3997</td> </tr> <tr> <td>January</td> <td>2009</td> <td>4336</td> </tr> <tr> <td>December</td> <td>2008</td> <td>3748</td> </tr> <tr> <td>November</td> <td>2008</td> <td>4048</td> </tr> <tr> <td>October</td> <td>2008</td> <td>4499</td> </tr> <tr> <td>September</td> <td>2008</td> <td>4749</td> </tr> <tr> <td>August</td> <td>2008</td> <td>4265</td> </tr> <tr> <td>July</td> <td>2008</td> <td>4748</td> </tr> </tbody> </table>				Month	Year	Hits	June	2009	5049	May	2009	4948	April	2009	4302	March	2009	4775	February	2009	3997	January	2009	4336	December	2008	3748	November	2008	4048	October	2008	4499	September	2008	4749	August	2008	4265	July	2008	4748
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July	2008	4748																																								

Appendices

Assistance with the production of this report

Appendix 2: Information Credits

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

Kangaroo Island Visitor Guide 2007; South Australian Tourism Commission, Adelaide

Kangaroo Island Council Strategic Management Plan 2008 - 2010

Kangaroo Island Council Infrastructure Asset Management Plans

Kangaroo Island Council Long Term Financial Plan 2009 - 2019

Local Government on Kangaroo Island Today and Tomorrow 2008, JAC Comrie Pty Ltd

Local Government Association of South Australia; Comparative Performance Measurement Program 2009

Tourism Optimisation Management Model, Kangaroo Island Resident Survey 2008/2009

Tourism Optimisation Management Model, Visitor Exit Survey 2007/2008

KIDB Annual Report 2007/2008; Kangaroo Island Development Board

This Southern Land – A Social History of Kangaroo Island 1800 – 1890; Jean Nunn, Investigator Press, 1989

Kangaroo Island 184 Great Years – A History in Photographs 1802 -1986; Neville Cordes, The Island Press, 1986

Soldier Settlers, War Service Land Settlement – Kangaroo Island; Jean Nunn, Investigator Press, 1981

Photo Credits

Our appreciation to the following for permission to use their images:

Cristian Barrios

Andrew Dell

The Islander



Kangaroo Island Council

1 July 2008 - 30 June 2009

**General Purpose Financial Reports
for the year ended 30 June 2009**

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INCOME STATEMENT
for the year ended 30 June 2009

	Notes	2009 \$	2008 \$
INCOME			
Rates	2	6,096,089	5,809,910
Statutory charges	2	211,479	290,969
User charges	2	1,168,516	1,051,947
Grants, subsidies and contributions	2	2,729,281	2,489,663
Investment income	2	60,499	281,151
Reimbursements	2	440,159	432,600
Other income	2	128,278	131,853
Total Income		10,834,300	10,488,093
EXPENSES			
Employee costs	3	3,497,581	3,263,504
Materials, contracts & other expenses	3	4,797,313	5,878,887
Finance costs	3	291,228	234,235
Depreciation, amortisation & impairment	3	4,978,475	4,473,941
Total Expenses		13,564,597	13,850,567
OPERATING SURPLUS / (DEFICIT)		(2,730,297)	(3,362,474)
Net gain (loss) on disposal or revaluation of assets	4	(177,157)	(2,939)
Amounts received specifically for new or upgraded assets	2	2,373,009	2,685,948
Physical resources received free of charge	2	200,882	-
NET SURPLUS / (DEFICIT)		(333,563)	(679,465)

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

BALANCE SHEET
as at 30 June 2009

	Notes	2009 \$	2008 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	1,789,702	1,986,146
Trade & Other Receivables	5	1,080,527	1,072,191
Inventories	5	99,667	115,539
		<u>2,969,896</u>	<u>3,173,876</u>
Total Current Assets		<u>2,969,896</u>	<u>3,173,876</u>
Non-current Assets			
Infrastructure, Property, Plant & Equipment	7	161,429,698	139,857,730
Other Non-current Assets	6	6,462,890	3,189,373
		<u>167,892,588</u>	<u>143,047,103</u>
Total Non-current Assets		<u>167,892,588</u>	<u>143,047,103</u>
Total Assets		<u>170,862,484</u>	<u>146,220,979</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8	1,984,757	1,830,015
Borrowings	8	2,765,525	416,304
Provisions	8	328,666	204,879
		<u>5,078,948</u>	<u>2,451,198</u>
Total Current Liabilities		<u>5,078,948</u>	<u>2,451,198</u>
Non-current Liabilities			
Borrowings	8	2,605,544	2,997,775
Provisions	8	1,055,623	988,473
		<u>3,661,167</u>	<u>3,986,248</u>
Total Non-current Liabilities		<u>3,661,167</u>	<u>3,986,248</u>
Total Liabilities		<u>8,740,115</u>	<u>6,437,446</u>
NET ASSETS		<u>162,122,369</u>	<u>139,783,533</u>
EQUITY			
Accumulated Surplus		7,449,059	4,656,991
Asset Revaluation Reserve	9	150,506,137	127,833,539
Other Reserves	9	4,167,173	7,293,003
TOTAL EQUITY		<u>162,122,369</u>	<u>139,783,533</u>

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

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2009

	Notes	2009 \$	2008 \$
ACCUMULATED SURPLUS			
Balance at end of previous reporting period		4,656,991	7,685,390
Net Surplus / (Deficit) for Year		(333,563)	(679,465)
Transfers to Other Reserves		(172,933)	(8,262,702)
Transfers from Other Reserves		3,298,564	5,913,768
Balance at end of period		7,449,059	4,656,991
ASSET REVALUATION RESERVE			
Balance at end of previous reporting period	9	127,833,539	37,499,404
Gain on revaluation of infrastructure, property, plant & equipment		22,672,598	90,334,135
Balance at end of period		150,506,137	127,833,539
OTHER RESERVES			
Balance at end of previous reporting period	9	7,293,003	4,944,069
Transfers from Accumulated Surplus		172,933	8,262,702
Transfers to Accumulated Surplus		(3,298,763)	(5,913,768)
Balance at end of period		4,167,173	7,293,003
TOTAL EQUITY AT END OF REPORTING PERIOD		162,122,369	139,783,533
Total of all revenues recognised directly in Equity		22,672,598	90,334,135
Total of all expenses recognised directly in Equity		-	-
NET CHANGE IN EQUITY		22,672,598	90,334,135

