

EQUIVALENT COUNCIL RATES - ADELAIDE AIRPORT

What are Adelaide Airport Limited's (AAL) obligations?	<p>The Australian Government (as the owner of the land leased and occupied by Adelaide Airport Ltd) is not required by the Constitution or law to pay council rates. However, as a condition of AAL's lease agreement with the Australian Government, AAL is required to pay a rate equivalent or "ex-gratia" payment to the City of West Torrens for all those airport businesses located on the airport in the context of competitive neutrality.</p>
What additional "municipal style" services does AAL provide directly to tenants?	<ul style="list-style-type: none"> ▪ Land Planning and Building Approvals; ▪ Construction and maintenance of public roads, footpaths, kerbing and storm-water infrastructure; ▪ Roadway, footpath and drainage depreciation; ▪ Street lighting and street sweeping, Vickers Vimy Walkway and historical site preservation and maintenance; ▪ Landscaping, trees and vegetation, mowing, irrigation and maintenance adjacent to public roadways; ▪ Provision of essential services (power/sewer/water etc); ▪ Environmental compliance and management; ▪ Cleansing of Metropolitan storm-waters that flow into and through the airport.
What is a fair payment?	<p>Ex-Gratia Rate payments were put in place to ensure competitive neutrality, so that airport tenants did not receive an advantage over non-airport business. By the same token, they should not have to pay more, which was the basis of the discount originally agreed with Council and arbitrated by the Department of Local Government.</p> <p>Valuations on applicable facilities are made by the State Valuer General based upon Capital Value at the discretion of the City of West Torrens – this is an unusual process compared to interstate methods of assessing rates based on land value.</p>
How much does AAL pay?	<p>Before AAL leased Adelaide Airport from the Federal Government in 1998, the airport authority paid approximately \$300,000 in annual rates. Following the privatisation of Adelaide Airport in 1998, the ex-gratia payment increased to the order of \$850,000.</p> <p>For 2006/07, AAL has paid in full the ex-gratia amount of \$2.1 million. Since 1998, AAL has paid the City of West Torrens in the order of \$8.0 million in ex-gratia monies.</p>
What is the current situation?	<p>West Torrens Council continues to assess parts of the airport that are specifically reserved for aircraft and passenger operations.</p> <p>This is not in accord with the AAL lease obligations and AAL disputes payment of these sums.</p> <p>AAL has paid all ex-gratia Council rate equivalents as directed in the lease agreement and continues to work closely with West Torrens Council to resolve these misunderstandings.</p>
Other revenue to Council	<p>In addition to ex-gratia payments from AAL, Council receives an average \$250,000 per annum from traffic management fines imposed on vehicles at Adelaide Airport. AAL provides and pays for the trained staff who undertake this duty yet all fine income goes to Council revenues.</p> <p>(Overall contribution since 1998/99 approximately \$2.5 million)</p>

Fast Facts



<p>Community payments</p>	<p>In addition to the ex-gratia payments, AAL directly supports local sport and community institutions in the City of West Torrens to an amount in excess of \$100,000 per annum. A small sample of recipients includes:</p> <ul style="list-style-type: none"> ▪ The Smith Family ▪ Henley Beach Primary Special School ▪ Fulham Sea Scouts ▪ West Beach Junior Lifesaving Club ▪ Thebarton Aquatic Centre ▪ Western Warriors Football Club ▪ West Torrens Eagles Softball Club ▪ Athletics SA ▪ Western Futures – Adopt a School Program. <p>In addition, AAL has sponsored:</p> <ul style="list-style-type: none"> ▪ Many City of West Torrens Corporate/Business breakfasts ▪ The City of West Torrens Race Day ▪ Councillor walkathon. <p>(Overall contribution to date of approximately \$1 million)</p>
<p>Free land for linear parks and flood mitigation</p>	<p>AAL has also provided Council with extensive parcels of land at no cost on the eastern and southern boundaries of the Airport for the establishment of linear parks for community benefit.</p> <p>AAL has also at no cost provided a 40 metre wide strip of land along Sir Donald Bradman Drive and Tapleys Hill Road to assist Council in meeting its stormwater drain widening obligations to the West Torrens Thebarton drainage program.</p> <p>(Overall land grant = 20 hectares at an indicative value to date of \$5 million)</p>
<p>Miscellaneous</p>	<p>AAL has contributed in full or part to a number of traffic management and ancillary initiatives including:</p> <ul style="list-style-type: none"> ▪ Increased turn right slip lane from Sir Donald Bradman Drive; ▪ Upgrading of storm-water drainage fencing; ▪ Traffic light monitored intersection at West Beach and Tapleys Hill roads; ▪ Co-funded a comprehensive traffic study into the West of Adelaide <p>Which have a benefit to the overall community</p> <p>(Approximate value to date = \$2 million)</p>
<p>AAL'S total value of direct community involvement</p>	<p>\$20 million including ex-gratia rates</p>

Updated: May 16, 2007