

2005/06
ANNUAL REPORT

annual report

Annual Report 2005/06

City Profile

Annual Report Statistics	
Area	15.57square kilometres
Estimated average daytime population	200,000
Estimated overnight population	22,000
Estimated permanent residents	15,000
Visitors resident overnight	7,000
Workers	99,000
Students enrolled in City institutions	63,000
Visitors (daily from metro area)	75,000
Number of dwellings	9,900
Office space	1,038,000 sq metres

(Statistics sourced from the ABS, Council Surveys and Australian Property Council July 2006 Office Market Report)

Lord Mayor's Message

At the beginning of 2006, Adelaide was rated by the Economist Magazine's Intelligence Unit as the fourth best City in the world in which to do business.

Adelaide is starting to see the results of its growing population, its biggest development periods and the best working relationships between all levels of Government and the private and community sectors for many years.

An excellent example of this strategic approach to the growth and development of the City occurred in January when the State Government gave formal approval for the new Adelaide City Development Plan.

This plan was developed by the Council in consultation with residents, workers and the business sector. The result is the biggest change to the rules governing development in the City for 30 years.

It was an excellent example of how a vision for the City can be brought to practical reality.

City residents will find that the new plan gives the older residential areas of the City, in North Adelaide and the Southern end of the City, increased heritage protection and encouragement for developments that suit the residential nature of those areas.

Meanwhile, Adelaide's business community will find plenty of opportunities for investment as the plan encourages major development in the Central West and CBD areas of the City.

We are all looking towards improving the environment, and the plan provides the opportunities and guidance to develop five star rated developments, with natural air circulation, water conservation and lower power consumption, another win for all parties.

This Council set what were seen to be ambitious targets for resident, worker, student and visitor population growth when we first came to office.

Now we are meeting targets for residents and workers, far exceeding targets for students and have halted the decline of visitors that we have recently experienced as a result of changes to retail laws in the State.

Excellent and innovative work from City businesses, resident groups and community and professional organisations continue to improve the City, and we are always pleased to try and assist their efforts in any way we can - such as by providing additional opportunities by making changes to development rules.

The last financial year has been very good for Adelaide as a City. Now the challenge for us is to get to Number 1 on the Economist's list, where Adelaide deserves to be.

Michael Harbison
Lord Mayor

City Vision and Primary Strategy

Vision

The City of Adelaide, as the Capital City of South Australia, will be a vibrant and populous central place for work, study, leisure and living invigorating the cultural, commercial, educational and community life of the State.

Primary Strategy

Increasing the number and mix of people in the City centre to an optimum level to sustain activity and vitality is essential to achieving the vision. Additional residents, workers, students and visitors will make a wider range of services, facilities and attractions viable. This will create a more vibrant City with a stronger community and cultural life and a more robust, innovative economy.

Increased capacity and vitality in the City will directly support the target of the South Australian Strategic Plan to increase South Australia's population to 2 million by 2050, as against the projected decline from the current 1.5 million. (South Australian Strategic Plan target T1.7)

The Council's primary strategy therefore is to:

"Increase the number of people living, visiting, working and learning in the City to an optimum sustainable level."

This can only be achieved through Council and State leadership and active engagement with the private sector and community.

It requires the development of cultural, economic, social and environmental programs and infrastructure to create the conditions for sustainable activity that will attract people to Adelaide and generate the work, study and lifestyle opportunities so that people choose to stay.

Guiding Principles

The Adelaide City Council has established guiding principles to create the conditions for sustainable activity and quality of life for the City. The principles guide all decisions of the Council and are reflected throughout the Strategic Management Plan and Annual Business Plan and Budget.

Culturally Vibrant

Recognising indigenous, migrant and other contemporary Australian cultures. Generating cultural and artistic activity, creativity and diversity to enrich the life of the City and bring vitality to its public spaces.

Socially Just

Providing opportunities for people of different backgrounds, ages and abilities to live, work, learn and enjoy leisure in the City.

Environmentally Sustainable

Meeting the needs of the present without compromising the needs of future generations in development of the City's built form, management of its Park Lands and public spaces and in the management of activities that consume non-renewable natural resources.

Economically Viable

Fostering conditions that support sustainable economic activity.

Outward Looking

Responsive to the community, other Councils, the State and wider ideas and influences. Communicating and celebrating the things we do well.

The Council

Michael Harbison, Lord Mayor

Michael Harbison was elected as the Lord Mayor of Adelaide in May 2003 and has been a Councillor since 1998. He is married with four children.

Michael is a keen advocate of information technology and played an integral part in our “wired city” as we know it today. He was the founder and former Managing Director of Ngapartji Multimedia Centre, which provided a hub for multimedia and internet facilities to our state. An experienced businessman, Michael has managed well known companies such as Malcolm Reid and Woodroofes.

Michael was a founding board member of Adelaide 21, the founding Chairman of the East End Coordination Group and for 10 years was a governor of the Adelaide Festival of Arts. He published a weekly arts and community magazine in London and is a member of the Property Council of Australia, Australian Institute of Urban Studies and many other community and advisory bodies.

Cris Magasdi, Deputy Lord Mayor

Councillor Magasdi was born in Budapest, Hungary, and immigrated to Australia in 1951, and became naturalised three years later. He studied science at the University of Adelaide then transferred to medicine, graduating with distinction. In 1962 he won the Thomas Davis Scholarship and Cleveland Prize in Pathology, was an intern at the QEH, with subsequent studies in surgery and orthopaedics in London and the USA.

He was a Flt Lt in the RAAF and was attached for three years to the United States Forces as Flight Surgeon, with further studies at Bowman Gray School of Medicine, Dukes University, NC. He commenced his surgery and general practice in 1970 and has been a medico/legal consultant since 1982 in North Adelaide.

He has been a Branch President AMA and SA President of the General Practitioners' Society. He was first elected to Council in 1995 and re-elected in 1997. During his time on Council he was Chair of the Community and Development Services Committee, the Adelaide Austin Sister City Committee, the Sister Cities Controlling Authority, the Traffic Management Task Force, and Deputy Chair of the Aquatic Centre Controlling Authority. He is a member of the Economic Task Force and the Board of the Adelaide Convention and Tourism Authority.

Cris is a Rotarian and was President of the North Adelaide Rotary from 2002/2003. He is a Paul Harris Fellow, a Member of the RSL, the Naval Military and Air Force Club, the RACGP, the AMA and the North Adelaide Society. He is also a Director of the Southern Motors Group and a member of the SA Motor Sports Board and the Adelaide City Council Audit Committee. Cris has been Deputy Lord Mayor since February 2005.

Robert (Bob) Angove AM, B.Ec, Councillor

Bob was first elected to Council in 1980 and during his 26 years of unbroken Service has held the positions of Alderman and Deputy Lord Mayor.

Born in 1940, Bob is married to Helen and has been a North Adelaide resident since 1966. He was made a Member of the Order of Australia in the 2000 New Year's Honours List. He is Treasurer of the SA Branch of the Order of Australia Association.

Bob, a retired statistician, has served the Council and Community in many spheres. He has chaired many Council Committees and is a former Vice President of the Local Government Association. His membership of the Board of the Adelaide Festival of Arts Corporation concluded in August 2006 after three separate periods during the past three decades. Other Board memberships have included the SA Libraries Board, the SA Dental Services Board and the River Torrens Catchment Water Management Board. He is also a past Council nominee on the North Adelaide Community Centre Management Committee.

He is a former Elder of Scots Church and former member of the Council of the Maughan Uniting Church. He is also a past president of his Rotary Club and was recently awarded a Rotary Paul Harris Fellow.