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

CASH FLOW STATEMENT
for the year ended 30 June 2009

	<u>Notes</u>	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating receipts		11,864,903	9,945,638
Investment receipts		100,125	281,151
<u>Payments</u>			
Operating payments to suppliers & employees		(9,144,671)	(9,537,063)
Finance payments		(219,163)	(234,235)
Net Cash provided by (or used in) Operating Activities		<u>2,601,194</u>	<u>455,491</u>
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		2,373,009	2,685,948
Sale of replaced assets		168,905	65,455
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(1,339,449)	(5,512,932)
Expenditure on new/upgraded assets		(5,957,093)	
Net Cash provided by (or used in) Investing Activities		<u>(4,754,628)</u>	<u>(2,761,529)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings		6,240,000	-
<u>Payments</u>			
Repayments of Borrowings		(4,283,010)	(523,493)
Net Cash provided by (or used in) Financing Activities		<u>1,956,990</u>	<u>(523,493)</u>
Net Increase (Decrease) in cash held		<u>(196,444)</u>	<u>(2,829,531)</u>
Cash & cash equivalents at beginning of period	11	<u>1,986,146</u>	<u>4,815,677</u>
Cash & cash equivalents at end of period	11	<u>1,789,702</u>	<u>1,986,146</u>

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation

Compliance with Australian equivalents to International Financial Reporting Standards

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations (UIGs) and relevant South Australian legislation.

The financial report was authorised for issue by certificate under clause 11 of the Local Government (Financial Management) Regulations 1999 dated 5 December 2009.

Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Critical Accounting Estimates

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

Rounding

All amounts in the financial statements have been rounded to the nearest dollar.

The Local Government Reporting Entity

Kangaroo Island Council is incorporated under the SA Local Government Act 1999 and has its principal place of business at 43 Dauncey Street, Kingscote.

Revenue Recognition

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

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes.

Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

In accordance with the recommendations provided by the Local Government Association, Council has elected to treat the advance payment of the Financial Assistance Grant as Income in 2009. The total amount received on 26 June 2009 was \$449,751.

Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

Inventories

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

Other Real Estate held for resale

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

Infrastructure, Property, Plant & Equipment

Transitional Provisions

As at 1 July 2008, Council has elected not to recognise any values for land under roads acquired before the commencement of AASB 1051 Land Under Roads. Details of the effects of this election are given in Note 7.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

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

Materiality

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

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Buildings & Structures	\$1,000
Land Improvements	\$1,000
Road Infrastructure	\$1,000
Stormwater Drainage	\$1,000
Community Wastewater Management Schemes	\$1,000
Library Books	\$1,000

Subsequent Recognition

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

All non current assets other than receivables and investments are revalued in accordance with the Local Government (Financial Management) Regulations 1999. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value then the asset will be re-valued regardless of when the last valuation took place. Non-Current physical assets that are acquired between revaluations are held at cost until the next valuation, where they are re-valued to depreciated replacement cost.

Revaluation increments arising upon revaluing the above mentioned non-current asset classes to their depreciated replacement cost are credited directly to the asset revaluation reserve.

Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class of asset are shown below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

<u>Asset Class</u>	<u>Useful Life</u>
Building & Structures	7 to 100 years
Land Improvements	7 to 100 years
Road Infrastructure	5 to 100 years
Stormwater	50 to 70 years
CWMS	10 to 70 years
Plant & Equipment	4 to 20 years
Furniture, Fittings & Office Equipment	3 to 100 years
Library Books	1 to 7 years

Impairment

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

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

Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with the allowed alternative treatment in AASB 1023 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

Payables

Goods & Services

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

Payments Received in Advance & Deposits

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

Borrowings

Loans are carried at their principal amounts. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

Employee Benefits

Salaries, Wages & Compensated Absences

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

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

A Liability for untaken sick leave was provided for. The amounts relate to an obligation to payout 25% of sick leave outstanding after 10 years of service upon termination of employment. The amounts not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows.

Superannuation

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

Leases

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

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

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

GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax" Receivables and Creditors include GST receivable and payable. Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable. Non-current assets and capital expenditures include GST net of any recoupment. Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with AIFRS.

New Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2009 reporting period.

AASB 3	Business Combinations
AASB 101	Presentation of Financial Statements
AASB 123	Borrowing Costs
AASB 127	Consolidated and Separate Financial Statements
AASB 2007-6	Amendments to Australian Accounting Standards arising from AASB 123
AASB 2007-8 & AASB 2007-10	Amendments to Australian Accounting Standards arising from AASB 101
AASB 2008-2	Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation
AASB 2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127
AASB 2008-5 & AASB 2008-6	Amendments to Australian Accounting Standards arising from the Annual Improvements Project
AASB 2008-7	Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
AASB 2008-8	Amendments to Australian Accounting Standards - Eligible Hedged Items
AASB 2008-9	Amendments to AASB 1049 for Consistency with AASB 101
AASB 2008-11	Amendments to Australian Accounting Standard – Business Combinations Among Not-for-Profit Entities
AASB 2008-12	Amendments to Australian Accounting Standards – Reclassification of Financial Assets – Effective Date and Transition
AASB 2008-13	Amendments to Australian Accounting Standards arising from AASB Interpretation 17 - Distributions of Non-cash Assets to Owners
Interpretation 15	Agreements for the Construction of Real Estate
Interpretation 16	Hedges of a Net Investment in a Foreign Operation
Interpretation 17	Distributions of Non-cash Assets to Owners
Interpretation 18	Transfers of Assets from Customers

