



ANNUAL REPORT

TO

30th JUNE 2005

ANNUAL REPORT 2004-2005

Welcome to the Kangaroo Island Council Annual Report for 2004/05. This Annual Report has been produced to provide a record of Council's achievements over the past year and also provides a portrait of our strategic and financial performance. The annual report demonstrates Council's continued commitment to open and accountable government.

Who is it for?

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

What does it tell you?

This report outlines our strategic direction, our major highlights and achievements over the past year and our plans and challenges for the coming year. It indicates the achievements towards objectives stated in the Strategic Plan. While the production of the Annual Report is a mandatory requirement of the Local Government Act 1999, it is hoped that this document provides the reader with a glimpse into Council's operations and financial Performance.

We hope that once again you enjoy reading this report and from it gain an understanding of the challenges facing our island community.

Kangaroo Island Annual Report

The continuing upgrade of the use of modern technology at all levels of

Council's operations have ensured that efficiency gains have been maintained throughout the reporting year. All operational areas have suffered from various constraints not the least of which has been the ongoing dry weather which has severely restricted roadworks on our gravel road network.

Trying times

As with last year, and indeed most years the ability of Council to properly maintain its built infrastructure is restricted by the amount of funds that can be raised locally. Whilst it is acknowledged that Government, both State and Federal assist with grants and other funding, Council's small rate base and large infrastructure needs are not able to maintain all the island's infrastructure to a level which will ensure that the asset base is maintained and improved. Given that property rates are, by legislation, the only way that Local Government is allowed to raise revenue Kangaroo Island Council is unable to provide the residents and visitors to the island with services and facilities that are of a comparable standard to facilities on the mainland. As was stated in last year's report mainland Councils have the potential to assist each other in terms of shared resources and the ability to obtain goods and services at reasonable cost. There are direct links with other Councils and the various arms of Government that provide complimentary services to those provided by Local Government. Kangaroo Island Council through its relationship with Alexandrina Council is able to access Information Technology

support and advice that would otherwise be unavailable on the Island. Our waste management strategies also utilize the services and support of other Councils on the Fleurieu Peninsula which have benefits to all involved.

Further strategies for cooperation and assistance are being considered which is broadly in line with the thrust of findings developed by the Financial Sustainability Review Board in their report "Rising to the Challenge" published in August 2005.

History

The Kangaroo Island Council covers an area of approximately 4,400 square kilometres and is home to a resident population of approximately 4,500. The Council was formed in 1996 after the amalgamation of the District Council of Dudley and the District Council of Kingscote. The Island has a number of settlements including Kingscote, Penneshaw, Parndana, American River, Baudin Beach, Vivonne Bay, Stokes Bay, Island Beach and Emu Bay. It was Captain Matthew Flinders aboard the Investigator who is credited as being the first European to officially sight the Island in March 1802. Flinders landed on the North Coast of the Island, naming it Kangaroo Island because of the abundance of Kangaroos found here. Shortly after this, Nicholas Baudin aboard the French corvette, *Le Geographe* mapped most of the southern and western coastlines of the Island, which is why many parts along this coastline and the coastline of the adjacent mainland have French names. The early explorers of Kangaroo Island found no evidence of Aboriginal inhabitants. It was not until the early 1900's that aboriginal artefacts and campsites were found and subsequent

dating suggests that the Island was inhabited as early as 10,000 years ago. It is still a mystery as to why the Aboriginal people may have left the Island.

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

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

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

The primary industry sector, consisting mostly of sheep, wool, grains, fishing and forestry continues to be a significant contributor to the Island's economy, valued at \$39.7 million in 1998, whilst a substantial income is also derived from the tourism sector. Kangaroo Island has become one of the world's premier eco-tourism destinations with 21 national and conservation parks covering more than 30% of the Island and dramatic

scenery ranging from little Sahara to huge sculptured granite boulders, which are truly 'Remarkable Rocks'. Having separated from the mainland during the last Ice Age, Kangaroo Island has retained many plants and animals no longer found elsewhere. There are over 850 native plants registered on Kangaroo Island with over 400 different species found within the Flinders Chase National Park. Free from mainland rabbits and foxes, the Island is a natural habitat for platypus, goanna, glossy black cockatoo, albatross, seals, penguins and the Island's own species of kangaroo. Its shores are also home to the elusive leafy-sea dragon.

The people of Kangaroo Island are proud of their unique history and the natural beauty of their Island. They enjoy a high quality of life and are well positioned to capitalise on their position in the world to secure a prosperous and vibrant future.

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

Our successes

Staff losses in many areas have continued to provide a challenge for Council especially in the specialist disciplines which are traditionally hard

to fill. We were indeed fortunate in attracting a Planner to the island and we welcomed Paul Emes to take on this most important role. It was also Council's good fortune to welcome Holger Welz back to Council on a part-time basis as our building officer.

In Finance, recruitment for a qualified finance officer saw Paul Duka join the team as well as Sarah Price and Lynne Hodder in customer service.

The retirement of our engineer Ken Liu saw a review of the Technical Services Department with John Fernandez taking on the role of Works Manager and Daniel Rowley taking responsibility for major projects.

Finally we were fortunate in securing the services of Nick Brown as our new CEO.

What was to be a six month assignment for Marc Dilena (acting CEO) eventually finished after about 16 months however Council managed to achieve some significant changes whilst Marc was acting CEO.

With the increasing use of technology it has been necessary for Council to install equipment suitable for Councils use over the next 5-10 years. In addition Council has embarked on an IT strategy where each employee is able to utilize any of the available resources from any location within the Councils buildings. This has reduced equipment and staff downtime and has greatly assisted with improving staff productivity.

With the requirements of the EPA becoming harder to manage the decision to move all putrescible waste off the island to Peddler Creek was a major decision of Council. Whilst the waste management strategies will only be put in place from the 1st July 2005 a

tremendous amount of both staff and councilors time has been spent in developing the strategy and planning for its successful introduction. This has seen the development of a waste transfer station in Kingscote and the awarding of a contract for the transport of waste off the island to landfill at Peddler Creek. During the year Council embarked on an education campaign designed to make our residents more aware of the impact of waste and the need to actively pursue the recycling of waste so reducing the need for extensive landfill. Council also determined that the full costs of waste management and disposal would be recouped as levies charged against all land on Kangaroo Island and, in the case of land which was situated within an area where collections were available a charge which would provide sufficient funds to cover the costs of the collection service. These charges were to be levied in a similar manner to the charges attributable to the provision and maintenance of the STEDS schemes. Sewerage charges are based on the user-pays principle and have been progressively increased over the years to ensure that the full costs of delivering the service are recouped from those properties to which the service is available. This will, in turn, enable Council to progressively improve and maintain the various STEDS schemes on the Island. With the State Government offering to provide funding towards the provision of STEDS in American River planning works have been undertaken with a view to seeking public comment early in 2006.

The role of Local Government has been intensively examined by the “Financial Sustainability Review Board”. In the

summary of the Boards findings it is noted that:

“there appear to be a number of factors contributing to the prevalence of operating deficits and their frequent co-existence with substantial infrastructure renewal/replacement backlogs:

- Relatively low (and falling) levels of Commonwealth and State Government funding
- Cost pressures on councils as a result of the increasing cost of complying with escalating regulations and real or apparent cost shifting primarily by the State Government
- A State Government freeze on council rates revenue in the late 1990s
- Ratepayer pressure for rates increases below those necessary to fund increasing service levels
- Past policies responsible for service levels and standards in excess of those which could be sustainably funded by councils themselves
- Deficiencies evident in asset management practices and associated depreciation and asset valuation policies; and
- A widespread reluctance to borrow even when it is prudent to do so.

The report also highlights the fact that Financial Assistance grants are below the levels necessary to equalise the financial capabilities of council which in turn results in South Australian Councils being unable to deliver levels of services similar to those possible by councils in the more populous states unless per property rates are higher than in those states.

It is further noted that “*Funding from the State Government in South*

Australia is also among the lowest in the nation”

Kangaroo Island Council whilst relatively large in area has a small population and a relatively large road network. This road network is the lifeblood of the Island and it's residents as it provides the arterial networks required to move agricultural product to and from market. Similarly it is the road network that enables the tourist industry to thrive as it provides the means by which tourists are able to visit the many attractions of the Island.

The comments by the Review Board which are noted above clearly illustrate the reasons behind councils inability to accede to the wishes and demands placed on us by both ratepayers and visitors alike. With property rates being the only revenue source for Local Government it is not surprising therefore that it is necessary to increase rates significantly if service levels are to be maintained.

The Board also states ***“Of as much importance is the role played by State Government restrictions on council revenue raising and in lifting council spending through increased compliance burdens and real or apparent cost shifting.”***

In recent times the Federal Government has shown some initiative in this regard by providing additional funds towards the maintenance of local roads networks under the roads to recovery program. However this funding is insufficient to do any more than improve small sections of the most problematic of our roads network.

Population

Current statistics indicates that the population of the Island is slowly

increasing and currently totals about 4,500 residents.

Infrastructure

There are currently some 1460kms of roads on the Island with 1359kms being under the direct control of Council. Of the roads controlled by Council only 200kms are sealed with the other 1159kms being of various standards and states of repair. Significant funding is required if council is to maintain these roads to an acceptable level however this funding is unlikely to be derived from rates.

Economic Base

As has been mentioned in the report into the financial sustainability of Local Government Council has little ability to raise sufficient revenue to maintain the infrastructure of the Island let alone consider creating new infrastructure.

Environment

Council continues to actively work towards the protection of our unique environment in conjunction with other agencies based on the Island. Whilst development continues to grow at a rapid pace development applications must comply with both Councils development plans as well as being sensitive to the maintenance of the fragile environment of much of the Island.

As a Council we are committed to adhering to the following principles: -

Respect for the views, values and aspirations of individuals and organizations within the community.

Integrity in providing accountable, equitable and responsible government;

And *Excellence* in both individual and collective delivery of Council's services

Our Vision: A confident, growing and cohesive community:

- benefiting from a thriving economy based on strong tourism and agriculture
- preserving our unique heritage
- sustainedly managing our natural environment

Our Mission: The Kangaroo Island Council will serve our community through the delivery of high quality services, by skilled and professional staff, and the provision of clear direction and strong leadership.

Service delivery by the Council Team

Goals

1. A professional organisation recognised for it's effective leadership and communication techniques, innovative approach and commitment to our community

Goal Outcomes:

- √ Implementation of the Strategic Plan
- √ Increased profile and influence of Council
- √ More professional organisation
- √ Improvement in the management and delivery of Council services
- √ Increase in community involvement in and awareness of Council activities

2. Provide and manage infrastructure that meets the needs of our community

Goal Outcomes:

- √ High standard of roads and footpaths
- √ Effective management of public assets
- √ External funding sourced for infrastructure
- √ Improved water supply to key settlements
- √ Enhanced public spaces
- √ Redevelopment of the Civic Centre

3. Encourage and facilitate economic development on our Island

Goal Outcomes

- √ Effective partnership approach to economic development
- √ Growth in business and employment opportunities
- √ Maximisation of tourism benefits
- √ Improved transport access

√ Increased housing options

4. Enhance the level of service provision and social and cultural development in our communities

Goal Outcomes

- √ Increased level of service provision
- √ Positive youth and age development
- √ Strong volunteer involvement
- √ Protection of our heritage
- √ Development of community capacity

5. The sustainable management of our natural environment

Goal Outcomes

- √ Protection of native bio-diversity
- √ Partnership approach with Government and the community
- √ Sustainable management of our water resources
- √ Preservation of our coastal and marine environments
- √ Effective waste management techniques

Strategic Planning

Kangaroo Islands strategic plan was developed following extensive community consultation in 2002 and was expected to have a life of 5 years. As a “living” document the plan has served us well in focusing on the needs of the island for a five year period. Council will undertake a review of the plan to determine if it meets the current needs of the community.

Location

Kangaroo Island is located some 15kms off the southern tip of the Fleurieu Peninsula and at the time of writing this report is serviced by a ferry from Cape Jervis and regular commercial flights from Adelaide provided by two commercial carriers. The variety of landscapes coupled with natural geological features and unique flora and fauna provide Kangaroo Island with a multitude of attractions for visitors. The Island is also graced with a

variety of soil types, which support agricultural production and numerous value adding opportunities. As the site of the first settlement in South Australia Kingscote remains the principal center of the Island administration and economic activity. Three other townships located at Penneshaw and American River to the east of the Island and Parndana in the central area make up the majority of the populated areas with major services being offered in these townships.

Kangaroo Island is dedicated to securing its long-term viability as a community through strategic economic development efforts. Working in partnership with the community and KI Development Board Council actively seeks to expand the economic base of the community by attracting and retaining commercial and industrial enterprises that contribute to the economic base and provide employment appropriate for the community.

While maintaining traditional services, added emphasis is also given to the

social, cultural and tourism development of the Island to ensure residents and visitors are provided with high quality facilities and services for their well-being and enjoyment.

Our present

- Agricultural endeavours on the Island have traditionally consisted of sheep for wool and meat, grain, beef cattle, fishing and honey production. The range of potential lucrative markets has however, prompted many to seek out new opportunities. Current alternative industries on the Island include a range of product
- such as marron, abalone, grapes for wine, cheese, and olive oil. These industries are helping to diversify the economic base of the Island, and with value adding being actively pursued the future for our various agricultural industries looks bright.

Kangaroo Island has long been known as an idyllic setting to live offering a unique, and relaxed lifestyle. Modern amenities and services and a desire to embrace change, is coupled with an appreciation and preservation of the natural environment, heritage and values characteristic of the site of the first European settlement in South Australia..

MAYORS REPORT

Annual Report June 30 2005

Council under the Acting CEO Mr. Marc Dilena, underwent a substantial process of restructure and change management during the financial year 1/7/04 to 30/6/05

It became clear following a number of audits commissioned by the elected members that in order to become an efficient and effective organization the above needed to happen.

The end result has been a clear and focused direction, to act in the best interests of the community. We thank Marc Dilena for his untiring and professional efforts.

Mr. Dilena received strong support from the Corporate Services Manager Mr. Tony Jarvis.

Mr. Ken Liu our Technical Services Manager retired in June 2005 after a number of years of totally rebuilding and streamlining the works area of Council. Council is most grateful for those efforts and wishes him and his wife all the best in the future.

Staff have been through a trying and demanding year and are to be congratulated on the sometimes unrecognized and demanding requirements they undertake , both at Administrative and works levels.

The draconian and expensive demands put on our Council in particular, and Local government generally by the

Environment Protection Authority are set to cause a huge and unwarranted cost burden on the Island community in relation to Waste Management.

Decisions made at a great distance to the reality of living in an isolated and financially disadvantaged area such as Kangaroo Island are a direct result of a lack of common sense and any sense of social and economic reality. This community will suffer a lack of expenditure on many other areas at both infrastructure and community level over many years because of the absurd demands placed on it, by an out of touch and idealistic government authority. Development pressures and applications have been at an all time high for the Council and the investment area is continuing at a high level.

The elected members of Council have continued to have high demands placed on their time and have made a valuable contribution regularly as required. There are many differing views on a variety of subjects expressed , however they have been singularly united in their desire to have Council running in an efficient manner.