Bob's love of music has seen him participate with the South Australian State Opera Chorus over many years and perform for many community groups.

Dr Judith Brine AM, Councillor

Dr Brine has been a Councillor since 1998 and is a Life Fellow of the Royal Australian Institute of Architects, a Fellow of the Royal Australian Planning Institute and an Honorary Life Member of the Society of Architectural Historians of Australia and New Zealand.

Between 1972 and 1988 she worked at the University of Adelaide and advised governments on planning and heritage. In 1988 she took up a post at the University of Canberra as Dean and Acting Vice Chancellor while working on the South East Economic Development Council, the ACT Electricity and Water Authority, and then as a Director of ACT Electricity and Water Corporation. She returned to the University of Adelaide in 1997 as an Executive Dean and then Pro Vice-Chancellor, before retiring in 2002.

Currently, as well as being an Elected Member of the Adelaide City Council and Co-Chairperson of the Adelaide City Council's Reconciliation Committee, Dr Brine is a Commissioner of the Environment and Development Court, Deputy Chair of the SA Heritage Council, Chair of the Board of the University of Adelaide's Senior Secondary College, and a Member of the Migration Museum's Foundation Committee.

Sue Clearihan, Councillor

Susan Clearihan has been a resident of the City of Adelaide for over 30 years. She worked as a teacher for 22 years (1973 -1995) including four years as an Education Officer at the Art Gallery of SA (1984-1987) and from 1996 -1997 worked as consultant and facilitator for various organisations.

From 1997-2004 Susan coordinated the Crime Prevention and Community Safety program for a metropolitan Council. She worked with business, developers, government and non-government agencies and residents to address crime and safety concerns in the community.

As an active community minded person over many years, Sue's extensive involvement includes; Spokesperson for the North Adelaide Residents Group (1993-1996); Coordinator, Area 313 Neighbourhood Watch (1994-1997); inaugural Chairperson, North Adelaide Community Centre (1998-2002); Committee member, North Adelaide Society (1996-1997); Board member, Bowden Brompton Community Legal Service (1998-2001) and Board member of the Come Out Festival.

Susan was elected to Adelaide City Council in 2003 and is the Chair of the Corporate and Financial Services Committee and the Adelaide Park Lands Committee. She is Deputy Chair of the Policy and Strategy Committee and the Adelaide Central Market Committee and the Council representative on the North Adelaide Community Centre Management Committee.

Susan is also the Local Government Association representative on the Board of the Adelaide Cemeteries Authority and a member of the Local Government Association Emergency Management Group.

Peter Darley, Councillor

Councillor Darley was elected as an Adelaide City Councillor in 2003 and in his first term of office he has seen the growth of business in Adelaide. The continued commercial development is a pleasing aspect of his tenure.

He is a business person and was actively involved in the hotel industry. Peter has business interests in the CBD and North Adelaide, and is an inaugural member of the Grote Street Business Association.

Currently he is the Council Nominee on the Adelaide Convention and Tourism Authority, and sits on the Adelaide City Council Reconciliation Committee. He has a strong empathy for/with the homeless and indigenous people, and works to better their situation.

Peter played for the South Adelaide Football Club, and represented the State on numerous occasions. A 1964 Premiership at Adelaide Oval was a highlight of his sporting career. Peter is a Life Member of the South Adelaide Football Club, and the South Australian National Football League, and was recently inducted into their Hall of Fame.

He believes he is a commonsense person who relates well with people.

Richard Hayward, Councillor

Elected to Council in 1998, Richard has owned and operated several successful businesses. Currently he owns and operates a food manufacturing business, Cornucopia Fine Foods Pty Ltd and Cornucopia Mobile Delis Pty Ltd. Richard is also a board member of several private companies.

He is President of the American Chamber of Commerce in South Australia and Chair of the Helping Hand Development Appeal.

Richard is Chair of the Business and Operational Committee and Deputy Chair of the Corporate and Financial Services Committee of the Adelaide City Council.

Richard also represents the Council on the Motor Sport Board of SA and is a Board Member of the 2007 World Police and Fire Games. Richard has been appointed as a Trustee and Council representative to the Adelaide Festival Centre Trust for a term commencing on 19 October 2006 until the date of the next ACC election.

Anne Moran, Councillor

Anne has been a City Councillor since 1995 and lives in North Adelaide. She gained a Bachelor of Arts and a Diploma of Education from the University of Adelaide and taught senior English and Modern History. Since 1995 she has devoted herself full time to council duties.

Anne has chaired the Central Market Authority, has been a member of the Adelaide Aquatic Centre Authority and the State Heritage Authority, and sits on the Capital City Committee. She has been Deputy Lord Mayor and apart from the Council Committees she is also on the Board of the Adelaide Festival Centre Trust, the SA Motor Sport Board, and is a Member of the Development Assessment Panel.

Bert Taylor AM JP, Councillor

Bert has had over 23 years Local Government experience, including almost 13 years as an elected member of the City of Adelaide. He is also a Past Chairman of the District Council of Tatiara and was a member of that Council for 9.5 years.

Bert has previously served a term as Deputy Lord Mayor of the Adelaide City Council, and was formerly the Chair of the Sister City Authority, a board member of the Adelaide International Horse Trials, the Adelaide Aquatic Centre Authority and the Hutt Street Precinct Group and is a past President of the Rotary Club of Prospect. He is Deputy Chair of the Local Government Finance Authority and a past president of the Australia Malaysia Business Council of South Australia.

Bert Taylor was appointed a Member of the Order of Australia in the Queen's Birthday 1999 Honours, in recognition of his service to Local Government.

Executive Management Team

As at June 2006

Mal Hemmerling
Chief Executive Officer

Justin Lynch
General Manager
City Services

Helen Bailey
General Manager
Culture and Communication

Michael Leyland
General Manager
City Assets

Stuart Moseley
General Manager
Policy and Strategy

Michael Sedgman
Executive Manager
Corporate and Financial Performance

Performance at a Glance

Adelaide City Council achieved more than three quarters of its planned milestones for the 2005/06 financial year, encouraging population growth in the City.

2006 Population Growth Targets have been exceeded for workers and students, and the decline in the number of visitors reported last year has been halted. The total number of overnight population increased slightly from the 2004/05 financial year at a rate five times the metropolitan average.

Highlights for the year include the introduction of new development planning rules for the City and North Adelaide, the start of building work on the new bus station and 600 space car park near Central Market, the continuation of the strategic site development program and new parking initiatives, including free on-street parking on public holidays and special Christmas shopping offers.

These changes open up the potential for an additional \$6 billion worth of development in the central business areas of the City, while providing increased protection to the major residential areas of the City.

The Council spent another \$1 million protecting the heritage and character of the City as well as introducing the new North Adelaide Heritage (Conservation) Zone which provides additional protection for the character of the area.

Council projects to assist business appear to be working with the Council reaching its worker population growth target. More than 98,000 workers are now based in the City.

Joint projects with the State Government, Business SA and the Property Council have resulted in strong business confidence and an increase in business growth in the City.

The Flinders Link development, an Adelaide City Council strategic development site, will soon be completed as will the City Central Tower 1 project, adding to the very high level of commercial development that has attracted the attention of investors interstate and internationally.

Vacancy rates continue to be at historically low levels, and a joint project with the Property Council aims to address any future issues with vacant C and D Grade buildings. The aim is to put a halt to the pattern of high vacancy levels in lower grade buildings during peak development times.