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

NOTE 2 - INCOME

	2009 \$	2008 \$
RATES REVENUES		
<u>General Rates</u>		
Rates	3,880,641	3,696,180
Less: Mandatory rebates	(45,577)	(40,770)
Less: Discretionary rebates, remissions & write offs	-	-
	<u>3,835,064</u>	<u>3,655,410</u>
<u>Other Rates (including service charges)</u>		
Natural Resource Management levy	112,554	111,368
Waste collection	1,318,687	1,279,974
Community wastewater management systems	751,320	686,601
	<u>2,182,561</u>	<u>2,077,943</u>
<u>Other Charges</u>		
Penalties for late payment	54,646	37,501
Legal & other costs recovered	23,817	39,056
	<u>78,464</u>	<u>76,557</u>
Less: Discretionary rebates, remissions & write offs	-	-
	<u>6,096,089</u>	<u>5,809,910</u>
STATUTORY CHARGES		
Development Act fees	98,063	108,397
Building Application fees	7,356	11,936
Animal registration fees & fines	24,684	23,050
Parking fines / expiation fees	11,952	13,735
Septic Tank Fees	20,234	27,135
Other Statutory Charges	49,190	106,716
	<u>211,479</u>	<u>290,969</u>
USER CHARGES		
Aerodrome Fees	441,557	491,702
Lease Fees	226,817	227,575
Garbage/Effluent Collection	23,781	29,794
Property Rents	97,515	110,514
Cemetery Fees	19,021	17,456
Rate Searches	12,030	21,005
Caravan Park Fees	18,005	15,774
Other User Charges	329,790	138,127
	<u>1,168,516</u>	<u>1,051,947</u>
INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	60,499	281,151
	<u>60,499</u>	<u>281,151</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

NOTE 2 - INCOME (continued)

	2009 \$	2008 \$
REIMBURSEMENTS		
- for private works	234,413	349,199
- other	205,746	83,401
	<u>440,159</u>	<u>432,600</u>
OTHER INCOME		
Insurance & other recoupments - infrastructure, property, plant & equipment	-	-
Rebates received	-	-
Sundry	128,278	131,853
	<u>128,278</u>	<u>131,853</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Amounts received specifically for new or upgraded assets	2,373,009	2,685,948
Other grants, subsidies and contributions	2,729,281	2,489,663
	<u>5,102,290</u>	<u>5,175,611</u>
The functions to which these grants relate are shown in Note 12.		
Sources of grants		
Commonwealth government	363,416	2,199,149
State government	4,664,144	2,900,420
Other	74,730	76,042
	<u>5,102,290</u>	<u>5,175,611</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

NOTE 2 - INCOME (continued)

	2009 \$	2008 \$
Conditions over grants & contributions		
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:		
Unexpended at the close of the previous reporting period	435,998	2,982,505
Less: expended during the current period from revenues recognised in previous reporting periods		
Governance	-	10,000
Economic Development	31,780	19,000
Coastal Protection	-	30,000
Community Services	-	1,400
Regulatory Services	-	395,371
Roads Infrastructure	-	118,593
CWMS Infrastructure	404,218	2,003,923
Subtotal	435,998	2,578,287
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
Business Undertakings	20,000	-
Economic Development	42,841	31,780
Community Services	20,000	-
Regulatory Services	150,000	-
Transport	172,727	-
Subtotal	405,568	31,780
Unexpended at the close of this reporting period	405,568	435,998
Net increase (decrease) in assets subject to conditions in the current reporting period		
	(30,430)	(2,546,507)
PHYSICAL RESOURCES RECEIVED FREE OF CHARGE		
Land & Improvements	81,997	-
Buildings & Structures	118,885	-
TOTAL PHYSICAL RESOURCES RECEIVED	200,882	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

NOTE 3 - EXPENSES

	Notes	2009 \$	2008 \$
EMPLOYEE COSTS			
Salaries and Wages		3,049,081	2,671,354
Employee leave expense		443,551	548,353
Superannuation - defined contribution plan contributions	18	178,346	167,737
Superannuation - defined benefit plan contributions	18	135,609	109,654
Workers' Compensation Insurance		135,492	126,825
Other		66,563	69,107
Less: Capitalised and distributed costs		(511,063)	(429,526)
Total Operating Employee Costs		3,497,581	3,263,504

Total Number of Employees	60	60
(Full time equivalent at end of reporting period)		

MATERIALS, CONTRACTS & OTHER EXPENSES

Prescribed Expenses

Auditor's Remuneration			
- Auditing the financial reports		9,870	10,000
- Other Services		-	-
Elected members' expenses		129,727	129,119
Subtotal - Prescribed Expenses		139,597	139,119

Other Materials, Contracts & Expenses

Contractors		1,418,969	1,511,466
Energy		124,516	109,961
Water		100,960	79,490
Council Grants Expense		166,761	278,070
Insurance		209,292	183,883
Legal Expenses		283,599	194,706
Levies paid to government - NRM levy		110,225	110,225
Parts, accessories & consumables		845,354	986,530
Professional services		263,985	656,107
Sundry 1		1,134,055	1,629,330
Subtotal - Other Materials, Contracts & Expenses		4,657,716	5,739,768
		4,797,313	5,878,887

1 In 2007/08 Kangaroo Island Council recognised a liability for Landfill Capping & Post Closure remediation provision of Council's landfill, the provision was quantified for the first time during 2007/08 and has been included in the sundry expense total.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

NOTE 3 - EXPENSES (continued)

	2009 \$	2008 \$
FINANCE COSTS		
Interest on overdraft and short-term drawdown	27	14
Interest on Loans	245,956	234,221
Premiums & discounts recognised(Unwinding interest)	45,245	-
	<u>291,228</u>	<u>234,235</u>
DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Land	-	-
Land Improvements	847,768	665,190
Buildings & Other Structures	713,764	1,131,744
Infrastructure	2,609,693	1,896,884
Plant & Equipment	648,129	639,942
Furniture & Fittings	127,141	108,214
Library Books	31,980	31,967
Other Assets	-	-
Less: Capitalised and distributed costs	-	-
	<u>4,978,475</u>	<u>4,473,941</u>