We look forward to the forthcoming employment of our new CEO Mr. Nick Brown in early July 2005 and welcome him and his family to the Island and community.

Michael Pengilly
Mayor KIC
June 30/6/05

CHIEF EXECUTIVE OFFICER'S REPORT

As the new Chief Executive did not take up his position until the start of the 2005/06 financial year this section of the report has been prepared by the Corporate & Community Services Manager.

The year in review has seen many significant changes within the structure of council and the manner in which it has been managed. Whilst the Acting CEO undertook the onerous task of change management, the general staff have carried out their duties in a most professional manner so ensuring the operations of Council have continued without interruption.. There have been the inevitable staff movements with some staff moving on to other challenges elsewhere and new staff being recruited.

Whilst recruitment at the more senior professional levels has been difficult in a couple of cases we have been fortunate in attracting qualified and /or experienced local staff for the majority of vacant positions on council.

The retirement of Mr Ken Liu our Technical Services Manager at the end of the financial year came as a bit of a surprise to most however after some 40 years service to Local Government his retirement is well deserved. Mr Liu's contribution to the Island and it's built infrastructure is recognized and Council is grateful for Mr Liu's outstanding contribution during his seven years of service to the island and the community and over 40 years in Local Government.

Elected Members

Pengilly, Michael Mayor Michael Pengilly was elected to the former district Council of Dudley in 1990, and on moving to a farm in the Wisanger district was elected in 1993 to be a Kingscote ward councillor in the KDC until amalgamation. At the election held in May 2003 Michael stood and was elected to the office of Mayor. Both Michael and his wife Jan were born and bred on the Island, and have 3 children, Tim, Sarah and Patrick. Michaels interest in Local government revolves around community, commitment and having input into the Island, with a desire to broaden the economic base and achievement of sustainable and beneficial progress, together with an emphasis on job creation and making the island a more affordable place to live.

Bates, Jayne Deputy Mayor Cr Bates was born in Adelaide and moved to Kangaroo Island some 30 years ago following her marriage to Ashley. Cr Bates had 3 children and helped Ashley with their various farming activities. Jayne decided to stand for election following the amalgamation of the Dudley and Kingscote Councils out of a desire to assist the community in which she lives. This therefore is Cr Bates second term in office.

Boxall, Malcolm Councillor

Councillor Boxall and his wife Fay farm merino sheep at Cygnet River where Malcolm has lived all his life. Cr Boxall has been involved on Council for nearly 10 years and seeks to give everyone a fair go. His vision for the Kangaroo Island community is to be one of vigorous growth, to encourage orderly development, especially new enterprises that will provide considerable employment.

Brauer, Peter Councillor

Davis, Rebecca (Bec) Councillor Bec Davis was elected to KI Council in May 2003. Having studied for a Social Science degree and after reading articles in the Islander newspaper Cr Davis decided to stand for election. As decisions of Council effect all Island residents in one way or another Cr Davis would encourage everyone to take an active interest in local politics.

Hobbs, Michael Councillor

Cr Hobbs was a television cameraman in the UK until 1990 when he retired and migrated to Australia initially living in NSW. Having visited the island whilst on holiday Mike and Cherry fell in love with the place, its scenery, and the very friendly locals. Within one year they had purchased a property at Pink Bay. Being concerned about a number of issues Mike decided to stand for election and is now in his second term as a councillor.

McDonald, Scott Councillor Cr McDonald was born in Gawler in 1943. Following graduation as a teacher in 1965 served at a number of schools in South Australia until 2002. Having bought a property on Kangaroo Island in 1982 Cr McDonald became a permanent resident in 1990. Having a strong belief in the democratic process and the need for elections to actually take place Cr McDonald nominated for the 2003 election to ensure that the electoral process was achieved. Cr McDonald also wanted to increase the capacity for our Local Government to take a systems approach to environmental issues.

Richards, William (Bill) Councillor Cr Richards arrived with his parents in 1949 when they became part of the War Service Land Settlement Scheme at Parndana. Bill has worked as a shearer, wool classer and contractor around Kangaroo Island for over 20 years as well as farming “Riccorang” for 23 years. Cr Richards has been actively involved with sporting and rural organisations in the community over a number of years. Bill considers that he played a significant role in the former KI Agricultural Council (now Agriculture KI), serving 8 years as Chairman. During this time he was elected as the KI representative on the SA Advisory Board of Agriculture and was ultimately appointed to the Board Executive. Bill was elected to the Kingscote Council in 1995, and served for 5 years after which time he decided to have a break after and restood for election in May 2003. Bill believes there are great opportunities for the island and these opportunities can be realised by responsible and proactive local government. Kangaroo Island with its uniqueness has a wealth of social and natural resources, and by working collaboratively we can protect and enhance these valuable assets.

Turner, Milton Councillor Cr Turner is both our oldest member and the longest serving elected member having first been elected in 1988. Having been in business on the island for many years Cr Turner brings to Council a wide range of experience and this coupled with common sense and a keen sense of humour makes him a valuable asset to both Council and the community alike.

Wickham, Craig Councillor Cr Wickham has been a resident since 1967 and has a range of experience including family farming and tourism enterprises. Having had formal training and experience in park and wildlife management, and in addition to running an award winning tourism operation, he holds a variety of positions on business and industry bodies both in South Australia and Nationally. Cr Wickham’s motivation to stand for election included a desire to see Council operating with a longer term strategic focus, co-ordination between agencies, environmental management, communication of policy determination and a desire to enhance the relevance of Council to the community – both resident and non-resident.

<i>COMMITTEE</i>	<i>MEMBERSHIP</i>
AIRPORT MANAGEMENT COMMITTEE	MAYOR PENGILLY, CR RICHARDS, CR BRAUER, CR TURNER & CR HOBBS
BUDGET INCOME WORKING PARTY	MAYOR PENGILLY, CEO, CCSM, ESM, TSM, CR WICKHAM & CR BATES, TOURISM KI REP & KIDB REP
DEVELOPMENT ASSESSMENT PANEL	MAYOR PENGILLY, CR BOXALL, CR BATES, CR BRAUER, CR HOBBS, CR WICKHAM & L CREEK & N HUMPHRYS
CHRISTMAS COVE MANAGEMENT COMMITTEE	MAYOR PENGILLY, CR BATES, CR HOBBS, D WILLSON, P GREGOR, H WILLSON & R KNIGHT & Advice from CCSM
COMMUNITY PARTNERSHIP GRANTS PROGRAM ADVISORY COMMITTEE.....	MAYOR PENGILLY, CR RICHARDS & CR BATES. Advice from CEO & TSM
COMMUNITY PASSENGER NETWORK COMMITTEE	MAYOR PENGILLY, CR DAVIS, C PAHL, P RICHARDS, P KNEEBONE, K KRONER, & T DUKA.
INFORMATION SERVICES COMMITTEE	MAYOR PENGILLY, CR DAVIS, CR MCDONALD, J KELLY, J WOOLLEY & S SIMCOCK & Advice from CHIEF LIBRARIAN & CCSM
LOCAL WATER MGE PLAN COMMITTEE ..	MAYOR PENGILLY, CEO, ESM, CR TURNER, CR BOXALL & CR RICHARDS, JOHN ANDERSON (KI SOIL), DAVID BALL (NAT RES BD), IAN PRATT (AGRICULTURE KI)
PARNDANA HALL COMMITTEE	MAYOR PENGILLY, CR DAVIS, CCSM & 2 PARNDANA PROGRESS REPS
PENNESHAW PENGUIN MANAGEMENT PLAN	MAYOR PENGILLY, CR HOBBS & D ROWLEY (PCSC), P HONE (PPA), H WILLSON, G TRETHEWEY & DEHAA REP
PLACES FOR PEOPLE COMMITTEE	MAYOR PENGILLY, CR BATES, CR BRAUER (CR RICHARDS PROXY), CR DAVIS & CR MCDONALD & ADVICE FROM ESM & PLANNING OFFICER
PLASTIC BAG FREE ZONE SUB CO.....	MAYOR PENGILLY, T DUKA (CDO), D HONNER (KIDB) & J TIPPETT (COMMUNITY REP)
ROADSIDE VEGETATION MANAGEMT CONSULTATIVE COMMITTEE	MAYOR PENGILLY, CR MCDONALD, CR DAVIS, CR RICHARDS, CR WICKHAM,

	P MARTIN (KI FLORA & FAUNA), J DAVIDSON (KI SOIL CONS BD), TOURISM KI REP, B OVERTON (BOTANIST), N FLYNN (KI ECO ACTION) & B HADDRILL (DEHAA)
SEPTIC TANK EFFLUENT DRAINAGE SCHEME (STEDS) COMMITTEE	CEO, TSM, ESM, EHO, CR TURNER, CR RICHARDS, CR McDONALD & CR BOXALL
SWIMMING POOL COMMITTEE	MAYOR PENGILLY, CORPORATE & COMMUNITY SERVICES MANAGER, CR BRAUER, CR TURNER, R PAIN, D GEORGE, A HADLAND & 2 COMMUNITY REPS
TOMM COMMITTEE	MAYOR PENGILLY, CR MCDONALD, CEO, COMMUNITY DEVELOPMENT OFFICER, INDUSTRY REP, KIDB REP, TOURISM KI REP, NP&WS REP, KINRB REP, SATC REP & J R KELLY.
ASU WORKPLACE CONSULTATIVE COMMITTEE	MAYOR PENGILLY (CR RICHARDS PROXY) & CEO
AWU WORKPLACE CONSULTATIVE COMMITTEE	MAYOR PENGILLY (CR RICHARDS PROXY), CEO & TSM
KI ANIMAL & PLANT CONTROL BOARD	CR BOXALL, CR RICHARDS, CR TURNER, B HADDRILL, R KNIGHT, B OVERTON (D BALL as Deputy to B Overton)
KI COMMUNITY HOUSING	CR DAVIS
KI DEVELOPMENT BOARD COMMITTEE .	CR BATES
KI DISTRICT BUSHFIRE PREVENTION COMMITTEE ...	CR BATES & CR MCDONALD (K TWYFORD - NPWS)
KI EMERGENCY HOUSING SUBCOMMITTEE	CR RICHARDS (PROXY CR DAVIS)
KI NATURAL RESOURCES BOARD	CR MCDONALD
KI NETWORK	CCSM
KI PEST BIRD MANAGEMENT TASK GROUP	CR TURNER
TOURISM KI	MAYOR PENGILLY (CR TURNER proxy)
WATER RESOURCES PROJECT COMMITTEE	MAYOR PENGILLY
LGA OF SA	MAYOR PENGILLY (Deputy Mayor proxy)
SOUTHERN & HILLS LGA (Executive & General Meetings)	MAYOR PENGILLY & CEO (Deputy Mayor proxy & CCSM 2 nd proxy)

SENIOR EXECUTIVES**Chief Executive Officer**

Acting Chief Executive Officer Marc Dilena from April 2004 to 30th June 2005

Remuneration Contract of \$100,000

Benefits Accommodation rental
 Unrestricted private use of a motor vehicle
 Mobile telephone
 Weekly return trips to Adelaide

Corporate & Community Services Manager

Incumbent – Tony Jarvis

Corporate & Community Services Manager since 20/5/03

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

Remuneration MOA Award Senior Officers Level 4

Benefits Unrestricted private use of a motor vehicle
 Mobile Telephone
 2 return trips to mainland for self and immediate family pa.

Technical Services Manager

Incumbent - Ken Liu

Technical Services Manager since 7/9/98 to 30th June 2005

Responsibilities- Manage Engineering Services, External works and services, Inspectorial services

Remuneration MOA Award Senior Officers Level 5

Benefits Unrestricted private use of a motor vehicle
 Mobile Phone
 2 return trips to mainland for self and immediate family pa.

COUNCILLOR ALLOWANCES

All Elected Members receive allowances and are reimbursed expenses in accordance with the provisions of Sections 76 and 77 of the Local Government Act 1999. For the year ending 30th June 2005 the Mayoral Allowance was \$14,000pa, Deputy Mayoral allowance \$6,000 and Councillors Allowances \$5,000. Members were reimbursed expenses incurred in travelling to Council and Committee meetings in accordance with the provisions of Section 77 of the Local Government Act, 1999.

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

REPRESENTATION QUOTA

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

Corporate Governance

Kangaroo Island Council embraces best practice corporate governance. Corporate Governance is the fabric that holds an organisation together in pursuit of its objectives.

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

Role of Councillors

The Local Government Act 1999 establishes the framework for Council's operations. Local Government has the jurisdiction to make laws for, and otherwise ensure, the good rule and government of its

territorial unit. Under the Act Councillors have the responsibility for representing the overall public interest of the Island. They also participate in deciding the facilities, services and enterprises that are appropriate for an area; formulate, adopt and review corporate and operational plans and the policies and goals of Council as well as participating in the decision making process for the achievement of goals and implementation of policies. In the office of Mayor, additional responsibility is given for presiding at Council meetings and the orderly conduct of such meetings, ensuring local government decisions are implemented and representing the local government at civic or ceremonial functions. With the exception of the CEO Councillors have no direct line of control over staff or matters of an operational nature. The role of Councillors is therefore restricted to matters of a strategic policy or planning.

Role of Chief Executive Officer

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

Strategic Planning

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

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

Considerable effort was put into establishing the 2002 Strategic Plan.

This key document is a flexible document and may be revised at any time during the life of the plan to ensure plans are relevant and to accommodate any significant changes in direction.

To execute the Strategic Plan, operational plans are created each year. These plans specify key performance indicators to measure successful completion of objectives. The activities identified in the operational plan provide the framework for the preparation of Council's annual budget. Departmental units are responsible for the preparation of budgets and these are submitted to the Senior Management Team for consideration. The Senior Management Team is responsible for reviewing all budgets, the services to be provided to the community and the impact of the budgets upon Council's financial position. The budgets are then presented to Council for their consideration. Council also has a Planning Scheme that sets out the policies and controls for the use, development and protection of land.

Performance Monitoring and Reporting

Internal: An internal framework is being developed for internal reporting and accountability.

External: The primary tool for external accountability is the Annual Report. An Annual Report is prepared each

year to show the community and interested users how successful Council has been in achieving the strategic goals and objectives outlined in the Strategic Plan. The report contains detailed financial and nonfinancial information about Council's activities and performance.

Performance Management

A Performance Management and Review System has been developed and is in the process of being implemented. This system is designed to ensure officer's operational objectives are linked to the strategic and program objectives of Council. Not only will the system link performance of officers to the strategic and operational direction and initiatives of Council, but also encourages effective on the job performance, assists work areas to achieve operational goals, enables regular, detailed and objective feedback on work performance and ensures continued development of officers through the identification of training, education and career development needs. The Performance Enhancement program (PEP) will encourage the effective delivery of services by a competent and well-managed workforce.

Senior Management Team

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

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

Definition of the Management Team

Role: As managers, the following protocols must be given emphasis

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

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

The Management Team is responsible for:

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

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

Ethical Framework – Codes of Conduct

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

Continuous Improvement

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

Risk Management

Risk Management establishes a process for identifying, analysing and mitigating risks that could prevent us from effectively achieving our business objectives, priorities and outcomes. Effective risk management has gained prominence in recent years and is recognised as a key tool in good governance. Risk management is incorporated into day-to-day operations however, it is proposed to review our risk management structures and strategies to ensure risk management and monitoring is embedded into the fabric of management activities and we can improve our ability to apply sound

business risk management. It will be important for staff to be trained in the principles of risk management to analyse potential risk and to minimise costs.

