	# *Funding Policy*
Policy Classification	Council Policy
First Issued:	20 January 2014
Next Date of Review:	June 2028
Version Number:	9
Applicable Legislation:	*Local Government Act 1999* *Local Government (Financial Management) Regulations 2026*
Related Policies or Documents:	Fees & Charges Policy & Schedule Rating & Rebate Policy Treasury Management Policy Budget Reporting and Management Policy
Associated Forms:	NA
Responsible Manager:	Chief Executive Officer Directors Finance Department
Approved by Council:	10 November 2026
Minutes Reference:	OM313:2026

Table of Contents

1. Preamble 3
2. Purpose 3
3. Scope 3
4. Definitions 3
5. Policy Statement 4
6. Review and responsibilities 6
7. Availability and Grievances 6

The electronic version on the document management system is the controlled version of this document.
Printed copies are considered uncontrolled. Before using a printed copy, verify that it is the controlled version.

Funding Policy

1. Preamble

1.1. This Funding Policy is based on an assessment of the beneficiaries of all of Council's services and how these should be funded.

2. Purpose

2.1. This policy provides the framework within which Council will raise the revenue necessary to fund expenses of programs set out in its Long-Term Financial Plan.

3. Scope

3.1. The Funding Policy reflects Council's determined balance between the principles of:

- Beneficiary pays vs capacity to pay across different sections of the community;
- Costs of provision of services and, where relevant, prices charged by others for provision of similar services;
- Maximising sourcing of external funding;
- Accommodating individual circumstances of financial hardship; and
- Achieving and preserving reasonable inter-generational equity.

4. Definitions

4.1. **CEO** means the Chief Executive Officer of the Kangaroo Island Council.

4.2. **Council** means the Elected Body.

4.3. **Kangaroo Island Council (KIC)** means the administration.

4.4. **Long term financial plan** is a financial plan that expresses the activities that the council proposes to undertake over the medium to longer term to achieve its stated objectives.

4.5. **Annual Business plan (ABP)** is Council's statement of its intended programs and outcomes for the year.

4.6. **Strategic Management plan (SMP)** is a document outlining Council's vision and longer-term objectives.

4.7. **Annual Budget** refers to the Council's statement of:

- its intended expenses, revenue and capital expenditure that give effect to its Annual Business Plan for the reporting period;
- its cash inflows and outflows associated with intended operating, investing and financing activities; and
- its projected financial position at the end of the reporting period.

4.8. **Rates** refers to income generated from taxes on property (land and buildings).

The electronic version on the document management system is the controlled version of this document.
Printed copies are considered uncontrolled. Before using a printed copy, verify that it is the controlled version.

5. Policy Statement

5.1. Long Term Financial Plan

5.1.1. Council has adopted a 10 year Long Term Financial Plan (LTFP) that sets out the funding (revenue raising) and financing (paying for outlays) requirements for services to be provided to equitably meet its Strategic Management Plan's identified community needs and preferences.

5.1.2. The LTFP has also been based on achievement of the targets set by Council for each of its Financial Sustainability indicators and in particular, those for its operating result.

5.2. Budget Management and Review

5.2.1. Council's annual budget will be based on the relevant year of its Long-Term Financial Plan and in particular the financial strategy that will ensure that the specified financial indicator targets for the year are met. Council will ensure through its budget review process that its planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

5.3. Financial Assistance and Other Discretionary Grants

5.3.1. Council values the ongoing Commonwealth Financial Assistance Grants that it receives through the SA Local Government Grants Commission (LGGC). Similarly, the Roads to Recovery Grants from the Commonwealth are an important funding source.

5.3.2. Council will continue to provide timely and accurate information requested by the LGGC to ensure that it receives its appropriate funding allocation as determined by the LGGC's methodology for allocating Financial Assistance Grants. Timely and accurate information also will be provided to the Commonwealth in respect of Roads to Recovery Grants.

5.4. Special Purpose Grants

5.4.1. Council recognises that opportunities arise from time to time to secure grants or funding for specific projects or purposes. Council will pursue such opportunities where the funding objectives support the directions of its Strategic Management Plan and its financial sustainability objectives.