NOTE 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2009 \$	2008 \$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
Assets renewed or directly replaced		
Proceeds from disposal	168,905	65,455
Less: Carrying amount of assets sold	346,062	68,394
Gain (Loss) on disposal	<u>(177,157)</u>	<u>(2,939)</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	<u>(177,157)</u>	<u>(2,939)</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

NOTE 5 - CURRENT ASSETS

	2009	2008
CASH & EQUIVALENT ASSETS	\$	\$
Cash on Hand and at Bank	92,853	288,461
Deposits at Call	1,696,849	1,697,685
	<u>1,789,702</u>	<u>1,986,146</u>
TRADE & OTHER RECEIVABLES		
Rates - General & Other	508,254	521,534
Accrued Revenues	13,694	53,320
Debtors - General	364,685	258,375
Other levels of Government	-	-
GST Recoupment	151,258	206,693
Prepayments	42,636	32,269
Sundry	-	-
Total	<u>1,080,527</u>	<u>1,072,191</u>
Less: Provision for Impairment	-	-
	<u>1,080,527</u>	<u>1,072,191</u>
INVENTORIES		
Stores & Materials	99,667	115,539
	<u>99,667</u>	<u>115,539</u>

Aggregate write-downs and other losses recognised as an expense, and reversals of these, were not material in amount in either year. All such reversals occurred principally as a result of clerical inaccuracies during stores operations.

NOTE 6 - NON-CURRENT ASSETS

	2009	2008
	\$	\$
FINANCIAL ASSETS		
Capital Works-in-Progress	6,462,890	3,189,373
Other	-	-
	<u>6,462,890</u>	<u>3,189,373</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

NOTE 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2008					2009					
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT COST	ACCUM DEP'N	CARRYING AMOUNT
	\$					\$					
Land	25,215,834	-	-	25,215,834	25,215,834	-	-	25,215,834	-	-	25,215,834
Land Improvements	24,220,771	-	(14,080,300)	10,140,471	36,722,212	-	(18,244,144)	18,478,068	-	(18,244,144)	18,478,068
Buildings & Other Structures	24,641,325	-	(14,359,445)	10,281,880	44,466,101	-	(20,152,865)	24,313,236	-	(20,152,865)	24,313,236
Infrastructure											
- Roads Infrastructure	111,347,547	-	(30,095,155)	81,252,392	110,770,423	1,572,816	(31,987,700)	80,355,539	1,572,816	(31,987,700)	80,355,539
- Stormwater Drainage	4,316,137	-	(1,487,116)	2,829,021	4,316,137	22,037	(1,549,252)	2,788,922	22,037	(1,549,252)	2,788,922
- Community Wastewater	8,774,488	-	(2,710,737)	6,063,751	8,774,488	682,902	(2,909,482)	6,547,908	682,902	(2,909,482)	6,547,908
Plant & Equipment	3,524,216	-	-	3,524,216	3,328,216	545,928	(632,632)	3,241,512	545,928	(632,632)	3,241,512
Furniture & Fittings	827,860	-	(385,153)	442,707	827,860	92,901	(512,294)	408,467	92,901	(512,294)	408,467
Library Books	600,030	-	(492,572)	107,458	600,030	4,734	(524,552)	80,212	4,734	(524,552)	80,212
Other assets	-	-	-	-	-	-	-	-	-	-	-
TOTAL INFRASTRUCTURE, PROPERTY PLANT & EQUIPMENT	203,468,208	-	(63,610,478)	139,857,730	235,021,301	2,921,318	(76,512,921)	161,429,698	2,921,318	(76,512,921)	161,429,698
2008 Totals	-	-	-	-	203,468,208	-	(63,610,478)	139,857,730	-	(63,610,478)	139,857,730

This Note continues on the following page.

NOTE 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (continued)

	CARRYING AMOUNT MOVEMENTS DURING YEAR										2009
	\$										\$
	2008	Additions		Disposals	Depreciation	Impairment	Reclass	Net Revaluation	CARRYING AMOUNT	CARRYING AMOUNT	
CARRYING AMOUNT	New/ Upgrade	Renewals									
Land	25,215,834	-	-	-	-	-	-	-	-	25,215,834	
Land Improvements	-	305,859	34,586	(15,189)	(647,768)	-	10,140,471	8,860,109	18,478,068		
Buildings & Other Structures	20,422,351	962,144	-	(29,513)	(713,764)	-	(10,140,471)	13,812,489	24,313,236		
Infrastructure											
- Roads Infrastructure	81,252,392	911,283	661,533	(120,857)	(2,348,812)	-	-	-	80,355,539		
- Stormwater Drainage	2,829,021	22,037	-	-	(62,136)	-	-	-	2,788,922		
- Community Wastewater	6,063,751	664,962	17,940	-	(198,745)	-	-	-	6,547,908		
Plant & Equipment	3,524,216	231,840	314,088	(180,503)	(648,129)	-	-	-	3,241,512		
Furniture & Fittings	442,707	92,901	-	-	(127,141)	-	-	-	408,467		
Library	107,458	4,734	-	-	(31,980)	-	-	-	80,212		
Other assets	-	-	-	-	-	-	-	-	-		
	-	-	-	-	-	-	-	-	-		
TOTAL INFRASTRUCTURE PROPERTY, PLANT & EQUIPMENT	139,857,730	3,195,760	1,028,147	(346,062)	(4,978,475)	-	-	22,672,598	161,429,698		
2008 Totals	51,579,579	1,272,429	1,160,751	(68,394)	(4,473,941)	-	-	90,334,135	139,857,730		

NB : A reclassification of assets occurred in 2008/09 land improvement assets were reclassified and included as a new asset category. In 2007/08 they formed part of the buildings and structures asset category.