Council has also adopted a Risk Management Policy (Non-Feasance) that is used as a mechanism to mitigate the potential for Council to be held liable for acts and omissions, which may be outside the general control of Council, or it's officers.

External Audit

Each year Council's operations including the financial statements are subject to an external review by the Councils independent auditors.

Business Activities and competitive neutrality

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

Regional Consultation

The Mayor, Councillors and senior management participate in external organisations and regional forums such as Southern & Hills Local Government

Association, Local Government Association, User groups etc to promote and foster co-operation between Councils and users of services.

Community Consultation Policy

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

Informing our Community

Council informs the community of its day-to-day activities by issuing news releases, publication of brochures and the distribution of periodic newsletters. The local press also attends each public meeting of Council and provides the public with an overview of the discussions entered into at each meeting. Council maintains a website www.kangarooisland.sa.gov.au that contains information concerning Council. Publications such as the Strategic Plan, Operational Plan, Annual Budget and Annual Report provide details of Council's plans and activities and are publicised as being available. These documents are also

being made available on our website together with information relating to current issues. Members of the community are welcome to attend Council meetings and are advised to visit the Council website to ensure that they are fully informed about activities of Council.

Corporate Services

The Corporate & Community Services Department is the focal point of Council's administrative operations providing support in the areas of customer services, records management, cashiering, word processing, desktop publishing, communication systems, general administration services, payroll, accounts payable, accounts receivables, inventory, collection and levy of rates, financial services, human resource management, recruitment, training, industrial matters, quality systems, policy development, internet operations, web site development and information technology services. 2004/05 saw the continuation of improving our systems and processes and review of some of council's policies and procedures. Considerable effort has been devoted to the continued upgrading of both hardware and software within Council and this has ensured that our clients needs can be addressed both efficiently and effectively.

The Corporate Services Department is fully committed to Council's corporate goals and aspires to the pursuit of excellence and continuous improvement in all facets of its operations. Co-operation and the delivery of a quality customer focused service to all clients are key themes in the department. During yet another turbulent year it has again been my pleasure to assist the staff within the Corporate Services team to both develop themselves as individuals in the workplace and to further develop the team approach throughout the department. My sincere thanks are extended to all staff for their continued enthusiasm, cooperation, help and advice over the past twelve months. The teamwork within the department has been further developed over the last year, to a point where all staff within the department are skilled in a number of functions and are happy to cooperate and assist with their colleagues whenever required.

Once again I look forward to the challenges of the coming year and the continuing improvement in service delivery to our internal and external clients.

Tony Jarvis
*Corporate & Community Services
Manager*

Community Development Officer

Annual Report 2004-2005

**Community Development Officer and
TOMM Project Manager**

Annual Report

2004-2005

Community Development Officer - 3 days per week (0.6 FTE)

Taking into consideration that the role of Community Development Officer is very broad and involves a wide variety of activities some of the highlights and challenges of the past 12 months have included:

Youth

- YAC FEST 04 (Youth Advisory Committee Festival) attendance with one young person from Island.
- KIC Young Achiever Awards.
- National Youth Week, planning for Youth Expo - KI Council received \$1,300.
- Facilitation of Kids Help Line Peer Skills training for Year 11's at Parndana Area School.
- Instigated and facilitated KI Youth Services Forum.
- Work with Penneshaw Area School Students regarding Youth Park.
- Began Youth Recreation Strategy.

Resources and Training for Community groups

- Creative Volunteering – a set of five workshops for volunteers covering: Networking, Events, Marketing, Funds and Resources, Managing Collections.
- Residential Break-In workshops ran in four towns in

conjunction with SAPOL and the Attorney Generals Office.

- Risk Management Workshop held in conjunction with Local Government Risk Services and the Office for Recreation and Sport. (10 attendees)
- Our Community Raising Funds and Easy Grants Newsletters, received monthly.
- Several resource books purchased on fund raising, managing boards and committees and grant writing for use by community groups.
- Fleurieu Volunteer Resource Centre opportunity for expansion to Island.

Communication and consultation

- Five media releases prepared on issues relating to KI Council.
- Six media releases prepared for Community members and groups.
- Assistance provided with KI Town Centers consultation.
- Assistance with Waste Management Strategy consultation.

Funding

- Ten groups were provided with significant assistance with projects, including sourcing an appropriate grant and writing the application, this resulted in over \$156,000 of applications being submitted with a 63% success rate.
- 12 groups have been provided with a small amount of assistance that may develop into fuller support as appropriate funding becomes available.
- There have been a substantial number of smaller enquiries

regarding funding opportunities, processes and type of assistance available.

Other Projects

- KI Recreation Sport and Open Space Strategy Project management and consultation.
- Action Planning with American River Progress Association.
- Group Insurance Pilot Study.
- KI Library Business Plan.
- Do Drop In Centre Business Plan.
- Penneshaw Progress Association constitution review.
- TAFE/ARTS SA visit for school and community performances.
- South Australian Museum event organized in conjunction with KIDB and TKI.
- KIEET (KI Education, Employment and Training Network) – member providing a link to KI Council, as well as assistance with developing KIEET annual strategic plan.
- Attended Communities In Control Conference hosted by “Our Community”.
- Submitted 24 nominations for SA Great awards in conjunction with KIDB and TKI.



Better Decisions

TOMM is a collaborative project between the Kangaroo Island Council, Kangaroo Island Development Board, Tourism Kangaroo Island, South Australian Tourism Commission, Kangaroo Island Natural Resources Board, Department for Environment and Heritage, Industry and Community. TOMM aims to measure the impact of tourism on Kangaroo Island from a variety of aspects including socially, environmentally, economically and experiential. TOMM collects and collates a variety of information that is utilized by all stakeholders to assist in informing decision making processes. Although TOMM has not received significant exposure in the local media, there have certainly been some significant achievements for the project over the last 12 months, including:

Data Collection and Management

- Completion of 2003-2404 Visitor Exit Survey, including review and reporting.
- Completion of 2004 Island Resident Survey, including a Stakeholder Forum to review the survey previous to implementation and production of annual report.
- Development of five “TOMM Fact Sheets” providing trend data for three years, including: TOMM Background; Visitor Numbers, Visitor Origin;

TOMM Project Manager – 2 days per week (0.4FTE)
Vibrant Community; Sound Economy, Healthy Environment, Satisfied Visitors,

Length of Stay; Visitation to Beaches.

- TOMM visitor numbers data updated.
- Improvement in survey participation rates through Airport operators and Sealink.

Sustainable Funding

- Submission of “Leave only Footprints” project to KINRB Investment Strategy – linking environment and tourism. An important step in consolidating the environmental components of TOMM.

Publications and Presentations

- Publication of a case study in the World Tourism Organizations publication “Indicators of Sustainable Development for Tourism Destinations: A Guidebook”.
- Update of TOMM Website.
- A variety of presentations, interviews and articles detailing outcomes for TOMM.
- “Caring for our Island” page and TOMM article included in Kangaroo Island Secrets Visitor Guide.
- An invitation to attend “Tourism Futures” Conference in Queensland as guest speaker (declined).
- Invitation to attend International Conference on Engaging Communities to present a poster presentation (declined).
- Four Islander Newspaper articles and KIX-FM radio interview.

Student Projects

- Completion of University of South Australia Honors Projects:

- Patricia Leeuwenburg, road kill project.
- Susan Hale, environmental indicators project.
- Melissa Allery – wildlife indicators project.
- Liaison with TOMM ambassador, Liz Jack.
- Assistance with the implementation of TIM for Kangaroo Island Council investigating the impacts of tourism on Councils resources.
- KI Waste Management Strategy – Survey and development of Waste Indicators.

Enquiries

Over 55 requests for TOMM data and information have been received and responded to via phone or email. This includes residents, universities, developers, students and government departments.

Liaison with Northern Regional Development Board regarding TOMM implementation and management.

Other Activities

- Facilitation of TOMM Management Committee and review of structure.
- KI Integrated Strategic Tourism Plan Steering Committee Member.
- Links with KINRB Coast and Marine Branch to develop a “Best Practice Guideline for Coast, Marine and Estuaries”.

TOMM has continued to keep a low profile on the Island due to the resource restrictions, however the world continues to recognise the importance of TOMM to regions such as Kangaroo Island, in particular the benefits it provides in terms of collaboration of key agencies on the island. TOMM’s ability to provide information that better informs decision making processes is increasing now with the luxury of five years of data to utilise. The Project Officer will continue to support the management committee and together they will progress options for sustainable funding. This will be a priority to ensure that TOMM continues to provide valuable information for Kangaroo Island into the future.

Library Manager's Report 2004-2005

CHANGING FACE OF CUSTOMER SERVICE

This year the Council reviewed its staff structure and merged the Customer Service Team and Library Team under the supervision of the Library Manager. The primary aim is to provide enhanced customer service to residents. The Library and Customer Service team are now responsible for being the first point of contact for most Council enquiries and the staff has responded extremely well to the challenge.

FRIENDS OF THE LIBRARY

The Friends of the Library became official volunteers of Council during 2004 and have continued to raise funds and promote the library through various events and fundraising activities. Chocolates, second hand books and Lucky Squares are still proving to be very successful fundraisers and the Friends literary events remain popular with all ages.

I would like to extend my thanks to all the Friends for their ongoing support and the generous amount of time they contribute to the Library. I would especially like to thank the President, Jackie Kelly who continues to promote the library and constantly supports the staff in their work.

HISTORY COLLECTION

Through a generous donation from the CMV Foundation, the library was able to acquire a second-hand microfilm & fiche reader/printer. The old microfilm reader did not have print capacity so the original documents still needed to be handled defeating the purpose of the original microfilm project. The new machine is being regularly used due to the ease of use and the ability to print to A3 size. I would sincerely like to thank

Michael Crawford and the CMV Foundation for the donation that permitted the purchase of this valuable equipment.

PUBLICITY AND PROMOTION

The Kangaroo Island Library Service celebrated its 30th birthday in January 2005 with a fantastic Family Fun Day. The day was organised and run by the Friends of the Library with the assistance of Advance Kingscote, Lions Club of Kangaroo Island, Lions Club of Western Kangaroo Island, Jean Dennis, Mayor Michael Pengilly, Allan Smith, Director, State Library of SA and many many more. Council and the Friends appreciated the support shown on the day and Council thanked the staff and Friends of the Library at a celebration dinner held at the Ozone Hotel.

The Friends also held an inaugural short story competition with the assistance of Pat Brooksby from the Kingscote Area School. The Competition proved very successful with many high quality entries. Congratulations to Raymond Swanson who won the open section.

Working with the Child, Youth and Family Health nurse, Fran Jarvis and the Early Learning Coordinator, Raewin Godfery, the library launched the "Little ones love books" program with a Tempters pack for new parents. The pack introduces new parents to the rewards of reading to their babies. The program is in its early stages and I look forward to continuing to work with Fran and Raewin to extend this service next year. Many thanks to Tiffany Bell who designed our "Little ones love books" logo.

NEW COLLECTIONS

Two new collections began in 2004/2005:

- Specialist Collections – A Natural Resources Collection has been established to assist staff in responding to reference enquiries on Kangaroo Island's natural history and economic development. The Collection will be housed near the KI Collection and material will not be available for loan.
- Literacy Kits – late in 2004, after discussions with staff from the Kangaroo Island TAFE Learning Centre and the Kingscote Area School, a need for literacy support material for both students in Years 7-10 and for residents whose first language was not English was identified. TAFE was fortunate in gaining a small grant to purchase the initial items which have been donated

to the public library. These items have been supplemented by material acquired through PLAIN Central Services.

STATISTICS

37,173 loans were recorded for 2004/2005. Loans have decreased this year from the previous year. Please note that loan renewals are not included as the Bookmark system does not record these statistics.

3,518 people are registered borrowers. This includes 513 borrowers under 16, 102 libraries and 4 schools.

1,950 interlibrary loan requests were satisfied. An increasing number of requests for material published prior to 1990 are increasingly difficult to satisfy.

COLLECTION HIGHLIGHTS FOR 2004-2005

19,398	Items in total
27	Periodical titles, of which 5 are held at the Penneshaw Annex
325	Video and DVD titles
3795	Children's titles including Children's fiction, non-fiction and picture books
234	Items held in the Kangaroo Island Collection
19	Items held in the Specialist Collections

AIRPORT

Airline News

Great Western Airlines ceased operation between Kingscote and Adelaide on 26 January 2005. Regional Express and Regional Link (operating under Emu Airways banner) continue to operate into Kingscote.

Passenger Movements

Final passenger numbers for 2004/2005 reached 59,462 adults and 2,177 children. This equates to 60,550.5 adult equivalent movements and shows a drop of **.26%** when compared to 2003/2004 adult equivalent movements of 60,709.5.

Aircraft Movements

Aircraft Movements were down from 9,882 in 2003/2004 to 9,534 this year. This could be attributed partly to the change in aircraft used by Emu Airlines who have in the past had large numbers of chartered chieftain type aircraft in use. The current operators regularly use larger capacity aircraft.

Runway Rejuvenation

In March 2005 the outside fillets of the sealed runway and the apron received a coal tar rejuvenation treatment. This treatment has guaranteed the surface another five years of life before further works on those sections is warranted.

As part of this process all markings on the runway and apron were renewed with a few minor adjustments being made to the apron parking plan for aircraft.

Security

On 10th March 2005 Kingscote Airport was declared a Security Controlled airport. A Transport Security Program

has been produced and ratified by Department of Transport and Regional Services in accordance with the new Aviation Transport Security Act 2004 and Aviation Transport Security Regulations 2005.

As part of this process a Risk Assessment has been undertaken and measures put in place to deal with any identified risks. The Commonwealth Government has granted \$135,770.46 to fund the capital cost of security infrastructure at Kingscote Airport. Infrastructure changes include new security fencing along the landside/airside barrier. Some surveillance equipment, signage, new airside access procedures and secure baggage handling areas for airlines. These changes are not expected to impede the travelling public. There is however going to be an ongoing cost impost on the airport budget in the way of:-

- Maintenance to equipment
- Issue of Aviation Security Identification Cards (ASIC) cards
- Record keeping
- Monitoring of CCTV
- Ongoing upkeep of security fencing, access to access gates, surveillance system etc.
- The ongoing training of staff in new procedures.

The year ahead

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

- Maximising commercial opportunities at the airport.
- Continued implementation of a security program.
- Implementation of a Safety Management System.
- General car park reseal
- Installation of Banners on the three light poles on the entrance road.

Technical Services Coordinator
Parks and Community Services
2004/05 Annual Report

Staff Management

During 2004/05 the consolidation of staff roles and responsibilities resulting in Council having a full understanding of what is required to undertake the various roles of the team.

An open workshop with all staff was held in April 2005 to address issues and set a direction for the future.