The City experienced its busiest start to the year in 2006, which included the inaugural Annual International Busking Festival. The average daily visitor number to the City was 74,900 during the 2005/06 financial year.

A Place to Live

Estimated growth in the total overnight population due to residential completions is 924 in 2005/06, compared with 913 in the previous year. All of this growth was in permanent accommodation, with student accommodation comprising around half of the total increase.

The latest Estimated Resident Population provided by the Australian Bureau of Statistics is 14,725 persons as at June 2005. This represents a growth rate of 2.6% since June 2004 making Adelaide City the fastest growing local government area (LGA) in the Adelaide Statistical Division and the third fastest growing LGA in the state.

Growth in demand for conveniently located student accommodation within easy walking distance of the university campuses is currently a key driver in the residential market, with strong growth in numbers of overseas students. The University of Adelaide Student Village in Grote Street provided an additional 403 places for students during the year, while occupancy of a number of apartment developments has been underpinned by the student market. This looks set to continue over the next year or two at least, with continuing growth in Adelaide's share of international students.

Residential Growth Plan actions are continuing, with the Council's strategic development program providing the most direct means to achieve targeted residential development outcomes. Development currently in construction on the Palais site will provide further student accommodation, while the Whitmore Square, Waymouth Street and Bus Station/Balfours sites will provide major additions to supply and housing diversity over the next few years. Supporting initiatives to facilitate private development and conversions, manage noise issues in mixed use areas, improve security and to support local communities are continuing.

- Purchase of 102 – 114 Waymouth Street for strategic development including affordable housing
- Major residential development projects completed by the private sector during the year
- Over \$830k of grants allocated through the Council's Heritage Incentive Scheme
- City accommodation portal "Living On-line" was launched in September 2005 and as at the end of June 2006 over 10,000 visitors had accessed the site
- Protection for residential areas of the City through the new development plan and heritage zone
- Introduction of a residential Owner Occupier Grant

A Place to Work

The City is currently experiencing its highest level of commercial development since the late 1980s, with construction in this cycle underpinned by proven demand through pre-commitments, and demonstrating high environmental standards. The City's workforce is continuing to grow strongly, exceeding the Strategic Management Plan 2006 target of 98,000.

The major employing sectors in the City are property and business services, health and community services, Government administration and retailing.

The new Adelaide City Development Plan creates the potential for an extra \$6 billion of office floor space in the major business areas of the CBD. Over the 2005/06 financial year there have been 1050 of development approvals worth \$338M.

Over 36,000sqm of commercial floor space has been completed in 2006 with a further 60,000sqm expected to be completed in 2006-07. This amount of extra floor space can accommodate approximately 6,000 additional workers.

Retail trade generates a total output of \$594m annually, which makes up 5.1% of the total City of Adelaide output. The City is still the dominant retail location within the metropolitan area, and Rundle Mall maintains its position as the largest and most diverse retail centre in the State.

- Over 36,000 sq metres of new office space was completed during the year, including the Commonwealth Law Courts, the News Corporation building on Waymouth Street, the KPMG building at 151 Pirie Street and the Australian Central Credit Union offices on Light Square
- A further 90,000 sq metres in additional office floor space is currently in construction at Flinders Link, City Central Tower 1 and 2 and the Tram Barn site
- Over 700 businesses were assisted by Enterprise Adelaide, a joint project with the Council, State Government and Business SA and 249 new employment placements generated
- Relocation of the SA Film Corporation and Department of Transport, Energy and Infrastructure to the West End of the City announced by State Government
- SA Water committed to relocate to the City with construction of its new building adjacent to Victoria Square underway
- A joint project is being undertaken with the Property Council on the refurbishment of C and D Grade buildings in the City to address potential oversupply of this stock.

A Place to Study & Learn

Adelaide's reputation as a University City continues to attract international attention, with the State Government and Council cooperatively working through Education Adelaide.

Student numbers have shown a strong increase over the year with the count for the 2005 academic year exceeding the 2006 target at 62,978.

Growth over the year has been primarily due to the increased number of overseas full fee-paying students attracted to Adelaide, expansion of the City West campus of the University of South Australia, and continued growth at the University of Adelaide.

For the January to June 2006 period South Australia had 15,925 international students, an increase of 14.1% from the same time last year. When compared to the same period in 2002 South Australia's international students have almost doubled with 90% growth.

South Australia's share of international students in 2006 increased to 5.6% of the national total, up from 5.3% in 2005 and 4.75% in 2004.

Growth in student numbers, and particularly in overseas students, has been supported by strong growth in the supply of conveniently located student accommodation in the City.

- Growth trend in student numbers maintained with 62,978 students enrolled in institutional learning with a further 25,423 enrolled in "lifelong learning." This exceeds the 2006 SMP target
- Carnegie Mellon University began operation in the City, becoming the first overseas university to establish an Australian campus and offering US accredited qualifications
- Ongoing financial support provided for Education Adelaide to attract greater number of students to Adelaide
- Growth in international student numbers continues to increase
- Education Institution Attraction: Flinders University feasibility study completed; Excom (IT training) established in the City in April 2006 with 100 initial students; discussions held with an incoming institution re establishing in the City
- One Stop Shop project implemented to provide information, programs and referral for prospective and existing students and their families
- Number of students using the City Classroom initiative increased from 300 to 700

A Place to Visit

The City was cleaned, brightened and presented at its best for the major events season, supporting the Tour Down Under, Festival of Arts, Adelaide Fringe Festival and Clipsal 500 amongst others with the City enjoying the busiest March on record.

Rundle Mall hosted a range of activities and promotions through the year including People's Portraits, the International Busking Festival, the Easter Bilby campaign and the "More Choices" promotional campaign. The current average daily movement count in Rundle Mall is 125,000.

The most recent data shows the decrease in the average daily number of visitors coming in from metropolitan Adelaide over the past two years has levelled off and is being off-set by greater levels of 'visitor' activity generated by tourists and the growing numbers of City workers, students and residents.

- Adelaide Assist Shuttle Service in Rundle Mall was launched in December 2005 and has been used by 7,784 passengers
- A partnership between Council and the Museum was established to develop activity on North Terrace. The program commenced in December 2005 and includes weekly entertainment throughout the year
- Work has commenced on the new bus station which includes parking for more than 600 cars opposite the Central Market
- Work on Hindley Street to improve the look, feel and safety continued
- Council events for the lighting of the Christmas tree, New Years Eve and Australia Day attracted thousands of people to the City
- The first annual Adelaide International Buskers Festival well exceeded expectations with 40,000 people being entertained over the long weekend
- City Bike scheme continues to grow with 80 bikes now in circulation
- Public Art projects completed in 2005/6 include Paving Art, Migrant Family Statue, wireless Scoping Study, 14 pieces on North Terrace, Small Scale artworks and Mobile Projection Art Program
- Busking festival established and held in Rundle Mall and Rundle Street East
- The City Squares music program delivered a series of free events each with a different theme, held in the City's six squares
- Council endorsed \$412.5k of community grants to 20 organisations, with Emergency Grant payments being made to 11 organisations.

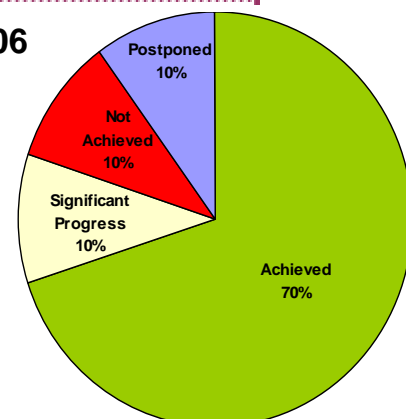
The City as a Place to Live

By 2006 Adelaide will have an overnight population of 25,000 including at least 17,000 permanent residents.