This Note continues on the following page

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

NOTE 7 – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (continued)

Valuation of Assets

Land & Land Improvements

Pursuant to Council's election, Land assets were valued as at the 30th June 2008 by Maloney Field Services Property Consultants and Valuers. All acquisitions made after the respective dates of valuation are recorded at cost.

Land Improvement assets were revalued as at the 30th Jun 2009 by Maloney Field Services Property Consultants and Valuers. All acquisitions made after the respective dates of valuation are recorded at cost.

Buildings & Other Structures

Pursuant to Council's election, Buildings and Other Structures were revalued as at the 30th June 2009 by Maloney Field Services, Property Consultant and Valuers. All acquisitions made after the respective dates of valuation are recorded at cost.

Infrastructure

Roads Infrastructure – Pursuant to Council's election, Roads Infrastructure assets were revalued as at the 30th June 2008 by Tonkin's Engineering, at written down replacement cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Stormwater Drainage Infrastructure– Pursuant to Council's election, Stormwater assets were re-valued as at 30th June 2008 by Wallbridge and Gilbert Engineering Consultants at written down replacement cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Community Wastewater Management System (CWMS) Infrastructure – Pursuant to Council's election, CWMS assets were re-valued as at 30th June 2008 by Wallbridge & Gilbert Engineering Consultants at written down current replacement cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Plant, Furniture & Equipment

Pursuant to Council's election, Plant & Equipment assets were re-valued as at 30th June 2008 by Maloney Field Services, Property Consultants and Valuers. Plant and Equipment is measured at its Fair Value. All acquisitions made after the respective dates of valuation are recorded at cost.

Furniture & Fittings Equipment

Pursuant to Council's election, Furniture and Fittings assets were re-valued as at the 30th June 2008 by Maloney Field Services, Property Consultant and Valuers. All acquisitions made after the respective dates of valuation are recorded at cost.

Library Books

Pursuant to Council's election, Library books and other lending materials were re-valued as at the 30th June 2007 by Maloney Field Services, Property Consultant and Valuers.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

NOTE 8 - LIABILITIES

TRADE & OTHER PAYABLES	2009 \$		2008 \$	
	Current	Non current	Current	Non current
Goods & Services	1,069,503	-	905,545	-
Payments received in advance	474,989	-	484,745	-
Accrued expenses - employee entitlements	321,095	-	365,805	-
Accrued expenses - other	80,293	-	53,473	-
GST Payable	38,877	-	20,447	-
	<u>1,984,757</u>	-	<u>1,830,015</u>	-

BORROWINGS

Bank Overdraft	-	-	-	-
Short term draw down facility	-	-	-	-
Loans	2,765,525	2,605,544	416,304	2,997,775
	<u>2,765,525</u>	<u>2,605,544</u>	<u>416,304</u>	<u>2,997,775</u>

PROVISIONS

Employee entitlements (including oncosts)	309,248	159,548	184,879	108,473
Future reinstatement / restoration, etc	19,418	896,075	20,000	880,000
	<u>328,666</u>	<u>1,055,623</u>	<u>204,879</u>	<u>988,473</u>

Movements in Provisions - 2009 year only

	Employee entitlements	Future Reinstatement
(current & non-current)		
Opening Balance	293,352	900,000
Add - unwinding of present value discounts	10,542	34,704
Additional amounts recognised	258,469	55,359
(Less) Payments	(105,909)	(38,245)
Unused amounts reversed	-	-
Add (Less) Re-measurement Adjustments	12,343	(36,325)
Closing Balance	<u>468,797</u>	<u>915,493</u>

All interest bearing liabilities are secured over the future revenues of the Council.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

NOTE 9 - RESERVES

ASSET REVALUATION RESERVE	1/07/2008	Net Increments (Decrements)	Transfers on Sale	30/06/2009
	\$	\$	\$	\$
Land	20,320,085	-	-	20,320,085
Land Improvements	8,023,797	8,860,109	-	16,883,906
Buildings & Other Structures	2,692,451	13,812,489	-	16,504,940
Infrastructure				
- Roads, bridges, footpaths	90,288,384	-	-	90,288,384
- Stormwater drainage	1,911,270	-	-	1,911,270
- Community Wastewater				
Management Systems	2,521,717	-	-	2,521,717
Plant & Equipment	1,516,898	-	-	1,516,898
Furniture & Fittings	355,194	-	-	355,194
Library Books	203,743	-	-	203,743
TOTAL ASSET REVALUATION RESERVE	127,833,539	22,672,598	-	150,506,137
TOTAL		22,672,598	-	22,672,598
07/08 Totals	37,499,404	90,334,135	-	127,833,539

OTHER RESERVES	1/07/2008	Transfers to Reserve	Transfers from Reserve	30/06/2009
American River CWMS	482,752	-	(482,752)	-
Special Projects Reserve	3,765	-	(3,765)	-
Marina Berths Reserve	28,928	101,348	-	130,276
Airport Reserve	1,105,823	-	(42,276)	1,063,547
Roads to Recovery Reserve	24,818	-	(24,818)	-
CWMS Reserve	497,914	-	(218,648)	279,266
Waste Management Reserve	48,556	-	(48,556)	-
Committed Funds Reserve	4,619,167	-	(2,301,912)	2,317,255
Linnetts Subdivision Reserve	5,398	-	(5,398)	-
Penneshaw CWMS	56,083	-	(56,083)	-
Asset Reinvestment Reserve	288,838	-	-	288,838
Kingscote CBD Car Park Reserve	21,244	1,213	-	22,457
KIN Reserve	109,717	4,838	(114,555)	-
Open Space Reserve	-	65,534	-	65,534
TOTAL OTHER RESERVES	7,293,003	172,933	(3,298,763)	4,167,173
07/08 Totals	4,944,069	8,262,702	(5,913,768)	7,293,003

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

NOTE 9 – RESERVES (continued)

PURPOSES OF RESERVES

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non-current assets and available-for-sale financial assets.