During the first part of 2005/06 Council will look at using external service providers to undertake the non-core activities of Council within the team. Comparisons between internal staff and external service providers will occur to ensure maximum service delivery is maintained.

Parks and Gardens

Parks and Gardens management in 2004/05 consisted of maintaining assets to the current standards. Major capital expenditure did not occur due to budget constraints.

Management of the community facilities, toilets, campgrounds etc, is continually an issue for Council as many of these areas are past their asset life and need replacement or major capital works. The key will be installing efficient and cost effective assets in the future.

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

Waste Management

Waste Management was a focus for Council in 2004/05. A number of major issues arose which has resulted in Council setting a new direction for Waste Management on Kangaroo Island.

Following a series of workshops, on 15 December 2004 Council made a number of major decisions that set the direction for waste management on Kangaroo Island. These can be summarised by-

1. All residents to receive a Kerbside Recyclable Bin Collection
2. Waste to be transported to mainland for disposal
3. Waste Management Plan to be developed
4. Education Program to be implemented
5. At cost Waste Levies chargeable on rates to be introduced

The majority of the above had been implemented, by 30 June 2005.

Also occurring in 2004/05 was the following-

- Resolution of EPA Prosecution
- EPA Licence Conditions modified to reflect actual operations
- Appointment of KESAB to undertake education
- Infrastructure Grants received from Zero Waste SA
- Contract Solo Resource Recovery to undertake transport
- Partnerships developed with numerous stakeholders
- Waste Background studies undertaken as part of the development of the Waste Management Plan

2005/06 will see many new challenges facing Council in this area however the Waste Management Plan will set a clear strategic direction.

Roadside Vegetation

The roadside vegetation management program continued in 2004/05. New techniques and contractors were trialed to varying success.

Native Vegetation Council have yet to advise on their endorsement of the new Roadside Vegetation Management Plan.

Community Services

Many community organisations are involved in the management of Council land. In 2004/05 Council Officers continued to become actively involved with community organisations to assist in their projects and ensure the projects can be managed by Council sustainably.

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

- Reeves Point Upgrade
- Penneshaw Beach Shelter
- Parndana Gates
- Independence Point Walk
- Vivonne Bay Vehicle Tracks

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

Future

Following the resignation of the Technical Services Manager in June 2005 the roles of staff within the Technical Services Department will be reviewed to meet the future direction of Council.

Technical Services Co-ordinator

Infrastructure Services

Sealed road Construction-The following works were undertaken during the year and efficiencies were enhanced by the commencement of fortnightly co-ordination meetings between Team Leaders and supervisors. This was an initiative that produced good outcomes for best use of available resources for teams involved in works requiring major plant and equipment.

(Sealed road resealing was suspended in the 2003/2004.)

- Binney Track (Council section)
- Pelican Street
- Gosse Crescent
- Private Works sealing-various

Design completed, works not commenced

Hawthorne Ave-Stormwater issues to be addressed.

Frenchmans Terrace Pedestrian study-Public consultation conducted

Unsealed Road Construction

- Springs Rd
- Acacia Drive
- North Coast Rd
- Halls Rd
- Willsons Rd
- Wallers Rd
- Milkys Rd
- Elsegood Rd
- Pit reinstatement (Technical Services Department are backfilling reinstating pits in order to maintain workable relationships with landowners who allow access to pavement material on their land)

Road Patching

- Woods Rd
- Seagers Rd
- Western River Rd
- Three Chain Rd
- Cape Willoughby Rd

Special Projects

- Binney Track extension
- Penneshaw Cemetary extension
- Kingscote Cemetary extension
- Flinders Ave STEDS

General Works

- General Stormwater pipe replacement
- Kingscote Footpaths- various safety and maintenance issues addressed
- Penneshaw Footpaths- (Frenchmans Trc)suspended and awaiting funding to conduct a Local Area Traffic Management Study.
- Depot maintenance-installation of bunding for Diesel fuel storage

Other works achieved during the year under review were:

- Roads and Footpaths
 - Vivonne Ave construction completed and sealed.
 - Binney Track sealing completed
 - Gosse Crescent STEDS & sealing completed
 - Investigator Ave sealing completed
 - Pelican Street sealing completed
 - Resheeting program completed to schedule
 - Vegetation Clearance Program completed

- STEDs extensions in Flinders Ave completed
- Footpath sealing program – Telegraph Rd, Wheelton St., Kohinoor Rd, Osmond St., Giles St., Franklin St(part)

Plant Maintenance and replacement

Two major items of plant were replaced (Grader and Light Truck) and several smaller items upgraded. The light commercial and vehicle fleet will continue to be replaced on a rotational basis when finances permit. A review of resale values of these items of plant shows that it can be advantageous to hold these in the fleet longer than in the past.

It should be noted that a significantly reduced amount of funds was allocated to Plant replacement in 2004/05. Maintenance of some of the ageing plant has been accompanied with increases in parts costs and labour. This trend is set to continue. Additionally, the increased cost of Diesel fuel had an impact on operating costs, and this trend is set to continue as well.

Staffing and Training

New personnel have been recruited to replace departing staff and the recruitments have addressed future requirements of the department in workshop and field duties. Training has been selective and targeted requirements such as that required by legislation to enable works to be conducted by competent and appropriately trained staff.

Reviews of general ticketing were conducted (First Aid, Laser Safety Accreditation, OH&S representative course,)

THE ENVIRONMENTAL SERVICES DEPARTMENT

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

As with previous years, whilst striving to provide the highest level of customer service possible the Department in conjunction with Council has had to contend with numerous challenges. These challenges included increased work loads as a result of a burgeoning property market, ongoing legislative commitments, and changes in key professional staff. In response to these challenges the department has undergone significant change, whilst committing to a number of new initiatives aimed at providing higher professional standards and improved levels of service.

Activity within the building industry and development pressure has continued to grow with the number of development applications lodged with Council again passing record levels. For the twelve months to 30th June 2005 Council assessed 345 development applications

with a total value of \$33,862,681 as well as 94 land division applications.

As an ongoing commitment throughout the year, the department throughout its various changes and increasing workload has endeavoured to exploit every available opportunity to better utilise existing resources. In particular, the following initiatives have been pursued with a view to making required information relating to development applications and public documents more readily available to the community. Such examples include:

- Development Application forms being made available via the Council Services, Building and Construction Link of the Kangaroo Island Council Website, this is currently nearing its inclusion to be accessible to the public on the net.
- The revision of the exemplary information regarding Development Application detail and fees contained in the relevant pages available on the Kangaroo Island Council website
- Further amendment of the Development Application form to better reflect information required for proper assessment in accordance with the changing law associated with the building and planning disciplines.

The review and maintenance of information contained within the Kangaroo Island Council website will allow proponents to be informed of their duty to provide appropriate information with Development Applications, and to

obtain such information via the Kangaroo Island Council website, Council's most widely available resource.

The result of these changes has been a steady increase in awareness of Council's services being more readily available to the public, improved adequacy of application details and information and in turn, application approval times reduced.

As with any organization, the department's most important asset is its human resources and it is here that the department has experienced the most change. With change comes opportunity, and the department now reflects a very different team and structure. Stepping up to the challenge, newly appointed team members include a Development Planning professional from Adelaide, a long established and respected local Building Surveyor and recently promoted into the role from Council's Administration Department is our new Environmental Services Coordinator. Throughout these changes valuable support and dedication has been demonstrated by the departments remaining staff. In a fast changing, high pressure environment they have embraced increasing levels of responsibility, demonstrating their abilities to develop new skills and adopt and implement new strategies.

The Environmental Services Department is responsible for a diverse range of services, and is highly regulated by an array of complex and often contradictory forms of state government legislation. In order to carry out its responsibilities the department's staff as a team must collectively maintain an up to date

working understanding of a range of professional disciplines including, but not limited to, environmental and social science, surveying, civil engineering, law and information technology. The work is complex, the volume ever increasing and coupled to the community's high expectations our dedicated staff continue to demonstrate their dedication and professionalism aiming to achieve the highest levels of customer service possible.

Development Assessment Panel

As well as being responsible for strategic policy formulation and implementation relating to future development on Kangaroo Island, Council through its Development Assessment Panel supported by the Environmental Services Department is largely responsible for assessing and determining most forms of development proposed and undertaken upon the Island. All development must be assessed against the relevant provisions of development control contained within the Kangaroo Island Development Plan, and the Environmental Services Department under delegated authority is charged with the task of assessing the vast majority of development applications received. The more contentious applications and/or applications that significantly vary from the relevant provisions of development control are assessed by Council's Development Assessment Panel.

The Development Assessment Panel (DAP), established under Section 56A of the Development Act 1993 comprises 6 Councillors and 2 community members and meets on a monthly basis to deliberate and determine applications of

significance and/or where delegated authority does not extend to individual officers of the Environmental Services Department. The DAP meets at 5.00pm on the first Monday of each month in the Council's Community Services Centre, Drew Street, Kingscote. Unless a change of date is advertised in the 'Islander' newspaper. Meetings are open to the public and everyone is welcome to attend and observe proceedings.

Plan Amendment Reports

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

The purpose of undertaking the Section 30 review is to determine:

- The appropriateness of a Development Plan as it applies to its area; and
- The consistency of the Development Plan as it applies to the State Governments Planning Strategy.

As a result of the review a number of desired Planning Amendments were identified. Subsequently the Council with the support of Planning SA the State Governments Agency responsible for guiding and administering the South Australian Planning and Development Assessment System, has subsequently

commissioned a Heritage study of the Island as a precursor to a Heritage related Planning Amendment Report (PAR). Also in response to the Section 30 review Council has also embarked upon a Township PAR aimed at addressing a range of issues including;

- Implementation of potential Policy areas for character precincts, including structure plans for the townships.
- Renewed guidelines for development and identifying development growth pressures.
- Service and Infrastructure requirements.
- Environmental impacts.
- Commercial and retail development.

Kangaroo Island Centres Project

Council has in collaboration with the community developed a vision for the way the townships of Kingscote, Penneshaw, American River and Parndana should be developed over the next 10-15 years. Referred to as the Kangaroo Island Centres Project, Council committed to the project some 18 months ago and now having been recently completed, Council intends to present the results to the Kangaroo Island community during the month of August 2005. As promised, the project will be presented as an Urban Design Framework outlining future direction for the long-term development of the Island's four main townships. Needless to say, the Kangaroo Island community has been actively involved from the projects inception to completion, providing tremendous support through formal and informal comments, ideas

and feedback and should be very proud of its results.

The information contained within the design frameworks will assist Council, State Government agencies, community members and developers in having a documented plan for the future of these towns. The Urban Design Framework will provide valuable input towards the Townships PAR initiative and with support from the community, assist in directing future development and community projects in a manner that will see the vision of the Urban Design Frameworks become a reality.

The “Project” has been a Council driven initiative with funding support from the Planning SA ‘Places for People’ program. Special thanks must also go to the Projects Steering Committee for donating their time, relentless efforts and resolve in order to see the project through to its successful completion. Well done Kangaroo Island!

Recreation, Sport, and Open Space Strategic Plan

This Strategic plan is being undertaken on Kangaroo Island in order to provide Council and the community with a clear focus on how to maximise existing recreation related infrastructure and how to capitalise on the naturally occurring assets that makes Kangaroo Island such a must see destination and a great place to live.

The Strategy involves a host of stakeholders, including extensive community consultation. The intention is to identify and develop recreation and sporting opportunities, whilst maximising sustainable use of the

Island’s built and natural environments. Whilst the strategy is yet to be completed and offered to the public, it is anticipated that at least two major initiatives will be identified, these being;

- A whole of island Youth Recreation Strategy, and
- Policy and Management Guidelines for Council recreational facilities.

It is also envisaged that a number of the key outcomes from the strategy will also be incorporated into the Kangaroo Island Development Plan.

ENVIRONMENTAL HEALTH

Disease Control

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

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

Monitoring to Minimise the Incidence of Legionnaires Disease

There are no cooling towers currently operating on Kangaroo Island. Public spa pools are checked as part of the usual swimming pool inspection. There are no warm water systems on the island.

Monitoring and Control of Waste Control Systems (e.g. Septic Tanks, STEDS [Septic Tank Effluent Drainage Scheme])

A decision was taken during the year to disallow any standard septic tanks with sub-surface soakage at Western Cove, due to the high water table, proximity to the ocean, and the high permeability of

the soil. Properties in this area will require either an Aerobic Wastewater Treatment System (AWTS) or similar.

Council took the decision this year to install STEDS connections to all areas of Kingscote not currently served by the STEDS, as and funds become available. This is now happening, particularly when Council is sealing streets for the first time.

Work is underway on the design for the proposed STEDS for American River. In addition to this, an application for a STEDS at Penneshaw was lodged in May with the Local Government Association. Both Penneshaw and American River have similar problems in that there are many sloping allotments and much of the soil is clay and/or rock. Penneshaw also suffers from the legacy of some very small allotments created many years ago.

Reclaimed water from the Kingscote STEDS was used for irrigating the golf course, racecourse and private land through the earlier summer months. Unfortunately the supply of water was insufficient to maintain supply and it was necessary to cut the supply to the racecourse early in the new year. Council is working with the engineers KBR, in an effort to increase winter storage and overcome this problem.

Immunisation Programs

The Kangaroo Island Immunisation Service, a joint partnership between the Community Health Service and Council, provides a free immunisation service through a childhood clinic at the Cook Centre, Kingscote on the first Thursday of each month, between 2 and 4pm. School age children and adults are also

welcome to avail themselves of this service by appointment. Charges apply to some adult immunisations.

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

Communicable Diseases

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

Disease	Number of cases for the year
Barmah Forest virus infection (a mosquito-borne disease)	3
Campylobacter infection (a form of gastroenteritis)	3
Hepatitis A infection	1
Pertussis (whooping cough) (it is suspected that there are many more unreported cases than this since the symptoms in adults are not easily recognised)	1
Salmonella infection (food-borne disease)	4
Cryptosporidium infection	1
Pneumococcal infection	1
Varicella virus (chicken pox)	6

Monitoring and Control of Vectors and other Pests

Mosquito Control:

Mosquito breeding in rainwater tanks and septic systems continues to be a problem on the island. In addition, there is a lot of surface water about during

early spring when the first of the mosquitoes seem to make their presence felt.

European Wasps:

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

Rats & Mice:

There were few reports of mice or rats at the beginning of winter, possibly due to the preceding drought.

Bees, Midge flies, vinegar flies, other flies:

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

Food Safety

Food Premises are inspected on a regular basis. Six complaints were lodged with Council during the year; two for unclean premises and four for poor personal hygiene or poor food handling procedure.

Whilst compliance with the requirements of the new Food Act and the Food Safety Standards is generally good in regards to food handling and food hygiene, the requirements for food businesses to notify Council when commencing or taking over a food business are not so well observed.

Environmental Management and Sustainability

Contaminated Land

Council does not have a contaminated land register. However, any information relating to possible contaminated sites in the townships is noted for future reference.

Monitoring of Air Quality (including noise)

Several complaints were received during the year about the odour from an Aerobic Wastewater Treatment System. Redevelopment of the site has since seen the system replaced.

There were no complaints about bird scarers during the year, but it was necessary to speak to the operators of a vineyard about spray drift.