5.4.2. Council will assess the whole-of-life costs of a project considered for a special purpose grant or funding application (including maintenance and other operating costs over the life of the project) and will consider the impact of these costs on Council's financial sustainability indicators over the life of the project when considering a special purpose grant or funding opportunity.

5.4.3. Council will review the grant to ensure that Council will be able to meet the terms and obligations of the grant.

The electronic version on the document management system is the controlled version of this document.
Printed copies are considered uncontrolled. Before using a printed copy, verify that it is the controlled version.

5.5. General and Other Rates

5.5.1. Council will raise general and other rates from its community in accordance with its Rating and Rebate Policy.

5.5.2. Council's Rating and Rebate Policy sets out its application of the following rating provisions contained in the *Local Government Act, 1999:*

- minimum or fixed charges;
- separate rates;
- services rates and charges;
- differential rates;
- rate rebates; and
- postponement of rates.

5.5.3. Council keeps its Rating and Rebate Policy under review annually to ensure it has appropriate regard for Council's Funding Policy and in particular any material changes in:

- capacity to pay within sections of the community;
- the extent of opportunity of access to, use of, and benefit from, Council services by various groupings of service users and ratepayers; and
- revenue from general rates helping to meet a substantial part of the cost of Council services and activities that are widely available to ratepayers.

5.6. User Charges

5.6.1. To reduce dependence on rate revenue, Council applies user charges to meet the cost of its services where this is equitable, efficient and practical. Charges set have regard to Council's costs, the benefits to direct users and others from the provision of the services and prices charged elsewhere for similar services.

5.6.2. Council's user charges are set out in the Fees and Charges Policy and Schedule.

5.7. Borrowings

5.7.1. Council recognises that borrowings are not a funding source, but are nevertheless likely to be required at times particularly as a result of decisions to add to or enhance Council's assets in line with Council's Asset Management Plan. If Council sets revenue raising targets at levels that not only meet the full cost of existing services but also enable it to accumulate funds to finance net asset acquisition, it could create significant inter-generational inequity between beneficiaries of Council's services. Council manages decisions about when to borrow and what type of borrowings to raise in accordance with its Treasury Management Policy.

5.8. Private Sector Contributions / Partnerships

5.8.1. Council will seek private sector funding for projects e.g. through joint venture, grants or provision of infrastructure etc. where this is considered beneficial to the Community. In assessing the community benefit of such arrangements, Council will take account of its financial exposure through an analysis of the whole-of-life

The electronic version on the document management system is the controlled version of this document.
Printed copies are considered uncontrolled. Before using a printed copy, verify that it is the controlled version.

costs. Council must consider budgetary and treasury implications for projects which require co-contribution from Council.

6. Review and responsibilities

This Funding Policy shall be reviewed by Council and the Audit & Risk Committee every two years. Furthermore, both the Finance and Audit & Risk Committees will annually review the financial target indicators for pertinence.

Quarterly reporting is prepared by the Manager Finance and Administration on the performance of the target Indicators and other key funding as part of the quarterly budget review.

The Chief Executive Officer and Director Corporate Services will be responsible for the administration of the finances of Council in accordance with the Funding Policy.

7. Availability and Grievances

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

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

SIGNED:



Chief Executive Officer

Date: 10 November 2026

The electronic version on the document management system is the controlled version of this document.
Printed copies are considered uncontrolled. Before using a printed copy, verify that it is the controlled version.

History:		
Date Reviewed:	Version:	Reason for Amendment:
20 January 2014	Version 1	Policy Developed & Adopted
09 June 2015	Version 2	Annual Policy Review by Council 2015-16
21 June 2016	Version 3	Annual Policy Review by Council 2016-17
13 June 2017	Version 4	Annual Policy Review 2017-18 Ref# C189:2017
12 June 2018	Version 5	Annual Policy Review 2018-19 Ref# C176:2018
12 June 2019	Version 6	Annual Policy Review 2019-20 Ref# C214:2019
12 May 2020	Version 7	Council Policy Review Ref: C232:2020
10 May 2022	Version 8	Policy Review – no change
10 November 2026	Version 9	Policy Review – Minor Changes

The electronic version on the document management system is the controlled version of this document.
Printed copies are considered uncontrolled. Before using a printed copy, verify that it is the controlled version.