By 2010 Adelaide will have an overnight population of 34,000 including at least 26,000 permanent residents.

Resident Population – Adopted Milestones for 2005/06

Symbol	Status	Definition
☑	Achieved	Action has been completed and the outcome achieved.
×	Not achieved – Significant Progress	Outcome was not achieved due to issues beyond Council control and/or conflicting priorities, although significant progress was made.
☒	Not Achieved	Outcome was not achieved.
🕒	Postponed	Postponed following Council resolution.



Adopted Milestone	Status	
Growth trend at least maintained in resident numbers.	The ABS estimated resident population figure as at June 2005 (released on 23/02/2006) was 14,725 representing the highest annual growth rate of any metropolitan Council. Estimated growth in the total overnight population due to completions is 924 in 2005-06, compared with 913 in the previous year.	☑
Increased membership and borrowings at the Library Centres.	Membership has exceeded the target of 12,000 new members for 2005/06 and loans have increased by 6.5%.	☑
Identification and purchase of at least one property for affordable housing provision.	Settlement has been achieved with a property purchased at 102-114 Waymouth Street for the purpose of strategic development including affordable housing.	☑
Continue provision of the Adelaide Connector bus service.	The Connector Bus service is continuing with patronage currently at approximately 12,000 passengers per month.	☑
Establish a Noise Attenuation Research, Education and Awareness project.	Overseas, interstate and local post-occupancy research completed and draft noise reckoner completed and trialled. Detailed fact sheets drafted.	☑
Final development agreements executed for the redevelopment of Balfours and Bus Station sites and gazettal of PAR achieved.	Development Agreement executed by respective parties. Central West Plan Amendment Report (PAR) gazetted by Minister for Urban Development and Planning in November 2005.	☑
Support opportunities for conversion of under-used older commercial space for apartments.	Survey of shop top premises and under utilised commercial buildings undertaken. A guide to assist developers wanting to pursue a conversion will be prepared in the second half of 2006.	☑
Complete Stage 2 of the Vaughan/Palais project including 160 student beds and 152 car parks	Stage 2 substantially completed. However, compensation payment for compulsory acquisition of North/South Vaughan Place yet to be determined by Supreme Court, therefore project delayed due to Court processes beyond Council's control.	×
Establish an Affordable Housing Company as a legal entity to facilitate affordable rental housing in the City.	Council deferral of endorsement for Whitmore Square project raises the need for clarity in relation to the Affordable Housing Entity (including financial arrangements, extent of subsidy required and structure). Ongoing discussions with State Government regarding participation in potential Affordable Housing projects and entity are continuing.	☒

Adopted Milestone	Status	
Commencement of Whitmore Sq Eco Affordable Housing project providing at least 40 dwellings.	Council decision 12 December 2005 to defer the Whitmore Square Eco Housing project to enable discussions with the State Government regarding partnering arrangements. Letter to Minister for Housing and follow up discussions at officer level with regard to potential State Government involvement still being pursued.	⌚

The City as a Place to Work

By 2006 Adelaide will have a City workforce of at least 98,000.

By 2010 Adelaide will have a City workforce of at least 111,000.

Workforce Population – Adopted Milestones for 2005/06

Symbol	Status	Definition
☑	Achieved	Action has been completed and the outcome achieved.
x	Not achieved – Significant Progress	Outcome was not achieved due to issues beyond Council control and/or conflicting priorities, although significant progress was made.
☒	Not Achieved	Outcome was not achieved.
🕒	Postponed	Postponed following Council resolution.



Adopted Milestone	Status	
Growth trend at least maintained in City Workforce numbers.	The growth trend has been maintained and the 2006 target has been achieved based on estimates. The official number from the June 2005 Land Use & Employment Survey shows there were 97,858 workers in the City. Added to this is the quarterly estimated growth per the Business Segmentation Study bringing the June 2006 total to an estimated 98,937.	☑
Enterprise Adelaide to provide advice, support and development opportunities for at least 300 City businesses.	Support and assistance was provided to 700 City based businesses with 249 new workforce positions facilitated.	☑
Provide a workforce relocation and business expansion service to match the needs of businesses not currently operating in the City.	Organisations are continuing to make initial enquiries to Council on the advantages of relocating to the City. Workforce relocation numbers exceeded the target with over 550 new workers achieved.	☑
Continue the Retail Capacity Building Project to provide retailers with increased management and market skills.	Program exceeded target with training provided to 132 participants and participant evaluations have been positive.	☑
Implement a Youth Employment Program to place at least 30 young people in sustainable paid employment within the City.	Exceeded 1st year targets with 28 participant employment / training outcomes. Final report submitted to funding body. 2nd year of funding confirmed. 40 unemployed/underemployed young people participated in the Program and 30 are now engaged in employment / training pathways including 14 undertaking Council work placements to date. Program selected by State Government as a Best Practice model	☑
Develop an Investment Prospectus for the City.	The Investment Prospectus developed.	☑
Work with State Government agencies located in the suburbs to build a business case for agencies to relocate to the City as leases expire.	Significant short and longer term opportunities identified to increase Commonwealth Government employed in the City. SA Water committed to the City with construction of its new building adjacent to Victoria Square underway. An expected 250 new SA Water employees relocating to the City as part of its workforce consolidation.	☑

Adopted Milestone	Status	
Facilitate strategic site development for unutilised or underutilised sites.	Key sites and precincts identified and framework developed concerning Council's facilitation role for redevelopment within the Grenfell Street and Central West areas of the City. Consultant's study identifies capacity for 5,600 workers and 4,000 dwellings. The Capital City Committee has endorsed State Government / Council coordination to maximise benefits. (Project undertaken in conjunction with Residential Facilitation for Private Sites project).	☑
Establish an office refurbishment program to encourage the upgrade of C and D grade buildings in the City.	Program established with agreement to undertake a pilot refurbishment project on a lower grade property of 1,400 square metres.	☑

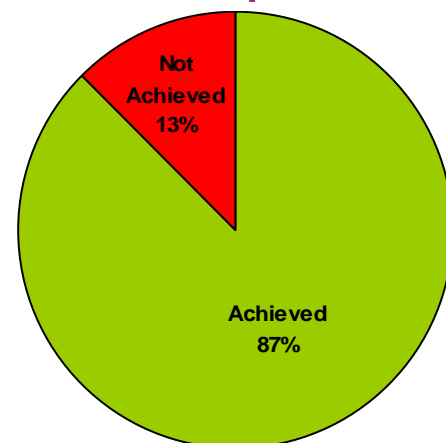
The City as a Place to Study & Learn

By 2006 Adelaide will have at least 58,000 students in institutional learning.

By 2010 Adelaide will have at least 66,000 students in institutional learning.

Student Population – Adopted Milestones for 2005/6

Symbol	Status	Definition
☑	Achieved	Action has been completed and the outcome achieved.
✘	Not achieved – Significant Progress	Outcome was not achieved due to issues beyond Council control and/or conflicting priorities, although significant progress was made.
☒	Not Achieved	Outcome was not achieved.
🕒	Postponed	Postponed following Council resolution.