An industrial site owner was spoken to about the issue of burning building waste. This was followed up with a letter advising that legal action would be taken if the matter occurred again.

There were a few complaints early in the wintertime regarding the smoke from combustion heaters and these were handled by the General Inspectors. This is a very sensitive issue, due to the large number of these units in the townships.

FIRE PREVENTION

Fire presents a major threat to lives and property on Kangaroo Island

It is the responsibility of all land owners to ensure that the fire hazards on their property are adequately reduced.

FIRE EMERGENCY SERVICES ACT SECTION 83

Mandatory hazard reduction notices may be sent to the owners of any block presenting a potential fire hazard. The notice identifies the works required and the date by which they are to be completed. If the work is not done by that date, Council may enter the property and undertake the work at the owner's cost.

Council does not provide a hazard reduction service. Legal requirements make Council costs to remedy non-

compliance substantially greater than private works. Council is permitted to recover costs of administration, inspection, and hiring and additional workforce supervision. Expiation \$160.00

Hazard Reduction Standards

Notices are issued in accordance with the Fire and Emergency Services Act and the Native Vegetation Act. All grass and weeds are to be reduced on urban size blocks. Boundary breaks of a minimum width of 5 metres are required around the boundaries of larger and vegetated allotments. Larger breaks may be required in locations considered to present significant threats to lives and property. Most notices will be issued in October. Early notices will be issued in locations where an extended period is required to achieve compliance.

If you have any question ring Council and ask to speak to one of the Fire Prevention Officers.

FIREWORKS REQUIRE BOTH DAIS APPROVAL AND FIRE DANGER SEASON PERMITS

FIRE DANGER SEASON

The Kangaroo Island Fire Danger Season generally commences on 1st December and concludes on 30th April. Significant fire use restrictions apply during this period. For inquiries contact the Council Offices.

Subsidiaries

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

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

Community Land Management Plan

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

Competition Principles

By-Laws During the financial year 2004-2005 all Councils By-Laws have been rewritten and a certificate obtained as to their competitive neutrality. With the exception of the Dog and Cat By-Laws the other By-Laws have been accepted and are now currently in force. The Dog and Cat By-laws are being redrafted and will be submitted during the next financial year.

Competitive Neutrality Council has adopted Full Cost Attribution principles and has determined it's "private works" rates in accordance with these principles so eliminating any competitive advantages that might have accrued to Councils operations.

With the exception of Kingscote Airport Kangaroo Island Council does not operate any separate commercial undertakings.

Objective 1.02 Foster relationships with other government agencies to enhance the profile and influence of Council

1.02.01 Encourage and participate in a coordinated approach to long term planning and management of Kangaroo Island

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Various Agencies

1.02.02 Further develop the Kangaroo Island CEOs / Chairs Reference Group and other mechanisms that encourage efficient information exchange between Council and Government

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island CEOs / Chairs Reference Group

Secondary Agency: Kangaroo Island Council

Objective 1.03 Develop a professional and positive organisational climate

1.03.01 Develop leadership capacity within Council

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

1.03.02 Establish policies, procedures and codes of practice to enable appropriate delegation, prompt decisions and compliance with relevant legislation

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

1.03.03 Establish and maintain a work safe environment and establish appropriate risk management policies

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council
Secondary Agency: Local Government Association of South Australia

1.03.04 Establish Councillor and staff development training programs

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council
Secondary Agency: Local Government Association of South Australia

Objective 1.04 Improve the management and delivery of Council services

1.04.01 Ensure the ongoing review of Council processes

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council
Secondary Agency:

1.04.02 Undertake benchmarking of Council services with other Local Government Authorities / Island Communities

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council
Secondary Agency:

1.04.03 Develop and implement a plant replacement program

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council
Secondary Agency:

1.04.04 Develop an Information Technology strategy to ensure the continual improvement of Council's utilisation of IT

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council
Secondary Agency:

Objective 1.05 Encourage community involvement in and awareness of Council activities

1.05.01 Continue to develop systems for the dissemination of promotional material including regular newsletters

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

1.05.02 Regularly review and upgrade promotional material available to the Community

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

1.05.03 Improve internal Council records management and internal communications systems

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

1.05.04 Develop a Council website with links to community and business websites

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources
Primary Agency: Kangaroo Island Council
Secondary Agency:

Objective 2.02 Effectively manage and improve public assets
2.02.01 Create and implement an Asset Management Plan

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources
Primary Agency: Kangaroo Island Council
Secondary Agency:

2.02.02 Maximise and promote the use of Council buildings and recreational facilities

Priority: 5 Important strategy that can be achieved with existing or minimal additional human or financial resources
Primary Agency: Kangaroo Island Council
Secondary Agency:

Objective 2.03 Maximise external funding for infrastructure maintenance, development and improvement

2.03.01 Investigate all likely funding sources for infrastructure development

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources
Primary Agency: Kangaroo Island Council
Secondary Agency: Various Agencies

2.03.02 Seek partnerships with private investors / developers to undertake major development projects

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources
Primary Agency: Business/Industry Sectors
Secondary Agency: Kangaroo Island Council

2.03.03 Determine the feasibility of expanding the desalination plant at Penneshaw

Priority: 2 Critical strategy that can be achieved with significant additional human or financial resources
Primary Agency: SA Water
Secondary Agency: Kangaroo Island Council

Objective 2.04 Improve and enhance public spaces

2.04.01 Develop a comprehensive plan and schedule for the development and maintenance of all public open space areas including parks and gardens

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Planning SA

2.04.02 Develop plans for suitable entrance statements for each major community

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

2.04.03 Implement the findings of the Town Centres Strategies report

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

2.04.04 Develop Streetscape Plans for key settlements

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

Objective 2.05 Consider the development of a Civic Centre which houses key government agencies and public performance space

2.05.01 Promote the development of a Community Building to accommodate Council, key government agencies and community groups

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Various Agencies

2.05.02 Incorporate public performance, conference and social space into the development

Priority: 2 Critical strategy that can be achieved with significant additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Various Agencies

Objective 2.06 Ensure infrastructure provision meets economic development needs

2.06.01 Investigate the ownership of wharf facilities for passengers

Priority: 2 Critical strategy that can be achieved with significant additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Transport SA

2.06.02 Ensure ongoing liaison with business and industry to identify needs

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Business/Industry Sectors

2.06.03 Lobby for improvements in the power distribution and backup systems on the Island

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Development Board

Secondary Agency: Kangaroo Island Council

2.06.04 Support the development of renewable energy plants

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Development Board

Secondary Agency: Kangaroo Island Council

Goal 3 Encourage and facilitate economic development on our Island

Objective 3.01 Develop effective working partnerships with key public and private sector stakeholders

3.01.01 Develop a closer relationship with the Kangaroo Island Development Board including investigation of co-location opportunities

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council
Secondary Agency: Kangaroo Island Development Board

3.01.02 Explore co-location opportunities for government agencies and business groups in any new Civic Centre

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Various Agencies

3.01.03 Promote and participate in regionally based planning and resource management decision making forums that effect the economic development of the Island

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Kangaroo Island CEOs / Chairs Reference Group

Objective 3.02 Promote and encourage appropriate business and employment growth opportunities

3.02.01 Prepare a promotional package that presents Kangaroo Island as a positive, progressive place to live and operate a business

Priority: 4 Essential strategy that can be achieved with significant additional human or financial resources

Primary Agency: Kangaroo Island Development Board

Secondary Agency: Kangaroo Island Council

3.02.02 Encourage the establishment of new and expansion of existing industries

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Development Board

Secondary Agency: Kangaroo Island Council

3.02.03 Investigate opportunities for the redevelopment of all Kangaroo Island Wharf precincts

Priority: 2 Critical strategy that can be achieved with significant additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Kangaroo Island Development Board

3.02.04 Encourage the extension of shopping hours in Island towns

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Kangaroo Island Development Board

Objective 3.03 Continue to develop and maximise the benefits from our tourism industry in a sustainable manner

3.03.01 Review Council's Development Plan to facilitate suitable and sustainable business opportunities

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

3.03.02 Continue to support Tourism on Kangaroo Island

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

3.03.03 Encourage the development of Marinas on Kangaroo Island

Priority: 2 Critical strategy that can be achieved with significant additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

3.03.04 Encourage heritage and tourist development at Reeves Point

Priority: 2 Critical strategy that can be achieved with significant additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

3.03.05 Utilise the information derived from the Tourism Optimisation Management Model as part of Council's decision-making process

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

Objective 3.04 Equitable and relevant transport access for Island business and industry

3.04.01 Encourage expansion of the Island's transportation options to meet business needs

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Kangaroo Island Development Board

Objective 3.05 Maximise the economic benefits of our airport

3.05.01 Source funding to assist in the upgrade of Kingscote airport

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

3.05.02 Identify and develop Kingscote airport as a commercial and logistics hub

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Kangaroo Island Development Board

Objective 3.06 Facilitate the provision of appropriate housing options

3.06.01 Ensure the Development Plan meets future community housing and public building requirements

Priority: 5 Important strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

Objective 3.07 Ensure that the Development Plan is economically and environmentally sustainable

3.07.01 Assess land use / buffer requirements for new and emerging industries

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

3.07.02 Review planning policies to reflect the rural need and requirements

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

3.07.03 Review zoning requirements for existing and potential developments

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

3.07.04 Undertake a review of land use planning policies to foster development opportunities compatible with the Island's unique environment

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

3.07.05 Support the implementation of the 'Kangaroo Island Action Plan'

Priority: 4 Essential strategy that can be achieved with significant additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Planning SA

Goal 4 *Enhance the level of service provision and social and cultural development in our communities*

Objective 4.01 **Maximise the benefits of current service provision and encourage additional services**

4.01.01 **Seek funding for and appoint a Community Development Officer**

Priority: 2 Critical strategy that can be achieved with significant additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Department of Human Services

4.01.02 **Review the Community Forum programming and processes to ensure it meets the needs of the Community**

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Kangaroo Island Community Forum

4.01.03 **Maintain and continue to develop partnerships with relevant government agencies**

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

4.01.04 **Assist in the establishment of a register of services for distribution to the community**

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Community Forum

Secondary Agency: Kangaroo Island Council

4.01.05 **Investigate the expansion of library opening hours and new and existing services**

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

Objective 4.02 **Assist in the positive development of our youth**

4.02.01 **Encourage ongoing youth involvement and participation in decision-making processes**

Priority: 3 Essential strategy that can be

achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Kangaroo Island Youth Focus

4.02.02 Investigate funding options for the establishment of additional youth programs and facilities

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Kangaroo Island Youth Focus

4.02.03 Foster and promote the uptake of youth training and employment programs

Priority: 5 Important strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Development Board

Secondary Agency: Kangaroo Island Council

4.02.04 Support the Kangaroo Island Health Service in the provision of youth health services

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Health Service

Secondary Agency: Kangaroo Island Council

Objective 4.03 Continue the provision of public and environmental health services in accordance with legislative requirements

4.03.01 Review current service standards and delivery mechanisms to ensure compliance with legislative requirements

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Department of Human Services

4.03.02 Develop and implement an education program for relevant stakeholders

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Department of Human Services

Objective 4.04 Support and increase volunteer involvement in community projects and services

4.04.01 Promote and support the efforts of volunteers in our community

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Community Groups

4.04.02 Encourage a coordinated approach to volunteer management on the Island

Priority: 5 Important strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Community Groups

4.04.03 Work closely with Progress Associations and other community groups to assist the implementation of community based plans and projects

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Kangaroo Island Development Board

4.04.04 Foster the development of community volunteer networks

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Community Groups

Objective 4.05 Improve the transport options available to our community

4.05.01 Investigate options for the provision of a public passenger transport system on Kangaroo Island

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Passenger Transport Board

4.05.02 Lobby government to maintain the costs of passenger transport services between Kangaroo Island and the mainland at reduced

costs to local residents

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Transport SA

Objective 4.06 Protect the heritage of the Island

4.06.01 Prepare a database of local heritage localities, buildings and other items of local significance

Priority: 5 Important strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

4.06.02 Identify mechanisms for the promotion of local heritage and culture

Priority: 5 Important strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

4.06.03 Actively support local community groups in the maintenance of heritage items and places of interest

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Community Groups

4.06.04 Investigate funding options to assist in the preservation of our local heritage

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Community Groups

4.06.05 Review the Development Plan to ensure the protection of local heritage localities, buildings and other significant items

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Objective 4.07 Ensure the provision of sporting and recreational facilities and activities

4.07.01 Review sporting and recreational facility requirements on the Island

Priority: 2 Critical strategy that can be achieved with significant additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Office for Recreation, Sport and Racing

4.07.02 Support local sporting and recreational groups in the sourcing of funding

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Office for Recreation, Sport and Racing

4.07.03 Develop walking and cycling trails in strategic locations

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Transport SA

Objective 4.08 Increase the skills and capacity of the community

4.08.01 Provide professional advice and support for community groups

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

Objective 4.09 Facilitate the provision of health, aged care and disabled services

4.09.01 Assist the Kangaroo Island Health Service address community needs in regard to aged care facilities

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Kangaroo Island Health Service

4.09.02 Develop and implement a Disabilities

Discrimination Act action plan

Priority: 5 Important strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Department of Human Services

Objective 4.10 Increase education facilities and services

4.10.01 Encourage educational providers to explore various educational opportunities on the Island

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency:

Goal 5 *The sustainable management of our natural environment*

Objective 5.01 Conservation of our native biodiversity

5.01.01 Manage visitor thresholds at sustainable levels in areas of high conservation significance in association with relevant agencies and groups

Priority: 2 Critical strategy that can be achieved with significant additional human or financial resources

Primary Agency: National Parks and Wildlife SA

Secondary Agency: Tourism Optimisation Management Model

5.01.02 Develop a roadside management strategy that incorporates the use of native seed mixes

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Kangaroo Island Natural Resources Board

Objective 5.02 Sustainable management of our water resources

5.02.01 Review development plan policies on the approval of dams

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Department for Water, Land and Biodiversity Conservation

5.02.02 Incorporate catchment water management policies into the Development Plan

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources
Primary Agency: Kangaroo Island Council
Secondary Agency: Department for Water, Land and Biodiversity Conservation

5.02.03 Investigate the likely impacts on water new and emerging industries

Priority: 6 Important strategy that can be achieved with significant additional human or financial resources
Primary Agency: Department for Water, Land and Biodiversity Conservation
Secondary Agency: Kangaroo Island Council

5.02.04 Evaluate opportunities for the recycling of waste water

Priority: 2 Critical strategy that can be achieved with significant additional human or financial resources
Primary Agency: Kangaroo Island Council
Secondary Agency: Department for Water, Land and Biodiversity Conservation

5.02.05 Develop incentives to encourage property owners to install rainwater tanks of sufficient size to meet their personal water needs

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources
Primary Agency: Kangaroo Island Council
Secondary Agency: Local Government Association of South Australia

Objective 5.03 Protection of our unique coastal and marine environments

5.03.01 Support the efforts of community groups in protecting our coastal and marine environments

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources
Primary Agency: Community Groups
Secondary Agency: Kangaroo Island Council