American River CWMS

Funds provided by the LGA for the extension of Community Wastewater Management System (CWMS) to the American River township.

Special Projects Reserve

Council contributed funds towards the Council's office redevelopment.

Marina Berths Reserve

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

Airport Reserve

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

Roads to Recovery Reserve

R2R supplementary funding which that had not been spent during the financial year.

CWMS Reserve

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

Waste Management Reserve

The waste management function is a self servicing entity within the Council and any surplus or deficit for the year is accumulated in this reserve.

Committed Funds Reserve

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

Linnetts Subdivision Reserve

Bond funds received from developers of sub division as provisions for future works.

Penneshaw CWMS

Funds provided by the LGA for the potential extension of CWMS to the Penneshaw township.

Asset Reinvestment Reserve

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

Kingscote CBD Carpark Reserve

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

KIN Reserve

Kangaroo Island Network (KIN) funds held in trust for the KIN committee's discretion.

Open Space Fund Reserve

Contributions from developers for future open space developments and expenditure.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

NOTE 10 - ASSETS SUBJECT TO RESTRICTIONS

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

	2009 \$	2008 \$
CASH & FINANCIAL ASSETS		
Unexpended amounts received from Federal Government	-	-
Developers Contributions	87,991	70,869
Other unexpended amounts form other levels of Government	-	24,818
CWMS/STEDs scheme	-	337,524
Other	-	109,717
	<u>87,991</u>	<u>542,928</u>
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
Land assets utilised for recreation or other community purposes are subject to the provisions of Chapter 11, Part 1 of the Local Government Act, 1999 relating to 'Local Government Land'. Such assets are indentified on Council's Community Land Register in accordance with the provisions in the Act.		
	<u>25,215,834</u>	<u>25,215,834</u>
	25,215,834	25,215,834
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS	<u>25,303,825</u>	<u>25,758,762</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

NOTE 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2009 \$	2008 \$
Total cash & equivalent assets	5	1,789,702	1,986,146
Less: Short-term borrowings	8	-	-
Balances per Cash Flow Statement		<u>1,789,702</u>	<u>1,986,146</u>

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

Net Surplus (Deficit)		(333,563)	(679,465)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		4,978,475	4,473,941
Fair value adjustments		-	-
Equity movements in equity accounted investments (increase) decrease		-	-
Net increase (decrease) in unpaid employee benefits		120,193	-
Premiums & discounts recognised & unwound		45,246	-
Change in allowances for under-recovery		-	-
Non-cash asset acquisitions		(200,882)	-
Grants for capital acquisitions treated as Investing Activity		(2,373,009)	(2,685,948)
Net (Gain) Loss on Disposals		177,157	2,939
		<u>2,413,617</u>	<u>1,111,467</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(8,336)	(261,304)
Net (increase) decrease in inventories		15,872	4,717
Net (increase) decrease in other current assets		-	-
Net increase (decrease) in trade & other payables		199,452	(1,288,392)
Net increase (decrease) in other provisions		(19,411)	889,003
Net increase (decrease) in other liabilities		-	-
Net Cash provided by (or used in) operations		<u>2,601,194</u>	<u>455,491</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

NOTE 11 - RECONCILIATION TO CASH FLOW STATEMENT (continued)

	Notes		
(c) Non-Cash Financing and Investing Activities			
Acquisition of assets by means of:			
- Physical resources received free of charge	3	200,882	-
- Non-cash grants & contributions		-	-
Amounts recognised in Income Statement		200,882	-
- Finance Leases		-	-
- Land taken over for non-payment of Rates		-	-
		200,882	-

(d) Financing Arrangements

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

Bank Overdrafts	100,000	100,000
Cash Advanced Debenture	3,126,706	-
Corporate Credit Cards	15,000	11,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Council also has immediate access to a short-term draw-down facility, and variable interest rate borrowings under a cash advance facility, both from the Local Government Finance Authority of SA.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

NOTE 12 - FUNCTIONS

INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES

	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Business Undertakings	1,048,001	1,048,001	1,035,441	934,624	12,560	113,377	-	-	8,942,149	5,378,487
Community Services	166,475	352,658	775,966	808,569	(609,491)	(455,911)	47,564	50,561	1,204,096	583,879
Culture	47,689	52,350	429,447	392,662	(381,758)	(340,312)	32,309	32,114	1,160,197	491,355
Economic Development	104,747	88,298	185,984	169,338	(81,237)	(81,040)	67,300	50,531	-	499,437
Environment	2,360,847	2,682,861	2,490,879	3,189,774	(130,032)	(506,913)	-	-	16,882,204	12,910,633
Recreation	30,627	13,381	1,472,226	1,118,855	(1,441,599)	(1,105,474)	-	-	46,701,523	35,432,441
Regulatory Services	182,882	226,284	911,493	1,385,568	(728,611)	(1,159,284)	-	-	-	-
Transport & Communication	450,704	312,129	3,915,842	3,799,507	(3,465,138)	(3,487,378)	253,579	258,578	83,169,429	85,115,210
Plant Hire & Depot/Indirect	56,846	13,745	747,615	630,623	(690,769)	(616,878)	-	-	4,478,646	809,843
Governance	2,353,954	1,857,566	1,370,463	1,232,054	983,491	625,512	2,328,529	2,096,879	5,354,345	1,825,817
Support Services	20,036	845	229,241	188,993	(209,205)	(188,148)	-	-	-	-
Other Revenue/Expenditure	4,011,492	3,839,975	-	-	4,011,492	3,839,975	-	1,000	2,969,895	3,173,877
TOTALS	10,834,300	10,488,093	13,564,597	13,850,567	(2,730,297)	(3,362,474)	2,729,281	2,489,663	170,862,484	146,220,979

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

NOTE 12 - COMPONENTS OF FUNCTIONS (continued)

The activities relating to Council functions are as follows:

Business Undertakings

Camping Grounds, Airport, Private Works, Property Portfolio.