Adopted Milestone	Status	
Growth trend at least maintained in City Student numbers.	Growth has been maintained. Latest information shows there are 62,978 students enrolled in institutional learning with a further 25,423 enrolled in "lifelong learning". This exceeds the 2006 SMP target.	☑
Provide ongoing financial support for Education Adelaide with growth in overseas student numbers sustained.	Education Adelaide advertising program commenced in both domestic and international markets – program has been well-received by stakeholders and significant advertising in key international markets. Growth in international students continues to increase. For the period Jan – June 2006 SA has 15,925 international students enrolled, an increase of 14.1% compared to the same time last year.	☑
Provide support to the State Government initiative to establish a campus in the City for Carnegie Mellon University.	A collaborative working party comprising representatives from the State Government, Carnegie Mellon and Council managed the start-up process. Council contributed assistance towards upgrading the Torrens Building's telecommunication requirements and facilitated the accommodation requirements of students in collaboration with a private accommodation provider.	☑
Increase the number of students visiting the City Classroom and increase visits to the Destination Adelaide website.	For the period July 2005 – June 2006 there has been a total of 54 school bookings with 700 students using the City Classroom compared to 300 students last year. A marketing plan is currently being implemented to encourage increased usage by school groups. The Destination Adelaide Web Site has attracted 4,116 visitors to the site, an increase from 4,103 visits in 2004-05.	☑
		☑
Implement three initiatives to support student growth.	Education Institution Attraction - Flinders University feasibility study completed. Excom (IT training) established in the City in April 2006 with 100 initial students. Meeting held with an incoming institution re establishing in the City and introductions made to Education Adelaide. Positive discussions held with Department of Premier and Cabinet regarding potential opportunities. One Stop Shop – This project will provide information, programs and referral for prospective and existing students and their families. A feasibility study is completed and the details are now being discussed with stakeholders. Learning Web Portal - Content completed and will be integrated into Council's website. Delays due to obtaining images and considerations regarding the corporate website redevelopment.	☑
		☑
		☒

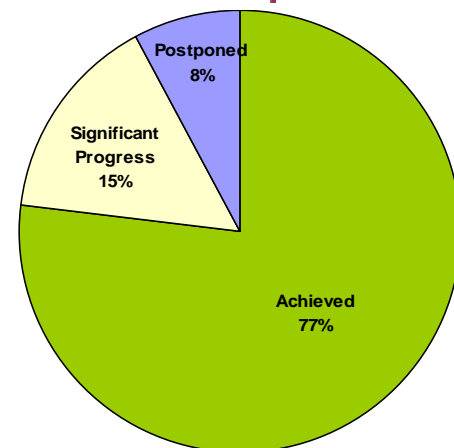
The City as a Place to Visit

By 2006 Adelaide will attract average daily visitor numbers of at least 125,000.

By 2010 Adelaide will attract average daily visitor numbers of at least 150,000.

Visitor Population – Adopted Milestones for 2005/6

Symbol	Status	Definition
☑	Achieved	Action has been completed and the outcome achieved.
✘	Not achieved – Significant Progress	Outcome was not achieved due to issues beyond Council control and/or conflicting priorities, although significant progress was made.
☒	Not Achieved	Outcome was not achieved.
🕒	Postponed	Postponed following Council resolution.



Adopted Milestone	Status	
Continue the Christmas in the City campaign.	Project completed successfully with 8,000 people attending the lighting of the Christmas Tree entertainments in Victoria Square on 3 December 2005.	☑
Provide a regular program of activities and performance on North Terrace.	In November 05 a Partnership Agreement between Council and the Museum was signed for delivery of 'North Terrace Sunday Fundays'. The Program commenced on 04/12/05. Since then weekly entertainment and activities have been delivered on the North Terrace boulevard in front of the Museum. A total of 8,200 people attended the program including the successful Kids Market.	☑
Continue the Free City Bike scheme.	A total of 2,208 bikes have been hired with 6,673 hours of cycling. 80 additional bikes are now in circulation, double the original number of bikes.	☑
Grote Street Bus Station and car park construction commenced.	Work has commenced.	☑
Establish a Busking Festival in Rundle Mall.	The Buskers Festival was successfully delivered in March in Rundle Mall and Rundle Street East. The finals were held in Rymill Park on 13 March. There were 3 busker pitches run simultaneously on all three days with capacity crowds achieved. The finals included 12 buskers with international performers from Sweden, Portugal, UK and USA. Councillor Hayward presented the Winner's cheque in front of a full house in Rymill Park. A comprehensive research report has been prepared regarding visitation, economic impact and sponsorship recognition and includes results from an Event Exit survey taken on all 3 days of the Festival. Feedback received, both internal and external, was that the Busker's Festival was an overwhelming success.	☑
Deliver a range of public art initiatives in the City.	Projects completed in 2005/06 include Paving Art, Migrant Family Statue, and Wireless Scoping Study, 14 Pieces on North Terrace, concept reports for public art lighting, Small Scale artworks and Mobile Projection Art Program.	☑
At least 30 major events and community events held in the City through the year.	2005/06 tracked above 2004/05 due to this being a major event year (i.e. Fringe and Festival of Arts). As at June 2006 there have been 35 'major' events held in Adelaide.	☑
Deliver a program of music and events in the City's six squares.	A series of three free events each with a different theme were held in a different location in the City.	☑

Adopted Milestone	Status	
The Community Development Grants Program to fund at least 30 community organisation that make a positive contribution to the community of the City.	Council endorsed \$412.5k grant payments to 20 organisations across the Community Development, Reconciliation and Strategic Partnership categories of the Grants and Sponsorship Program. Emergency Grant payments were made to 11 organisations. A total of 31 organisations have received grant allocations.	☑
Increase in volunteers in the Ask about Adelaide program.	The number of volunteers has increased to an optimum level of 250.	☑
Growth trend at least maintained in average daily visitor numbers.	As at June 2006 average daily metropolitan visitor numbers over the 12 months to June 2006 are estimated at 74,900, effectively the same level as the previous year. Visitor numbers are being impacted by metropolitan shopping and recreation trends seen during the two years since deregulation of shopping hours and increased investment in suburban shopping centres such as Harbour Town Precinct including Ikea and Mawson Lakes. However there has been growth in tourist visitors and in 'visitor' activity generated by the increasing numbers of workers, students and residents, as indicated by increased movement counts on Rundle Mall.	✘
Start Stage 2 of the North Terrace upgrade	State Government request for change to the design in relation to the slip lane, has resulted in a delay to the commencement of this project. Project commenced July 2006.	✘
Create a program of Street Markets.	On 27 March 2006 Council endorsed a project outline to implement street markets into the East End from the first week of September. Commencement date selected to maximise financial viability of markets.	🕒

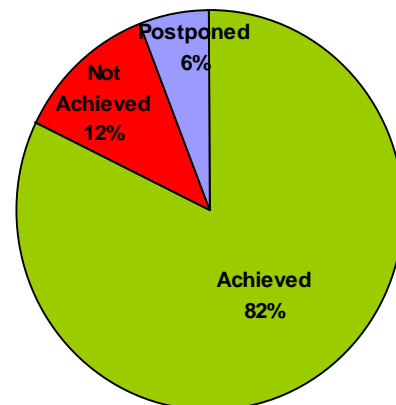
Innovation & Quality in Local Government Services

According to the Strategic Management Plan, 'Innovation and Quality in Local Government Services' is the internal focus on Adelaide City Council. The Council must ensure that it has the right


people, processes, systems and culture in place if it aims to achieve all of the goals and milestones outlined in the Strategic Management Plan.