Objective 5.04 Improve the standard of waste management techniques

5.04.01 Source funding for the implementation of STED schemes or alternatives at key

settlements including Emu Bay, Island Beach, Baudin Beach, American River and Penneshaw

Priority: 2 Critical strategy that can be achieved with significant additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Local Government Association of South Australia

5.04.02 Review the waste management strategy for Kangaroo Island

Priority: 2 Critical strategy that can be achieved with significant additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Environment Protection Authority

5.04.03 Assess the feasibility of establishing recycling services on the Island

Priority: 5 Important strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Development Board

Secondary Agency: Kangaroo Island Council

Objective 5.05 Strong community involvement in environmental management

5.05.01 Develop partnership opportunities with the community for environmental management and rehabilitation

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Community Groups

5.05.02 Support community groups in obtaining funding for environmental projects

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources

Primary Agency: Kangaroo Island Council

Secondary Agency: Community Groups

Objective 5.06 Minimise the environmental impact of development

5.06.01 Review the Development Plan to ensure development is appropriately assessed in terms of potential impact on the environment

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources
Primary Agency: Kangaroo Island Council
Secondary Agency: Environment Protection Authority

5.06.02 Incorporate environmental management principles into the Development Plan

Priority: 3 Essential strategy that can be achieved with existing or minimal additional human or financial resources
Primary Agency: Kangaroo Island Council
Secondary Agency: Environment Protection Authority

Objective 5.07 Partnership approach to the protection of the environment

5.07.01 Target relevant agencies and industries to assist Council in achieving its environmental strategies

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources
Primary Agency: Kangaroo Island Council
Secondary Agency: Kangaroo Island Natural Resources Board

5.07.02 Continue to work in partnership with the Kangaroo Island Soil Conservation Board and the Kangaroo Island Natural Resources Board

Priority: 1 Critical strategy that can be achieved with existing or minimal additional human or financial resources
Primary Agency: Kangaroo Island Council
Secondary Agency: Kangaroo Island Natural Resources Board

**KANGAROO ISLAND RATING
POLICY for 2004/2005
INTRODUCTION**

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

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

**CONTACT DETAILS FOR
FURTHER INFORMATION**

Tony Jarvis, Corporate & Community Services Manager on 85532015, fax 85532885, e-mail:

tjarvis@kiCouncil.sa.gov.au

Kangaroo Island Council,

43 Dauncey Street,

KINGSCOTE S.A. 5223

Monday to Friday 9am to 5pm

Or

Post:

Kangaroo Island Council,

PO Box 121,

KINGSCOTE SA 5223

Or

Penneshaw Community Business Centre

Middle Terrace

PENNESHAW SA 5222

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

Saturday 9.00a.m. to 12 noon

(i) In setting its rates for the 2004/2005 financial year the Council has considered the following:

current strategic plan, which was adopted in February 2003. The strategic plan was developed following extensive community consultation program;

the current economic climate and relevant factors such as inflation and interest rates;

the specific issues faced by our community, which are:

the need to maintain and improve levels of service

the need to maintain and improve infrastructure

the need to facilitate economic development and growth

the budget for the 2004/2005 financial year;

the additional cost to Council associated with complying with the Local Government Act, 1999, and providing for quarterly billing for rates.

the impact of rates on the community, including:

householders, businesses and primary producers;

for the 2004/2005 financial year the Council has decided to increase its rate in the dollar for all rate types with the exception of vacant land for which the rate in the dollar was reduced.

The strategic management plans and the Council's budget are available for inspection at the contact locations listed.

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

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

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

ANNUAL ADOPTION OF THE RATING POLICY

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

METHOD USED TO VALUE LAND

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

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

Site Value – the value of the land and any improvements which

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

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

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

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

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

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

ADOPTION OF VALUATIONS

The Council has adopted the valuations made by the Valuer-General as provided to the Council at 7th July 2004. If a ratepayer is dissatisfied with the valuation made by the Valuer-General then the ratepayer may object to the Valuer-General in writing, within 60 days of receiving the notice of the valuation, explaining the basis for the objection, provided they have not: (a) previously received a notice of this valuation under the Local

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

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

Office of the Valuer-General
GPO Box 1354
ADELAIDE SA 5001
email: objections@saugov.sa.gov.au
and the telephone number is 1300 653 345. Please note that the Council has no role in this process. It is also important to note that the lodgement of an objection does not change the due date for the payment of rates.

Notional Values

Certain properties may be eligible for a notional value under the Valuation of Land Act

1971 where the property is the principal place of residence of a ratepayer. This can relate to certain primary production land or where there is State heritage recognition.

A notional value is generally less than the capital value and this will result in reduced rates, unless the minimum rate already applies.

Application for a notional value must be made to the Office of the Valuer-General.

BUSINESS IMPACT STATEMENT

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

The need to continue to improve existing infrastructure.

The continued review of Council's Plan Amendment Reports to facilitate business development.

Council's policy of facilitating local economic development with increasing funding of the KI Development Board.

Council's policy of improving services to tourists and the promotion of local business through funding of the Kangaroo Island Tourist Information Centre.

Specific Council projects for the coming year that will principally benefit business:-

Additional cost of maintaining rural roads as a result of Tourism, grain carting and forestry.

Improved economic outlook for primary producers

COUNCIL'S REVENUE RAISING POWERS

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

revenue through fees and charges, which are set giving consideration to the cost of the service provided and any equity issues. The list of applicable fees and charges is available at the contact locations listed.

(II) DIFFERENTIAL GENERAL RATES

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

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

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

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

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

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

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

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

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

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

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

KANGAROO ISLAND RATING POLICY 2004/2005

At its meeting of 7th July, 2004 the Council decided to raise rate revenue of \$3,919,612 in a total revenue budget of \$10,239,815. As a result of this decision the Council will receive an increase in the rate in the dollar for residential properties and a decrease for vacant land and has set differential rates as follows:-

Residential land uses – .30 cents in the dollar

Commercial land uses -- .53 cents in the dollar

Industrial Land Uses-- .52 cents in the dollar

Primary Production land uses – .50 cents in the dollar

Vacant Land – .65 cents in the dollar (unchanged)

Other – .48 cents in the dollar to raise the necessary revenue.

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

Objections to the decision may be lodged with the Chief Executive Officer, Kangaroo Island Council, PO Box 121, Kingscote SA 5223. The objection must be made within 60 days of receiving notice of the land use and set out the basis for the objection and details of the land use that (in the opinion of the ratepayer)

should be attributed to that property. The Council may then decide the objection as it sees fit and notify the ratepayer. A ratepayer also has the right to appeal against the Council's decision to the Land and Valuation Court. It is important to note that the lodgement of an objection does not change the due date for payment of rates.

FIXED CHARGE

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

The Council has decided to impose a fixed charge of \$250.

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

SINGLE FARM ENTERPRISES

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

Single farm enterprises are defined as:-

"A reference to a single farm enterprise is a reference to two or more pieces of ratable land -
(a) which -
(i) are farm land; and
(ii) are farmed as a single enterprise; and
(iii) are occupied by the same person or persons,
whether or not the pieces of land are contiguous; or
(b) which -

(i) as to all the pieces except one, are farm land farmed as a single enterprise occupied by the same person or persons; and
(ii) as to one piece contiguous with at least one of the other pieces, is the principal place of residence of that person or one of those persons."

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

SERVICE CHARGE

The Council provides a septic tank effluent disposal system to most properties in Kingscote and Parndana. The full cost of operating and maintaining the service for this financial year is budgeted to be \$510,976. This includes \$89,400 for capital improvements. The Council will recover this cost through the imposition of service charges as follows:-

Area of the townships of Kingscote and Brownlow:-

Vacant Land \$325

Occupied Land \$325

Areas of the township of Parndana:-

Scheme 2 (as defined)

Vacant Land \$325

Occupied Land \$325

Scheme 3 (as defined)

Vacant Land \$325

Occupied Land \$325

Scheme 4 (as defined)

Vacant Land \$325

Where the service is provided to non-ratable land, a service charge is levied against the land. Details on what constitutes a service charge for each Property Unit, and other information about the scheme, are available from the Rates Officer on 85532015.

(b) PENSIONER CONCESSIONS

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

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

OTHER CONCESSIONS

The Department of Human Services may assist eligible persons, including State

Seniors Card holders, with the payment of Council rates for their

principal place of residence (remissions are not available on vacant land or rental premises). Please contact your nearest Department of Human Services office or the Kingscote Public Library for details and eligibility criteria.

PAYMENT OF RATES

The Council has determined that the payment of all rates will be by four equal quarterly instalments due on the 3rd day of September 2004 and the 3rd day of December 2004, March 2005 and June 2005 respectively.

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

Rates may be paid:

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

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

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

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard payment arrangements is invited to contact the Rates Officer, on 85532015 to discuss alternative payment arrangements. Such inquiries are treated confidentially by the Council. The Council has adopted a policy that where the payment of rates will cause a ratepayer demonstrable hardship, the Council is prepared to make available extended payment arrangements.

LATE PAYMENT OF RATES

The Local Government Act provides that Councils impose a penalty of a 2% fine on any payment for rates, whether installment or otherwise, that is received late. A payment that continues to be late is then charged an interest rate, set each year according to a formula in the Act, for each month it continues to be late. The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow Councils to recover the administrative cost of following up unpaid rates and to cover any interest cost the Council may meet because it has not received the rates on time. For the 2003/2004 financial year this rate is 0.73%

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

- first – to satisfy any costs awarded in connection with court proceedings;
- second – to satisfy any interest costs;
- third – in payment of any fines imposed;

fourth – in payment of rates, in chronological order (starting with the oldest account first).

Rate Rebates (Capping)

Due to disproportionate increases in valuations occurring in some parts of Kangaroo Island there may be above average increases in rates payable on some properties. Council has therefore decided to introduce rate rebates (capping) in 2004/2005.

Rebates will be available as specified below:

- *Residential properties on which the principle ratepayer receives a State Pensioner rebate (as approved by SA Water) – a Council rebate of the amount by which the variable component of the general rates payable exceeds the 2003/2004 variable component of the general rates payable by 115%.*
- Residential properties – A Council rebate of the amount by which the variable component of the general rates payable exceeds the 2003/2004 variable component of the general rates payable by 120%.
- Commercial and Industrial properties – A Council rebate of the amount by which the variable component of the general rates payable exceeds the 2003/2004 variable component of the general rates payable by 120%.
- Primary Production properties – A Council rebate of the amount by which the variable component of the general rates payable exceeds the 2003/2004 variable component of the general rates payable by 120%.
- Vacant Land - A Council rebate of the amount by which the variable component of the general rates payable exceeds the 2003/2004

variable component of the general rates payable by 130%.

- Vacant Land – where the general rates payable exceeds the general rates payable on a similarly valued occupied (developed) parcel of land.

Rebates will not apply where:

- The property has been acquired by the ratepayer or has become the principle place of residence after 1st July 2003.
- The increase in general rate payable is due in whole or in part to an increase in valuation of the property attributable to improvements made to it in excess of \$10000.
- The increase in general rate payable is due in whole or in part to an increase in the valuation of the property attributable to a change in the zoning of the land under the Development Act.

Note that all rebates must be applied for in writing to:

**Rates Officer,
Kangaroo Island Council
PO Box 121
Kingscote SA 5223**

Financial Assistance

Financial assistance is available from Council should you be experiencing difficulties in paying your rates.

Council staff are able to assist you to meet your financial obligations as a result of:

- High rate increases as a result of valuation spikes.
- Inability to meet current commitments.
- Pensioner/self-funded retiree with restricted income.
- Or any other reasonable circumstance.

A range of financial options is available such as the ability to pay monthly, deferment of payment of rates, rebates, or assistance with pension concessions, FAYS payments etc.

REMISSION AND POSTPONEMENT OF RATES

Section 182 of the Local Government Act permits the Council, on the application of a ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship.

Where a ratepayer is suffering hardship in paying rates he/she is invited to contact Tony Jarvis, Corporate & Community Services Manager, on 85532015 to discuss the matter. The Council treats such inquiries confidentially.

The Local Government Act requires Councils to rebate the rates payable on some land.

Specific provisions are made for land used for health services, community services, religious purposes, public cemeteries, the Royal Zoological Society and educational institutions. Discretionary rebates may be applied by the Council under Section 166 of the Act.

SALE OF LAND FOR NON-PAYMENT OF RATES

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

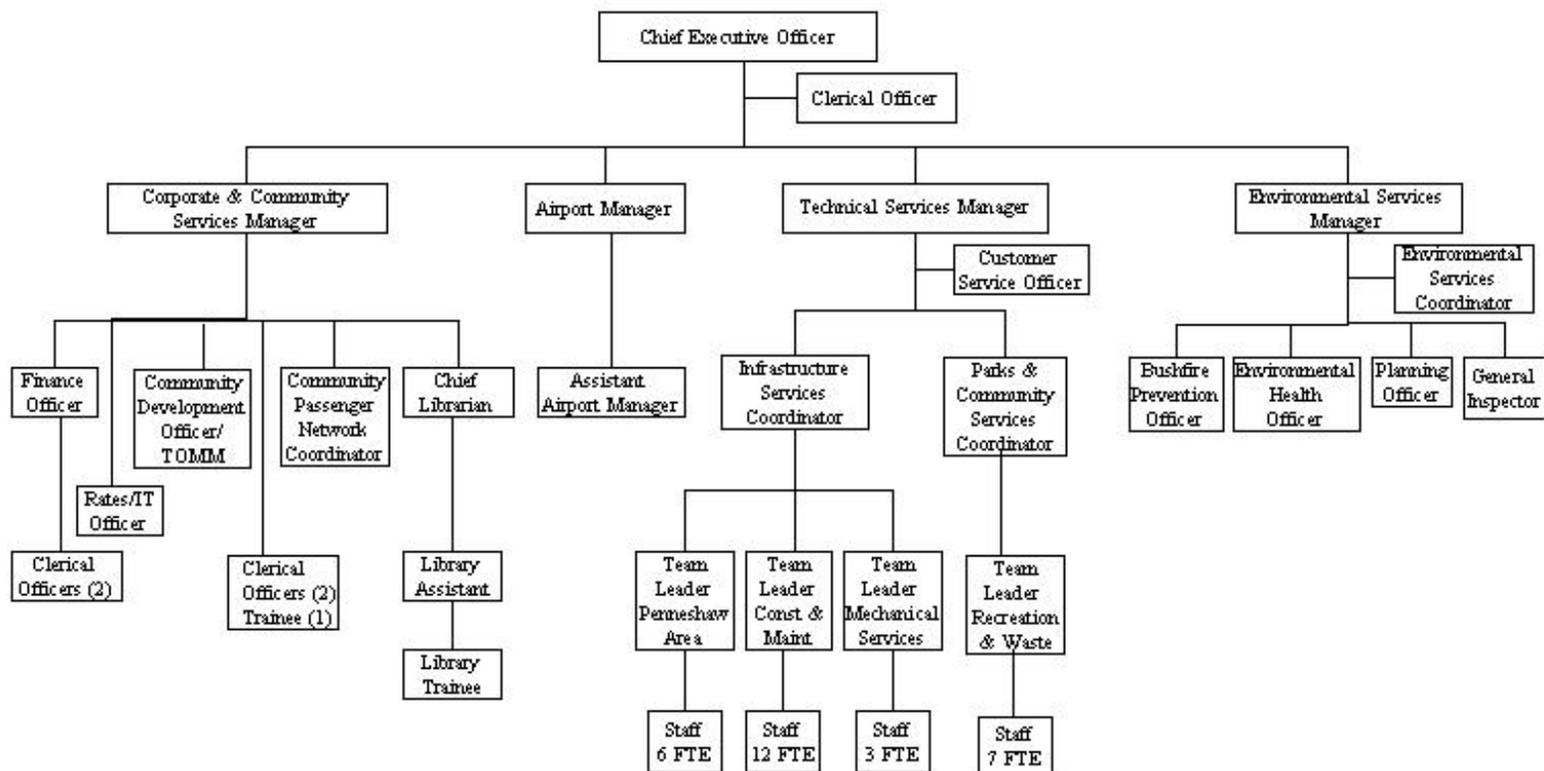
APPLICATION OF THE POLICY

Where a ratepayer believes that the Council has failed to properly apply this policy it should raise the matter with the Council. In the first instance contact Tony Jarvis, Corporate & Community Services Manager, on 85532015 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they should write to the Chief Executive Officer, Kangaroo Island Council, PO Box 121, Kingscote SA 5223.