Community Services

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

Culture

Library Services, Cultural Venues, Cultural Events.

Economic Development

Tourism and Other Economic Development.

Environment

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

Recreation

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

Regulatory Services

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

Transport

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

Plant Hire & Depot

Plant & Equipment Hire, Works Depot Operations.

Unclassified Activities

Non Specific Activities.

Governance

Governance, Administration n.e.c., Elected Members, Organisational, Human Resources.

Support Services

Accounting/Finance, Payroll, Information Technology, Communication, Rates Administration, Records, Customer Service, Asset Management.

Other Revenue and Expenditure

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

NOTE 13 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments Bank, Deposits at Call, Short Term Deposits

Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.

Terms & conditions: Deposits are returning fixed interest rates between 2.7% and 7% (2008: 3.4% and 7%). Short term deposits have an average maturity of 90 days and an average interest rates of 4.5% (2008: 90 days, 7%).

Carrying amount: approximates fair value due to the short term to maturity.

Receivables - Rates & Associated Charges (including legals & penalties for late payment)

Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & conditions: Secured over the subject land, arrears attract interest of 2% (2008: 2%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying amount: approximates fair value (after deduction of any allowance).

Receivables - Fees and other Charges

Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

Carrying amount: approximates fair value (after deduction of any allowance).

Receivables - other levels of Government

Accounting Policy: Carried at nominal value.

Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of the Governments of the Commonwealth & State.

Carrying amount: approximates fair value.

Liabilities - Creditors and Accruals

Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

Terms & conditions: Liabilities are normally settled on 30 day terms.

Carrying amount: approximates fair value.

Liabilities - Interest Bearing Borrowings

Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.

Terms & conditions: secured over future revenues, borrowings are repayable by 6 monthly instalments of principal and interest; interest is charged at fixed rates between 5.4% and 7.25% (2008: 5.4% and 7.25%)

Carrying amount: approximates fair value.

Liabilities - Finance Leases

Accounting Policy: accounted for in accordance with AASB 117.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

NOTE 13 - FINANCIAL INSTRUMENTS (continued)

Liquidity Analysis

2009	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Liabilities					
Payables	1,583,369	-	-	1,583,369	-
Current Borrowings	2,541,255	-	-	2,541,255	2,373,294
Non-Current Borrowings	-	131,950	2,697,864	2,829,814	2,997,775
Total	4,124,624	131,950	2,697,864	6,954,438	5,371,069

2008	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Liabilities					
Payables	1,410,737	-	-	1,410,737	-
Current Borrowings	416,304	-	-	416,304	416,304
Non-Current Borrowings	-	510,462	2,487,313	2,997,775	2,997,775
Total	1,827,041	510,462	2,487,313	4,824,816	3,414,079

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

	30 June 2009		30 June 2008	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Overdraft	-	-	-	-
Other Variable Rates	5.61	2,373,294	0	-
Fixed Interest Rates	6.39	2,997,775	6.64	3,414,079
		<u>5,371,069</u>		<u>3,414,079</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

NOTE 13 - FINANCIAL INSTRUMENTS (continued)

Net Fair Value

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

Risk Exposures

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

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

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows. Council also has available a range of bank overdraft and short-term draw down facilities that it can access.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

NOTE 14 - COMMITMENTS FOR EXPENDITURE

	2009 \$	2008 \$
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Land improvement	209,000	-
Buildings	-	26,591
Infrastructure	769,000	-
Plant & Equipment	-	3,557,424
	<u>978,000</u>	<u>3,584,015</u>
These expenditures are payable:		
Not later than one year	978,000	3,584,015
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>978,000</u>	<u>3,584,015</u>

Other Expenditure Commitments

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

Audit Services	11,000	34,000
Waste Management Services	4,090,000	4,900,000
Employee Remuneration Contracts	350,000	600,000
Other	166,000	205,660
	<u>4,617,000</u>	<u>5,739,660</u>
These expenditures are payable:		
Not later than one year	1,113,000	1,090,600
Later than one year and not later than 5 years	3,504,000	4,649,060
Later than 5 years	-	-
	<u>4,617,000</u>	<u>5,739,660</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

NOTE 15 - FINANCIAL INDICATORS

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

	2009	2008	2007
Operating Surplus			
<u>Operating Surplus</u>	(2,730,297)	(3,362,474)	(612,021)
Being the operating surplus (deficit) before capital amounts.			
Operating Surplus Ratio			
<u>Operating Surplus Ratio</u>	(46%)	(59%)	(12%)
Rates - general & other less NRM levy			
This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.			
Net Financial Liabilities			
<u>Net Financial Liabilities</u>	5,869,886	3,379,109	1,733,763
Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses).			
Net Financial Liabilities Ratio			
<u>Net Financial Liabilities Ratio</u>	55%	33%	18%
Total Operating Revenue less NRM levy			
Interest Cover Ratio			
<u>Net Interest Expense</u>	1.8%	(0.4%)	0.9%
Total Operating Revenue less NRM levy less Investment Income			
Asset Sustainability Ratio			
<u>Net Asset Renewals</u>	24%	31%	27%
Depreciation Expense			
Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.			
Asset Consumption Ratio			
<u>Carrying value of depreciable assets</u>	64%	64%	78%
Gross value of depreciable assets			
Total carrying value of depreciable assets divided by total reported value of depreciable assets before accumulated depreciation.			

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009**

NOTE 16 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Council prepared on a uniform and consistent basis. The uniform presentation represents a simplified version of reporting under the Government Finance Statistics (GFS) framework of the Australian Bureau of Statistics.