Innovation & Quality – Adopted Milestones for 2005/06

Symbol	Status	Definition
☑	Achieved	Action has been completed and the outcome achieved.
✘	Not achieved – Significant Progress	Outcome was not achieved due to issues beyond Council control and/or conflicting priorities, although significant progress was made.
☒	Not Achieved	Outcome was not achieved.
🕒	Postponed	Postponed following Council resolution.



Adopted Milestone	Status	
South West Community Centre offers a wide range of community based programs and activities with 80 visits to the centre each month.	The Adelaide South West Community Centre (SWCC) completed its first year of operation. 3,732 visits recorded since August last year.	☑
Three joint projects/initiatives implemented with State or other local government bodies.	North Terrace Upgrade - jointly funded by State Government and Council to implement agreed master plan. 16 Oct Opening Event for '14 Pieces' artwork marked completion of Stage 1 from Kintore Ave to Pulteney St, with next stage from Pulteney St to Frome Rd scheduled over 2005-07.	☑
	Enterprise Adelaide established and continuing to provide advisory services for business development with joint Council and State funding.	☑
	Education Adelaide continuing as primary overseas marketing agency to attract students to Adelaide, with continued Council funding support and Board representation in partnership with State Government and education institutions.	☑
	Green City program of sustainability initiatives progressing through Capital City Project office with joint Council and State funding.	☑
Active involvement in LGA forums, Council of Capital City Lord Mayors (CCCLM) and joint initiatives with other councils.	Active involvement has been maintained throughout the year in the LGA forums (the Lord Mayor is currently head of the Metropolitan Mayors Forum), the Council of Capital City Lord Mayors and a range of joint initiatives with other Councils including the G6 group of Councils, and with the State government through the Capital City Committee.	☑
Overall mean customer satisfaction ratings	The final quarter results show that the target was met for	Res ☑

Adopted Milestone	Status	
of at least 6.5 out of 10 for each of the City residents, businesses, workers, students and visitors population groups.	all segments except for Businesses who were just under the target with a result of 6.3.	Wrk <input checked="" type="checkbox"/> Stu... <input checked="" type="checkbox"/> Vis <input checked="" type="checkbox"/> Bus <input checked="" type="checkbox"/>
Resident and Business satisfaction rates of at least 8.0 out of 10 regarding recent contact with Council staff.	The final quarter results show the target was met for Residents (8.0) but not for Businesses (7.0).	Res... <input checked="" type="checkbox"/> Bus <input checked="" type="checkbox"/>
Average of at least 80% of Customer Centre calls answered within 20 seconds.	Call answer rate of 81.4% compared to target of 80%. Abandonment Rate 2.25% compared to target of 3% due to lower call volumes. Average wait time 19.59 secs compared to target of 40 seconds. 85% of calls resolved at the first point of contact compared to target of 80%.	<input checked="" type="checkbox"/>
Award the Adelaide Prize to recognise a built project of excellence and innovation that enhances the public realm of the City.	The Adelaide Prize was awarded to the North Terrace Redevelopment Partnership in June 2006.	<input checked="" type="checkbox"/>
Strategic communication plans, advice and appropriate material produced which creates a high level of awareness in the community of Council's activities.	Key messages aligned with the Strategic Management Plan achieved and successful management of ongoing communication and PR activities for strategic projects.	<input checked="" type="checkbox"/>
Undertake user survey of development assessment services and implement identified opportunities	Survey completed in June 2006 with results reported to the Development Assessment Panel on 7 August 2006 as part of the DAP Annual Report. Improvement opportunities identified previously have been implemented.	<input checked="" type="checkbox"/>
Review the Development Plan (Section 30) to ensure alignment with revised State and Council Planning Strategies.	Minister's agreement received for extension until mid 2007 to complete S.30. Funds for this project have been re-allocated against the General and Park Lands PAR.	

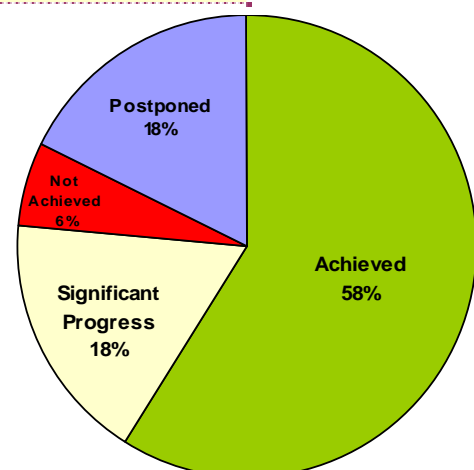
Guiding Principles

To create the conditions for sustainable activity and quality of life the Council will be guided by the principles that the City must be:

**Culturally Vibrant
Socially Just
Environmentally Sustainable
Economically Viable
Outward Looking**

Guiding Principles – Adopted Milestones for 2005/06

Symbol	Status	Definition
☑	Achieved	Action has been completed and the outcome achieved.
✕	Not achieved – Significant Progress	Outcome was not achieved due to issues beyond Council control and/or conflicting priorities, although significant progress was made.
☒	Not Achieved	Outcome was not achieved.
🕒	Postponed	Postponed following Council resolution.



Adopted Milestone	Status	
Continue to support the Capital City Committee's Green City Program.	Support has been maintained for the Green City program over the year including joint initiatives such as progressive development of the 2008 Solar Cities Congress program, support for the Solar Cities Adelaide bid and the installation of solar lights in Victoria Square	☑
Continue the Local Precinct Support Program to provide funds to each precinct group for an agreed work plan of community initiatives.	Funding Agreement and Activity Plan completed by all Precinct Groups with funding distributed in line with the operating guidelines. The Lord Mayor's Precinct forums were held in August, November, February and May with all the groups represented. Additional meetings held to discuss input and planning for the World Police and Fire Games, the Australian Tourism Exchange, and Christmas in the City program. Additional funding to continue the program approved in the 2006/07 Annual Business Plan and Budget.	☑
Develop an Older Peoples Policy and Action Plan.	Policy and Action Plan endorsed by Council 24 April 2006. The publication is available online and has been promoted on the Australian Local Government Association and South Australian Policy Online websites.	☑
Continue the management of the Bush for Life site at Tuttangga (17).	The expanded Bush For Life site continues to be managed by Trees For Life. Remnant vegetation is responding well and weeds are under control.	☑