DISCLAIMER

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

KANGAROO ISLAND COUNCIL
ORGANISATIONAL STRUCTURE



COUNCIL'S MANAGEMENT DOCUMENTS

Registers and Codes available for inspection

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

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

Available only at Kingscote offices

Register of Roads	
Members Register of Interest (Upon written application)	30 cents per page
Staff Register of Interest (Upon written application)	30 cents per page

COUNCIL'S MANAGEMENT DOCUMENTS (Cont)

Registers and Codes available for inspection (Cont)

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

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

FREEDOM OF INFORMATION

Information Statement

The Local Government Act, 1934, Section 65r, requires the Council to produce an Information Statement annually, which shall contain specific information about the Council. That information is contained within this Annual Report and as such it should also be considered as Council's 2003-2004 Information Statement.

Information requests

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

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

Freedom of Information Request Forms should be addressed to:

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

FREEDOM OF INFORMATION (Cont)

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

Amendment to Council Records

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

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

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

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

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

During the twelve months to 30th June 2005 the Council used the confidentiality provisions of the Act and its Code of Practice as follows:-

1. Number of occasions each of the provisions of section 90(3) and section 91(7) were utilised: 15
2. Number of occasions each of the provisions of section 90(3) and section 91(7) were utilised, expressed as a percentage of total agenda items considered: 2%
3. An indication of any particular issues that contributed to the use of confidentiality provisions on more than one occasion –
 - Personnel Matters 2
 - Legal Issues 3
 - Commercial matters 2
 - Tenders 2
 - Financial Matters 5
 - Development Issues 1

-
4. An indication of the categories of section 90(3) that were used most frequently.
 - Subsection (a) – 6
 - Subsection (b) - 0
 - Subsection (c) – 0
 - Subsection (d) - 7
 - Subsection (h) – 1
 - Subsection (i) - 1
 5. Number of occasions that information originally declared confidential has subsequently been made publicly available – .8
 6. Number of occasions that information declared confidential has still not subsequently been made publicly available and the reason for this in each case –
(12 month in-confidence period not complete – expires 14/02/06).
(12 month in-confidence period not complete – expires 9/03/06).

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

ADOPTION AND DISTRIBUTION

Pursuant to the requirements of the Local Government Act, 1999 this Annual Report was adopted by the Kangaroo Island Council at a special Council meeting held on the 23rd day of November 2005

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

OPERATING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2005

	Note	2005 \$	2004 \$
OPERATING REVENUE			
Rates			
General		3,827,826	3,366,993
Other		421,050	310,320
Statutory Charges		127,636	143,982
User Charges	7	714,551	649,838
Operating Grants and Subsidies		1,850,569	1,864,039
Investment Income		140,819	141,749
Reimbursements		387,077	245,316
Gain on Disposal of Non Current Assets		60,357	158,675
Other		<u>250,041</u>	<u>353,276</u>
TOTAL OPERATING REVENUE		7,779,926	7,234,188
OPERATING EXPENSES			
Employee Costs	3	2,914,839	2,633,952
Contractual Services	5	1,134,576	731,254
Materials	6	1,071,911	945,698
Finance Charges		242,133	230,168
Depreciation	4	3,050,692	2,976,671
Other		723,718	824,262
TOTAL OPERATING EXPENSES		<u>9,137,869</u>	<u>8,342,005</u>
Operating Surplus / (Deficit) before Capital Revenues		<u>(1,357,943)</u>	<u>(1,107,817)</u>
CAPITAL REVENUES			
Capital Grants, Subsidies and Monetary Contributions		111,745	425,849
Operating Surplus / (Deficit) after Capital revenues and before Extraordinary items		<u>(1,246,198)</u>	<u>(681,968)</u>
NET SURPLUS / (DEFICIT) RESULTING FROM OPERATIONS		<u>(1,246,198)</u>	<u>(681,968)</u>

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30TH JUNE 2005

	Note	2005	2004
CURRENT ASSETS			
Cash	8	1,675,070	2,354,823
Receivables	9	601,534	340,496
Inventory	10	106,295	119,100
Other	11	<u>15,361</u>	<u>1,680</u>
TOTAL CURRENT ASSETS		<u>2,398,260</u>	<u>2,816,099</u>
CURRENT LIABILITIES			
Creditors	12	294,923	195,841
Provisions	13	282,115	269,523
Loans	14	484,869	505,868
Bank Overdraft	8	0	0
TOTAL CURRENT LIABILITIES		<u>1,061,907</u>	<u>971,232</u>
NET CURRENT ASSETS / (CURRENT LIABILITIES)		<u>1,336,353</u>	<u>1,844,867</u>
NON-CURRENT ASSETS			
Land	15	6,685,000	6,676,832
Buildings	15	5,554,141	5,759,176
Infrastructure	15	34,656,732	35,846,271
Equipment	15	2,132,509	1,797,681
Furniture and Fittings	15	235,553	291,556
Other (Library)	15	119,636	138,707
TOTAL NON-CURRENT ASSETS		<u>49,383,571</u>	<u>50,510,223</u>
NON-CURRENT LIABILITIES			
Provisions	13	256,539	245,639
Loans	14	<u>2,997,651</u>	<u>3,397,519</u>
TOTAL NON-CURRENT LIABILITIES		<u>3,254,190</u>	<u>3,643,158</u>
NET ASSETS		<u>47,465,734</u>	<u>48,711,932</u>
EQUITY			
Accumulated Surplus		9,966,330	11,212,528
Reserves		<u>37,499,404</u>	<u>37,499,404</u>
TOTAL EQUITY		<u>47,465,734</u>	<u>48,711,932</u>

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2005

	Note	2005 \$	2004 \$
ACCUMULATED SURPLUS			
Balance at beginning of period		11,212,528	11,894,496
Adjustment			
Net Surplus / (Deficit)		<u>(1,246,198)</u>	<u>(681,968)</u>
Balance at end of period		<u>9,966,330</u>	<u>11,212,528</u>
ASSET REVALUATION RESERVE			
Balance at beginning of period		37,499,404	37,299,622
Transfers to Reserve			
-Revaluation increment		<u>-</u>	<u>199,782</u>
TOTAL CURRENT LIABILITIES		<u>37,499,404</u>	<u>37,499,404</u>
TOTAL EQUITY		<u>47,465,734</u>	<u>48,711,932</u>

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		\$	Inflows (Outflows) \$
<i>Receipts</i>		7,337,021	7,276,262
Interest Received		143,300	133,714
GST Collected		207,655	177,713
GST Refund from ATO		413,466	472,243
Payments		(5,756,562)	(5,081,780)
Interest on Loans		(269,816)	(225,448)
GST Payments on purchases		(412,886)	(482,629)
GST Remitted to the ATO		(199,250)	(165,998)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES		<u>1,462,928</u>	<u>2,104,077</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Loans Received		-	785,000
Payments			
Principal on Loans		(420,867)	(470,985)
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES		<u>(420,867)</u>	<u>314,015</u>
CASH FLOWS FROM OTHER ACTIVITIES			
Receipts			
Capital Grants, Subsidies/ Contributions		111,745	425,849
Sale of Equipment		217,377	212,096
Sale of Land		-	73,515
Payments			
Purchase of Buildings		(85,379)	(276,399)
Purchase of Infrastructure		(1,214,763)	(1,883,371)
Purchase of Equipment		(730,588)	(699,673)
Purchase of Furniture and Fittings		(12,038)	(159,968)
Purchase of Other		-	(3,548)
Purchase of Land		(8,168)	-
NET CASH PROVIDED BY / (USED IN) OTHER ACTIVITIES		<u>(1,721,814)</u>	<u>(2,311,499)</u>
NET INCREASE(DECREASE) IN CASH HELD		(679,753)	106,593
CASH AT BEGINNING OF REPORTING PERIOD		2,354,823	2,248,230
CASH AT END OF REPORTING PERIOD		<u>1,675,070</u>	<u>2,354,823</u>

1 SIGNIFICANT ACCOUNTING POLICIES

(a) *The Local Government Reporting Entity*

All funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report. All entities controlled by the council have been consolidated.

In the process of reporting on the Council as a single unit, all transaction and balances between those funds (for example, loans and transfers between funds) have been eliminated.

Amounts received and paid by the Council, where the Council has merely acted as a collection agent, have been eliminated.

(b) *Basis of Accounting*

This financial report is a general-purpose financial report that has been prepared in accordance with Accounting Standards. It has been prepared on the accrual basis under the convention of historical cost accounting, with the exception that non-current assets are included at Council or independent valuation.

(c) *Recognition of Assets*

Assets acquired are initially recorded at cost. Cost includes all costs incidental to the acquisition and incurred in getting the asset ready for use. Where assets are constructed by the Council, costs includes an appropriate share of variable and fixed overheads.

(d) *Depreciation of Non-Current Assets*

Non-current assets having limited useful lives are systematically depreciated over their useful lives in a manner, which reflects consumption of the service potential embodied in those assets. Land is not a depreciable asset.

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

Major depreciation periods are:

Buildings	30 to 50 years
Main Drains	75 to 85 years
Plant & Equipment	5 to 15 years
Sealed roads and streets: construction	20 to 40 years
Original surfacing & major resurfacing - bituminous seal	7 to 10 years
Unsealed roads	5 to 10 years
Improvements to parks and gardens	15 to 20 years
Motor vehicles	5 to 10 years

(e) Expenses

Expenses are disclosed in the accounts after deducting any amounts capitalised and included in the cost of assets constructed by the Council.

(f) Employee Entitlements

Long Service Leave is accrued on the following basis:

For full-time and part-time employees, 100% of entitlements are provided for calculated from date of commencement of service.

This basis of calculation provides an estimate of liability for Long Service Leave in excess of that determined by using the present value basis of measurement.

Annual Leave entitlements are accrued in respect of services provided by employees up to the reporting date.

The superannuation expense for the reporting period is the amount of the statutory contribution the Council makes to the superannuation scheme, which provides benefits to its employees. Details of those arrangements are set out in Note 16.

(g) Investments

Investments are valued at cost. Interest revenues are recognised as they accrue.

(h) Rates, Grants, Donation and Other Contributions

Rates, grants, donation and contributions are recognised as revenues when the Council obtains control over the assets comprising these contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured.

Un-received contributions over which Council has control are recognised as receivables. In respect of uncollected rates provision is made for amounts considered un-collectable.

Where contributions recognised as revenues during the year were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 8.

(i) Allocation between Current and Non-current

In the determination of whether an asset of liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid.

(j) *Cash*

For purposes of the statement of cash flows, cash includes cash deposits that are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdraft.

(k) *GST*

In accordance with the requirements of UIG Abstract 31 “ Accounting for the Goods and Services Tax (GST)”, revenues, expenses and assets are recognised net of the amount of GST except that:

- The amount of GST incurred by the Council as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of an asset or part of an item of expense; and receivables and payables are stated with the amount of GST included.

The net GST receivable from the Australian Taxation Office has been recognised as a receivable in the Statements of Financial Position.

Cash flows are reported on a gross basis in the Statement of Cash Flows. The GST component of the cash flows arising from investing or financing activities, which are recoverable from or payable to the Australian Taxation Office, have however been classified as operating cash flows.

(l) *International Financial Reporting Standards*

For the reporting periods beginning on or after 1 January 2005, Council must comply with International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board.

The financial statements have been prepared in accordance with the Australian Accounting Standards and other financial reporting requirements (eg. Australian GAAP).

Council has not quantified the effects of the differences. Accordingly, there can be no assurances that Council’s performance and financial position would not be significantly different if determined in accordance with IFRS.

2 FUNCTIONS/ACTIVITIES OF COUNCIL

- a) Expenses, revenues and assets have been attributed to the following functions/activities, descriptions of which are set out in Note 2 (b).
- b) The activities of the Council are categorised into the following broad functions:-

Administration: Operation of resources for the efficient administration of council's functions. Full Cost Attribution has been adopted to allocate expenses to the following functions.

Public Order and Safety: Administration of various Bylaws, fire prevention, dog control and state emergency services.

Health: Food control and immunisation services.

Social Security and Welfare: Operation of the Information Centre including CES services. Provision of Rural Counselling Service accommodation.

Housing and Community Amenities: Maintenance of housing rented to tenants, rubbish collection services, operation of waste management facility, administration of town planning, sewerage services, cemetery, public conveniences, stormwater drainage (urban), street cleaning and other community development amenities.

Recreation & Culture: Maintenance of halls including Council Chamber, various parks, gardens and reserves. Administration and maintenance of foreshores, ovals, playgrounds, boat ramps and swimming pool, library and cultural services.

Agricultural Services: Contribution to Animal and Plant Control activities.

Mining, Manufacturing & Construction: Administration of Building Act and the Development Act, quarries and drilling.

Transport: Construction and maintenance of road, drainage works, bridges, footpaths, parking facilities and signs. Management of aerodrome.

Economic Affairs: Caravan and camping grounds, tourism and machinery operations.