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

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

	2009 \$	2008 \$
Income	10,834,300	10,488,093
less Expenses	<u>(13,564,597)</u>	<u>(13,850,567)</u>
	<u>(2,730,297)</u>	<u>(3,362,474)</u>
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	1,339,449	1,442,481
less Depreciation, Amortisation and Impairment	<u>(4,978,475)</u>	<u>(4,473,941)</u>
less Proceeds from Sale of Replaced Assets	<u>(168,905)</u>	<u>(65,455)</u>
	<u>(3,807,931)</u>	<u>(3,096,915)</u>
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	5,957,093	4,180,072
less Amounts received specifically for New and Upgraded Assets	<u>(2,373,009)</u>	<u>(2,685,948)</u>
less Proceeds from Sale of Surplus Assets (including investment property and real estate developments)	-	-
	<u>3,584,084</u>	<u>(1,494,124)</u>
Net Lending / (Borrowing) for Financial Year	<u>(2,954,144)</u>	<u>(1,759,683)</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

NOTE 17 - OPERATING LEASES

Leases providing revenue to the Council

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

	2009 \$	2008 \$
Not later than one year	47,716	42,646
Later than one year and not later than 5 years	54,659	34,381
Later than 5 years	105,328	26,004
	<u>207,703</u>	<u>103,031</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

NOTE 18 – SUPERANNUATION

Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme (the scheme). The scheme has two types of membership, each of which is funded differently.

Marketlink (Accumulation Fund) Members

The scheme receives both employer and employee contributions on a progressive basis, with employer contributions based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9 per cent in 2008/09). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the fund.

Salarylink (Defined Benefit) Members

The salarylink plan is a multi-employer sponsored superannuation plan. As the fund's assets and liabilities are pooled and are not allocated by employer, the actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recently available full actuarial investigation conducted by the scheme's actuary, L C Brett, BSc., FIA, FIAA, of Brett and Watson Pty Ltd as at 30 June 2008, indicates that the defined benefit fund is in an unsatisfactory financial position, with advice being provided that current contribution levels are insufficient to cover guaranteed benefits to members.

Four options are being considered to restore the fund to a satisfactory financial position from 1 July 2010 for a 5 year period:

- Increase Council's contribution rate from 9.0 per cent to 9.6 per cent;
- Increase Council's contribution rate to 9.6 per cent and close the defined benefit scheme in 2012;
- Increase Council's contribution rate to 9.3 per cent and close the defined benefit scheme now;
- Retain a 9.0 per cent Council contribution rate, close the defined benefit scheme and reduce future member benefits.

A decision on the option to be implemented will be made prior to 30 June 2010.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

NOTE 19 – CONTINGENCIES, ASSETS AND LIABILITIES
NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

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

1. LAND UNDER ROADS

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

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

2. POTENTIAL INSURANCE LOSSES

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

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

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

3. BANK GUARANTEES

Council has not guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies at reporting date.

Council does not expect to incur any loss.

4. LEGAL EXPENSES

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

5. SUPERANNUATION – DEFINED BENEFITS SCHEME

An obligation exists under Local Super rules for Council to contribute toward salarylink benefits offered by Local Super under a defined benefit superannuation plan, and these contributions may be increased on actuarial advice when investment performance declines.

Kangaroo Island Council

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2009

STATEMENT BY CHIEF EXECUTIVE OFFICER

I, Carmel Noon, the person for the time being occupying the position of Chief Executive Officer of Kangaroo Island Council, do hereby state that the Financial Statements of the Council for the year ended 30 June 2009 are to the best of my knowledge presented fairly, and in accordance with accounting procedures which have been maintained in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999* made under that Act.



Carmel Noon

CHIEF EXECUTIVE OFFICER

Dated this 24th day of November 2009

ADOPTION STATEMENT

Laid before the Kangaroo Island Council and adopted on the 24th day of November 2009.



Jayne Bates

MAYOR

Dated this 24th day of November 2009

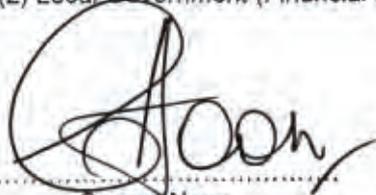
Kangaroo Island Council

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2009

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Kangaroo Island Council for the year ended 30 June 2009, the Council's Auditor, Dean Newbery & Partners, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 1999* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.



Carmel Noon
CHIEF EXECUTIVE OFFICER



John Comrie
PRESIDING MEMBER
AUDIT COMMITTEE

Dated this 24th day of November 2009

DEAN NEWBERY & PARTNERS CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KANGAROO ISLAND COUNCIL

We have audited the accompanying financial report of the Kangaroo Island Council, which comprises the balance sheet as at 30 June 2009 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Chief Executive Officer's Statement.

The Responsibility of the Chief Executive Officer for the Financial Report

The Chief Executive Officer of the Kangaroo Island Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1999 and Local Government (Financial Management) Regulations 1999. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

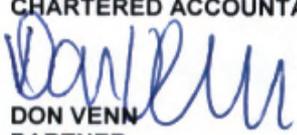
Independence

In conducting our audit, we have complied with the independence requirements of the Local Government Act 1999 and Local Government (Financial Management) Regulations 1999. We confirm that the independence declaration required by the Local Government Act 1999 and Local Government (Financial Management) Regulations 1999, provided to the Chief Executive Officer on 23 November 2009, would be in the same terms if provided to the Chief Executive Officer as at the date of this auditor's report.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Kangaroo Island Council as of 30 June 2009, and its financial performance and cash flows for the year then ended in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations 1999 and the Australian Accounting Standards (including Australian Accounting Interpretations).

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS



DON VENN
PARTNER

Signed on the 24th day of November 2009,
at 214 Melbourne Street, North Adelaide, South Australia 5006.

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS**

Auditor's Independence Declaration Under Section 16A of the Local Government (Financial Management) Regulations 1999 to the Kangaroo Island Council.

I confirm that, for the audit of the financial statements of the Kangaroo Island Council for the year ended 30 June 2009, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A (4) *Local Government (Financial Management) Regulations 1999*.



DON VENN

Partner

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS
214 MELBOURNE STREET
NORTH ADELAIDE SA 5006**

NORTH ADELAIDE, this 23rd day of November 2009