Adopted Milestone	Status	
Establish a suite of projects aimed at encouraging the community to interact with and improve the biodiversity around their homes.	<p>Brochure pack encouraging residents to install native gardens being developed with SA Urban Forest Biodiversity program and distributed at the end of July.</p> <p>'A Frog's Life' information talk and survey night was held in October.</p> <p>The Whitmore Square local native demonstration garden expansion was planted in September.</p> <p>Proposal submitted to State Govt for native gardens brochure pack partnership. Brochures drafted and launched.</p> <p>Free native plant pack has been developed and distributed in July. Information talk on native gardens was held at the end of July.</p> <p>Proposal has been submitted to Birds Australia to include Adelaide in online survey and resources. The proposal was received favourably and awaiting formal response.</p>	☑
Continue the Water Conservation Incentive Scheme.	<p>Applications for water conservation rebates are still being received. A total of 8 rebates were processed for the period for a total of \$5,410.</p> <p>A reprint of brochures and application forms was undertaken and a further community seminar was held with the City South Association.</p>	☑
Develop and implement 2005-06 schedule of Reconciliation events.	<p>The Reconciliation Committee worked with Indigenous organisations and groups on NAIDOC Week 2005; initiatives being implemented including the Aboriginal Flag Raising Ceremony and Lord Mayor's Morning Tea and Corroboree 2005, a partnership event in Victoria Square / Tandanyangga attracting several thousand visitors to the City. The 2006 National Sorry Day event and Reconciliation Week events were also well supported by Council through the Reconciliation Grants Program.</p> <p>The Committee heard presentations from Commissioner Ted Mulligan (Child Abuse Inquiry), Adelaide Festival Centre Trust, Tandanya, Tourism SA and Council Business Units.</p> <p>The Committee had input to Council's Visitor Growth Plan, the Aboriginal Training Program and the Reconciliation Grants Program.</p> <p>Reconciliation initiatives put forward and endorsed by Council include the Doris Graham Commemorative Plaque in Elder Park and the development of interpretive information for placement against the large flag poles in Victoria Square / Tandanyangga.</p>	☑
Continue the Torrens Lake Replanting Trials.	DVD of underwater survey of trial plantings completed showing healthy plant development and indication that Carp are not problematic in reintroducing submerged aquatic vegetation to Torrens Lake.	☑
Continue the Tulya Wodli Riparian Restoration Project along the River Torrens.	<p>Approximately 45,000 local native plants (trees, shrubs, groundcovers, grasses and sedges) have been established in Stage 1 areas (including on National Tree Day at which 175 volunteers attended).</p> <p>Earthworks and erosion matting laid in stage 2 area. Planting to take place.</p> <p>Plant orders placed for 2006.</p>	☑
Growth Plans adopted by Council for all population target groups.	<p>Residential Growth Plan adopted 29 November 2004.</p> <p>Workforce Growth Plan adopted 30 May 2005.</p> <p>Student Growth Plan adopted 10 October 2005.</p> <p>Visitor Growth Plan adopted 26 June 2006.</p>	☑

Adopted Milestone	Status	
Complete Community Land Management Plans (CLMPs) for the City's Park Lands.	76% of the CLMPs have been presented to Council for final adoption or as a draft for the purpose of public consultation. Lord Mayor and Councillor feedback has been sought on 16% of the plans and the remaining plans have been delayed pending clarity on major concept planning decisions.	✘
Continue the implementation of the landscape design ensuring the redevelopment of the former RAH car park to Park Land as a high amenity park.	An agreed position was unable to be reached with key stakeholders regarding site remediation - since ratified by Council on 29 September 2006.	✘
Complete Stages 1 and 2 of the Adelaide Park Lands Trail.	Stage 1 completed. Scope of works for Stage 2 increased due to receipt of additional external funding in April 2006.	✘
Develop a management plan for the City of Adelaide Historic Layout as part of the nomination of Historic Layout and Park Lands for National Heritage Listing.	The Federal Minister has extended the period of review of the City of Adelaide Historic Layout National Heritage List nomination until March 2007. Management Plan cannot be prepared until listing finalised and guidance received on required content. Council decided to postpone as part of the March 2006 quarterly review.	🕒
Complete Heritage and Character PARs for southern Adelaide.	The commencement of the Heritage and Character PARs for southern Adelaide have been delayed pending Ministerial decision on North Adelaide objector properties.	🕒
Complete the review of the Environmental Management Plan.	On 14 March 2006 Council deferred consideration of the State of the Environment report. The Environmental Management Plan is now included in the Council endorsed 2006/07 Business Plan.	🕒
Undertake a study of the ecological footprint of the City of Adelaide.	Draft residential Ecological Footprint report received. The City worker component of the study has not been achieved and is due for completion in October 2006.	✘

Allowances

Council Member Allowances

The Lord Mayor and Councillors received the following annual allowance from the Council for performing and discharging official functions and duties.

Council Members	Allowance
Lord Mayor Michael Harbison	\$104,530
Deputy Lord Mayor <ul style="list-style-type: none">o Councillor Cris Magasdi	\$22,395
Councillors <ul style="list-style-type: none">o Councillor Bob Angoveo Councillor Judith Brineo Councillor Sue Clearihano Councillor Peter Darleyo Councillor Richard Haywardo Councillor Cris Magasdi *o Councillor Anne Morano Councillor Bert Taylor <p>*Note – A Councillor appointed to the position of Deputy Lord Mayor is entitled to the Deputy Lord Mayor Allowance only during the period of appointment</p>	\$14,930

Staff Allowances and Benefits

Adelaide City Council's senior executive officers are:

CEO

Mal Hemmerling

Managers

Justin Lynch (General Manager, City Services), Michael Leyland (General Manager, City Assets), Stuart Moseley (General Manager, Policy & Strategy), Helen Bailey (General Manager, Corporate Support), Michael Sedgman (Executive Manager, Corporate & Financial Performance), Don Donaldson (Manager, Development Planning), Carol Burkevics (Manager, Corporate Strategic Planning), Sabine Jung (Manager, Social Development), Alan Faunt (Manager, Strategic Property Projects), Kevin Lowe (Manager, Park Lands and Sustainability), David Dercho (Manager, Economic Development), David Banks (Manager, Infrastructure and Property Management), Barrie White (Manager, City Operations), Mark van der Pennen (Manager, Capital Works), Michael Lorenz (Manager, Assets), Tom McCready (Executive Manager, City Businesses), Paul Thorne (Manager, Customer Service), Mike Thomas (Manager, Regulatory Services), Megan Berghuis (Manager, Libraries and Community Services), Daryl Buckingham (Manager, Marketing Services), Michael Carey (Manager, Finance), Kate O'Neill (Manager, Corporate Governance), Trevor Stutley (Manager, Human Resources), Luu Nguyen (Manager, Information Management), Andrew Scott (Executive Manager, Strategic Delivery), Megan Grey (Manager, Lord Mayor and CEO's Office)

Remuneration packages may vary but can be summarised as:

- All packages contain the nine percent compulsory superannuation.
- All packages include the option of a motor vehicle for unrestricted private use.
- All packages include an allowance for membership fees for two relevant professional associations.
- General Managers' and some Managers' packages include the option of a bonus based on performance.
- All managers are allocated \$2,000 per annum for their professional development.

The Council offers flexibility by allowing senior officers to choose how their remuneration package is constructed within a predetermined set total.

Training and Development Activities available for members of the Council

Council members were provided with the opportunity to undertake training and development activities during 2005-2006. Most of the training opportunities were provided through the Local Government Association.

Council members also had the opportunity to attend conferences and other development opportunities subject to approval by the Council.

Report of implementation of equal employment opportunity programs and other Human Resource Management or development programs during 2005 – 2006

The Human Resources Business Unit delivered a number of employee initiatives during 2005 - 2006 including:

- Employee Assistance Program
- Continuation of Indigenous Traineeship Program

- HR Forums
- Employee Mentoring Program
- Employee Climate, Communications and Culture Survey
- Continuation of “Lead the Way” leadership development program
- Continuation of Professional Management Program in partnership with Adelaide University
- Corporate Training & Development Program
- Employee of the Year Program
- Employee of the Year Program
- Employee Induction and Bus Tour of Council Sites
- Vision and Values Initiative
- Personal Development Plan of all staff
- Implementation of Contact Officer Network

Decision Making Structure of Council

PURSUANT TO THE LOCAL GOVERNMENT ACT, 1999

Council

The Council is the main decision making body.

The Council pursuant to Section 41 of the *Local Government Act, 1999* may establish committees

- To assist the council in the performance of its functions;
- To inquire into and report to the council on matters within the ambit of the council's responsibilities;
- To provide advice to the council; and
- To exercise, perform or discharge delegated powers, functions or duties.

Council when establishing a Committee determines the reporting and other accountability requirements that are to apply to the Committee.