2b) Functions/Activities of the Kangaroo Island Council

FUNCTIONS ACTIVITIES	TOTAL GRANTS \$	TOTAL OTHER \$	REVENUE TOTAL \$	%	EXPENSES TOTAL \$	%	OPERATIONS SURPLUS (DEFICIT) AND EXTRAORDIN ARY ITEMS \$
Administration							
2005	1,493,224	4,248,610	5,741,834	59.1	1,844,554	16.8	3,897,280
2004	1,378,544	3,471,486	4,850,030	67.1	382,728	4.6	4,467,302
Public Order & Safety							
2005	4,545	20,426	24,971	0.3	170,917	1.6	(145,946)
2004		9,014	9,014	0.1	58,902	0.7	(49,888)
Health							
2005		5,807	5,807	0.1	39,113	0.4	(33,306)
2004		4,186	4,186	0.1	92,042	1.1	(87,856)
Social Security & Welfare							
2005	11,741		11,741	0.1	722	0.0	11,019
2004	671		671	0.0	17,119	0.2	(16,448)
Housing & Community Amenities							
2005	109,200	748,085	857,285	8.8	2,012,764	18.4	(1,155,479)
2004		457,133	457,133	6.3	1,035,688	12.4	(578,555)
Protection of the Environment							
2005			-	0.0	-	0.0	-
2004		15,023	15,023	0.2	34,834	0.4	(19,811)
Recreation & Culture							
2005	55,042	27,182	82,224	0.8	746,620	6.8	(664,396)
2004	66,674	72,594	139,268	1.9	949,309	11.4	(810,041)
Agriculture							
2005	7,475		7,475	0.1	50,640	0.5	(43,165)
2004		2,600	2,600	0.0	44,366	0.5	(41,766)
Mining & Manufacture							
2005		17,301	17,301	0.2	264,749	2.4	(247,448)
2004		156,265	156,265	2.2	439,721	5.3	(283,456)
Transport & Communication							
2005	20,000	769,895	789,895	8.1	3,523,714	32.1	(2,733,819)
2004	820,267	589,052	1,409,319	13.6	3,767,302	45.2	(2,357,983)
Economic Affairs							
2005	35,750	247,928	283,678	2.9	223,074	2.0	60,604
2004	11,800	47,699	59,499	0.8	283,746	3.4	(224,247)
Other Purposes							
2005		1,897,073	1,897,073	19.5	2,088,615	19.0	(191,542)
2004	16,096	534,962	551,058	7.6	1,230,279	14.8	(679,219)
TOTAL							
2005	1,736,977	7,982,307	9,719,284	100	10,965,482	100	(1,246,198)
2004	2,294,052	5,360,014	7,654,066	100	8,336,034	100	(681,968)

3. EMPLOYEE COSTS

	2005	2004
	\$	\$
Wages & Salaries	2,836,801	2,665,791
Superannuation Expenses	229,050	146,659
Provision for Leave Entitlement	<u>28,492</u>	<u>62,312</u>
	3,094,343	2,874,762
<i>Less</i>		
Amounts Capitalised		
Non-Current Assets Constructed By Council	<u>179,504</u>	<u>240,810</u>
	<u>2,914,839</u>	<u>2,633,952</u>

4 DEPRECIATION AND AMORTISATION EXPENSE.

Depreciation and amortisation expenses for the year were charged in respect of:

Plant & Equipment	239,953	304,517
Office Equipment, Furniture and Fittings	68,041	61,715
Buildings	299,579	291,287
Roads & Footways	1,806,496	1,757,392
Stormwater Drainage	19,887	19,887
Reserve's Furniture etc.	322,519	252,480
Waste Management	78,892	78,902
Structures	196,254	191,420
Library Books	<u>19,071</u>	<u>19,071</u>
	<u>3,050,692</u>	<u>2,976,671</u>

5 CONTRACTUAL SERVICES

Contractual services involve payments or liabilities for the external provision of services

6 MATERIALS

Materials are payment or liabilities for physical goods including energy.

7 USER CHARGES

User charges are revenues from the sale of goods and services or rent or property facilities. They include:

Rate Searches	11,250	12,011
Garbage/Effluent Collection	52,661	78,843
Property Rents	65,673	47,912
Cemetery Fees	8,227	9,049
Caravan Park Fees	5,871	3,990
Aerodrome Fees	350,618	313,835
Aerodrome-Other	22,609	36,162
Licence Fees	165,120	147,853
Library	160	1,228

8 CASH

	2005	2004
	\$	\$
Cash at Bank & On-hand	163,499	48,352
Deposits at call	1,511,571	2,306,471

For the purposes of the statement of cash flows, cash includes; cash on hand and in bank and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Balances as above	1,675,070	2,354,823
<i>Less</i> Bank Overdraft		
Balances per Statement of Cash Flow	1,675,070	2,354,823

Unexpended Specific Purpose Grants and Contribution

CoastCare	-	9,100
Shipwreck Heritage Trail	18,000	-
Home & Community Care (HACC)	2,074	-
Socially Speaking Autism	9,330	-
TOMM Operating	38,500	-
Town Centres	60,000	-
Youth Services	4,766	-
Recreation & Sport Open Spaces Strategy	14,177	-
ROSES – Reeves Point Project	9,220	-

9 RECEIVABLES

Current

Rates Receivable	193,481	195,515
<i>Less</i> Provision for Doubtful Debts	6,862	7,500
	<u>186,619</u>	<u>188,015</u>
Other Debtors	313,542	110,797
GST – Debtor	35,854	-
Accrued Income	65,519	41,684
	<u>601,534</u>	<u>340,496</u>

10 INVENTORIES

	2005	2004
Current	\$	\$
Stores-Consumables	106,295	119,100
	<hr/>	<hr/>
	106,295	119,100
	<hr/>	<hr/>

11 OTHER CURRENT ASSETS

Prepayments	15,361	1,680
	<hr/>	<hr/>
	15,361	1,680
	<hr/>	<hr/>

12 CREDITORS

Current		
Creditors	207,629	107,211
Accruals	87,294	79,372
Received in Advance	-	9,258
	<hr/>	<hr/>
	294,923	195,841
	<hr/>	<hr/>

13 PROVISIONS

Current		
Annual Leave	237,115	229,523
Long Service Leave	45,000	40,000
	<hr/>	<hr/>
	282,115	269,523
	<hr/>	<hr/>
Non Current		
Annual Leave	25,000	20,000
Long Service Leave	231,539	225,639
	<hr/>	<hr/>
	256,539	245,639
	<hr/>	<hr/>

14 BORROWINGS

Current		
Loans Secured	484,869	505,868
	<hr/>	<hr/>
Non Current		
Loans Secured	2,997,651	3,397,519
	<hr/>	<hr/>

15 PROPERTY PLANT & EQUIPMENT

	2005	2004
	\$	\$
Land		
At Independent Valuation at 30 June 2003*	6,676,832	6,676,832
At Cost	8,168	-
	<u>6,685,000</u>	<u>6,676,832</u>
Buildings		
At Independent Valuation at 30 June 2003*	5,774,064	5,774,064
At Cost	370,943	276,399
	<u>6,145,007</u>	<u>6,050,463</u>
<i>Less</i> Accumulated Depreciation	590,866	291,287
	<u>5,554,141</u>	<u>5,759,176</u>
Plant & Equipment		
At Independent Valuation at 30 June 2003*	1,219,228	1,383,951
At Cost	1,386,418	683,217
	<u>2,605,646</u>	<u>2,067,168</u>
<i>Less</i> Accumulated Depreciation	473,137	269,487
	<u>2,132,509</u>	<u>1,797,681</u>
Office Equipment, Furniture & Fittings		
At Independent Valuation at 30 June 2003*	193,303	193,303
At Cost	172,006	159,968
	<u>365,309</u>	<u>353,271</u>
<i>Less</i> Accumulated Depreciation	129,756	61,715
	<u>235,553</u>	<u>291,556</u>
Library Books		
At Independent Valuation at 30 June 2003*	154,230	154,230
At Cost	3,548	3,548
	<u>157,778</u>	<u>157,778</u>
<i>Less</i> Accumulated Depreciation	38,142	19,071
	<u>119,636</u>	<u>138,707</u>

	2005	2004
	\$	\$
Roads, Bridges & Footpaths		
At Independent Valuation at 30 June 2003*	27,161,647	27,161,647
At Cost	1,222,879	587,289
	<u>28,384,526</u>	<u>27,748,936</u>
<i>Less</i> Accumulated Depreciation	3,563,888	1,757,392
	<u>24,820,638</u>	<u>25,991,544</u>
Stormwater Drainage		
At Independent Valuation at 30 June 2003*	785,486	785,486
At Cost	10,572	10,572
	<u>796,058</u>	<u>796,058</u>
<i>Less</i> Accumulated Depreciation	39,774	19,887
	<u>756,284</u>	<u>776,171</u>
Waste Management		
At Independent Valuation at 30 June 2003*	2,640,246	2,640,246
At Cost	753,469	340,965
	<u>3,393,715</u>	<u>2,981,211</u>
<i>Less</i> Accumulated Depreciation	157,794	78,902
	<u>3,235,921</u>	<u>2,902,309</u>
Reserve Furniture		
At Independent Valuation at 30 June 2003*	3,079,556	3,079,556
At Cost	1,047,193	875,492
	<u>4,126,749</u>	<u>3,955,048</u>
<i>Less</i> Accumulated Depreciation	574,999	252,480
	<u>3,551,750</u>	<u>3,702,568</u>
Structures		
At Independent Valuation at 30 June 2003*	2,596,047	2,596,047
At Cost	83,766	69,052
	<u>2,679,813</u>	<u>2,665,099</u>
<i>Less</i> Accumulated Depreciation	387,674	191,420
	<u>2,292,139</u>	<u>2,473,679</u>
Total Infrastructure	<u>34,656,732</u>	<u>35,846,271</u>

* The valuations were undertaken by PETA ROWE B. Bus. Property (Valuation) GAPI, of Maloney Field Services, Licensed Valuers as at 30 June 2003

16 SUPERANNUATION

The Council contribute in respect of its employees to a defined benefit superannuation plan established in respect of all municipalities in the State. In accordance with statutory requirements, the Council contributes to the Local Government Superannuation Scheme ("the scheme") amounts determined by the plan actuary. As such, assets accumulate in the scheme to meet members' benefits as they accrue. If the assets of the scheme were insufficient to satisfy benefits payable to its beneficiaries, the Council would be required to meet its share of the deficiency. The audited general-purpose financial report of the scheme as at 30 June 2004, which was not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the accrued benefits. No liability of the Council has been recognised as at the reporting date in respect of superannuation benefits for its employees. The general purpose financial report of the scheme discloses that the most recent actuarial assessment of the plan was undertaken as at 30 June 2002 by LC Brett, BSc., FIA, FIAA and that the actuary indicated that without improvements to benefit conditions, or other unanticipated events, current contribution rates would be sufficient to meet members' benefits as they accrue.

The amount of superannuation contributions paid by the Council during the period to **30 June 2005** was **\$229,050** (2004, \$146,659).

17 CAPITAL COMMITMENTS

At the reporting date the Council had the following obligations under non-cancellable contracts (these are not recognised as a liability)

	2005	2004
	\$	\$
Not longer than one year	250,780	73,150

18 ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

(a) *Interest Rate Risk Exposure*

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

	Weighted Avg Interest Rate	Floating Interest Rate	1 Year or less	1 to 5 Years	More than 5 Years	Non Interest Bearing	Total
2005							
Financial Assets							
Cash		162,589				910	163,499
Deposits	5.25%	1,511,571					1,511,571
Receivables						601,534	601,534
		1,674,160				602,444	2,276,604
Financial Liabilities							
Overdraft							
Borrowings	6.45%		464,272	1,522,805	1,495,443	-	3,482,520
Creditor & Accruals						294,923	294,923
			464,272	1,522,805	1,495,443	294,923	3,777,443
2004							
Financial Assets							
Cash	5.0%	47,422				930	48,352
Deposits	5.0%	2,306,471					2,306,471
Receivables						340,496	340,496
		2,353,893				341,426	2,695,319
Financial Liabilities							
Overdraft							
Borrowings	6.47%		505,868	1,902,077	1,495,442		3,903,387
Creditor & Accruals						195,841	195,841
			505,868	1,902,077	1,495,442	195,841	4,099,228

(b) *Credit Risk Exposures*

Creditor risk represents the loss that would be recognised if other parties failed to perform as contracted.

The credit risk on financial assets, excluding investments, of the Council which have been recognised in the Statement of Financial Position, is the carrying amount, net of any provision for doubtful debts.

The Council does not have significant exposure to any concentration of credit risk.

The net fair value of other monetary financial assets and financial liabilities is based on market prices where a market exists or by discounting expected future cash flows by the current interest rates for assets and liabilities with similar risk properties.

Cash flows are discounted using standard valuation techniques and the applicable market yield having regard to the timing of cash flows. The carrying amount of bank term deposits, accounts receivable, accounts payable and bank loans approximate net fair value.

(c) *Net Fair Value of Financial Assets and Liabilities*

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value.

19 RECONCILIATION OF INCREASE IN NET ASSETS RESULTING FROM OPERATION TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2005	2004
	\$	\$
Change in Net Assets resulting from Operations	(1,246,198)	(681,968)
Items not involving Cash:		
Depreciation	3,050,692	2,976,671
Loss (Gain) on Disposals	(60,357)	(158,675)
	<u>1,744,137</u>	<u>2,136,028</u>
Capital subsidy	(111,745)	(425,849)
	<u>1,632,392</u>	<u>1,710,179</u>
Change in Operating Assets & Liabilities		
Decrease (Increase) in Debtors	(261,038)	365,087
Increase (Decrease) in Creditors	68,958	(21,478)
Increase (Decrease) in Provision for Employee Entitlement	23,492	62,312
Decrease (Increase) in Inventories	12,805	(11,589)
(Increase) Decrease in Prepayments	(13,681)	(434)
Net Cash provided by Operating Activities	<u>1,462,928</u>	<u>2,104,077</u>

20. CREDIT ARRANGEMENT

Bank Overdraft Limit	100,000	100,000
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KANGAROO ISLAND COUNCIL

CHIEF EXECUTIVE OFFICER'S STATEMENT

I, Nick Brown the person for the time being occupying the position of CHIEF EXECUTIVE OFFICER of KANGAROO ISLAND COUNCIL do hereby state that the financial statements for the Council for the 30 June 2005 financial year 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.

Signed 

Nick Brown
Chief Executive Officer

Dated 22 nd November 2005

ADOPTION STATEMENT

Laid before the Kangaroo Island Council

And adopted on 23rd November 2005



Nick Brown
Chief Executive Officer



Mr Michael Pengilly
Mayor

KANGAROO ISLAND COUNCIL

**INDEPENDENT AUDIT REPORT
TO THE MAYOR AND COUNCILLORS
OF KANGAROO ISLAND COUNCIL**

Scope

I have audited the financial statements of Kangaroo Island Council for the financial year ended 30 June 2005 as set out on pages 1 – 18.

The Chief Executive Officer is responsible for the preparation and presentation of the financial statements and the information contained therein. I have conducted an independent audit of the financial statements in order to express an opinion on them.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. The procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates.

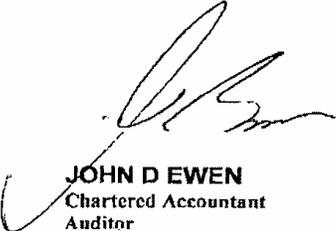
These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Concepts and Standards and the Local Government Act 1999, so as to present a view of the entity which is consistent with my understanding of its financial position and the results of its operations.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial statements of Kangaroo Island Council are properly drawn up:

- a. So as to give a true and fair view of:
 - (i) The Council's state of affairs as at 30 June 2005 and its operating result for the year ended on that date; and
 - (ii) The other matters required by Chapter 8 of the Local Government Act 1999 to be dealt with in the accounts;
- b. In accordance with the provisions of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999; and
- c. In accordance with Statements of Accounting Concepts and applicable Accounting Standards..


JOHN D EWEN
Chartered Accountant
Auditor

Adelaide

Date: 22nd November 2005