All meetings of the Council or a Committee are open to the public unless the meeting decided to exclude the public having given consideration and taken into account the relevant requirements of the *Local Government Act 1999*.

Documentation for each meeting [Agenda with reports/attachments and Minutes] were accessible on the website - www.adelaidecitycouncil.com.

10 hard copy Agenda [with reports/attachments] were available from the Customer Centre and the meeting rooms for Council and Committee prior to the meeting and 10 hard copy Minutes were available from the Customer Centre within 5 days of the meeting.

Key Committees

The Adelaide City Council established four Key Committees, comprised of the Lord Mayor and all [8] Councillors after reviewing its Key Committee structure in 2005 and identifying the need to realign the structure to provide a transparent link between the day to day operational arm of the Council and the decision making responsibilities of the Lord Mayor and Councillors to address the following key components:

- Set policies and strategies which relate to the business of Council;
- Identify areas of policy/strategy development and review;
- Guide Council in policy and strategy development to address identified need;
- Review actual results achieved against plans, targets and budget (financial and other key outcomes);
- Monitor compliance with laws, policies and regulations & undertake a rolling schedule of program reviews; and
- Advocate for the community on issues that may require changes to Council operational practices

On behalf of the Council, each Key Committee exercised, performed, and discharged responsibilities for the provision of services in respect to the matters identified below:

City Strategy & Policy Committee

Presiding Member: The Lord Mayor [Michael Harbison]

Deputy Presiding Member: Councillor Clearihan

Overall City strategic and policy directions and performance relating to:

- Corporate Strategic Planning;
- Social Development (including visitor growth);
- Strategic Property Projects (including resident growth);
- Environment & Sustainability;
- Economic Development (including workforce and student growth); and
- Development Planning (transport planning, heritage management, planning policy and urban design policy).

Capital Works, Assets & Projects Committee

Presiding Member: Councillor Moran

Deputy Presiding Member: Councillor Darley

Overall Capital, Assets and Projects strategy and policy direction, initiatives and performance relating to:

- Asset Management, including Central Markets and Property;
- City Operations;
- Capital Works; and
- Wingfield Waste Management.

City & Community Services Committee

Presiding Member: Councillor Hayward

Deputy Presiding Member: Councillor Darley

Overall City and Community Services strategy and policy direction, initiatives and performance relating to:

- City Services, including U-Park, Adelaide Town Hall, Adelaide Golf Links and Adelaide Aquatic Centre;
- Customer Service;
- Regulatory Services; and
- Library & Community Centres.

Corporate & Financial Services Committee

Presiding Member: Councillor Clearihan

Deputy Presiding Member: Councillor Hayward

Overall Corporate and Finance strategy and policy direction, initiatives and performance relating to:

- Marketing Services;
- Finance;
- Human Resources;
- Corporate Governance; and
- Information Management.

The Agenda for each Key Committees was structured to focus the deliberation of items under headings aligned with the role of the Lord Mayor and Councillors, including strategy / policy, performance monitoring, and the operational aspect of the Council.

Meetings of the Council and each Key Committee operated in accordance with the provisions of the *Local Government Act 1999* and the provisions of Part 2 – Meetings of Councils and Key Committees contained in the *Local Government (Procedures at Meetings) Regulations 2000*.

With the exception of those matters that Council may not delegate (Division 4 – Delegations – Section 44 (3) of the *Local Government Act 1999*) the Key Committee described here-in were delegated such of the powers, functions or duties of the Council under the *Local Government Act, 1999*, the *City of Adelaide Act, 1998* or any other Act to enable it to perform and discharge its responsibilities.

Other Committees

Adelaide City Council Reconciliation Committee

Co-Chairs – Syd Sparrow & Councillor Judith Brine

Deputy Co-Chairs - Ivan Copley [for Co-Chair Syd Sparrow] & Brian Varcoe [for Co-Chair Judith Brine]

Membership of 19 - 17 individuals representing Aboriginal and Torres Strait Islander communities & 2 Councillors

Responsibility:

To address reconciliation in a meaningful way with Aboriginal communities, raise awareness of the process, provide strategic advice to Council and make recommendations to the Council.

The Reconciliation Committee operated in accordance with the provisions of the *Local Government Act 1999* and the provisions of Part 3 – Meetings of Councils and Key Committees contained in the *Local Government (Procedures at Meetings) Regulations 2000*.

Adelaide Park Lands Committee

Presiding Member: Councillor Clearihan

Deputy Presiding Member: Councillor Moran

The Adelaide Park Lands Committee, comprised the Lord Mayor and all [8] Councillors and was delegated the responsibility to make recommendations to the Council to protect and enhance the Adelaide City Park Lands.

The Adelaide Park Lands Committee operated in accordance with the provisions of the *Local Government Act 1999* and the provisions of Part 2 – Meetings of Councils and Key Committees contained in the *Local Government (Procedures at Meetings) Regulations 2000*.

Audit Committee

Presiding Member: Mr Allen Bolaffi

Deputy Presiding Member: Councillor Magasdi

The Audit Committee, comprised the Lord Mayor (*ex officio*), 1 Councillor and 2 independent representatives.

Responsibility:

Assist the Corporate & Financial Services Committee in the effective conduct of its responsibilities for financial reporting, management of risk, maintaining a reliable system of internal control and facilitating the organisations ethical development.

The Audit Committee conducted business in accordance with Parts 1, 3 and 4 of the Local Government (Procedures at Meetings) Regulations 2000.

Adelaide Central Market Sub-Committee

Presiding Member: Councillor Moran

Deputy Presiding Member: Councillor Clearihan

The Sub-Committee comprised the Lord Mayor (*ex officio*), three (3) Councillors, the General Manager City Assets, and the Manager Infrastructure & Property Management (renamed from Manager Asset Management)

Responsibility:

To assist the Capital Works, Assets & Projects Committee through the provision of advice and recommendations on planning, strategy, policies and monitoring processes in relation to the Adelaide Central Market.

PURSUANT TO THE DEVELOPMENT ACT 1993

Relevant Authority

To facilitate the expeditious assessment of applications made to the council, Council has established the **City of Adelaide Development Assessment Panel** as the relevant authority to exercise or perform its powers and functions in accordance with the *Development Act 1993*.

The *Local Government Act 1999* does not apply to, or in relation to, the Development Assessment Panel (including with respect to its members when acting under Section 56A or its processes or procedures).

The Panel has Terms of Reference, Code of Practice, Instrument of Delegation and a Policy for Applying Delegations which was determined by the Council and is reviewed annually by the Council.

All meetings of the Panel are open to the public unless the meeting decided to exclude the public having taken into account the relevant requirements of *the Development Act 1993*.

Documentation for each meeting [Agenda with reports/attachments and Minutes] were accessible on the website - www.adelaidecitycouncil.com 10 hard copy Agenda [with reports/attachments] were available from the Customer Centre and the meeting room for the Panel prior to the meeting and 10 hard copy Minutes were available from the Customer Centre within 5 days of the meeting.

The Panel's Annual Report was adopted by Council on 11 September 2006.

Composition - 9 Adelaide City Council Members; 1 person with experience and expertise in architecture and/or urban design; 1 person with experience and expertise in environmental and/or heritage management; 1 person with experience and expertise in property management and/or development.

Presiding Member: Councillor Moran (1 June 2006 to 30 November 2006)

Deputy Presiding Member: Mr Cheesman (1 June 2006 to 30 November 2006)

Acting Presiding Member: Councillor Moran (mid April 2006 up to 1 June 2006)

Deputy Presiding Member: Councillor Anne Moran (up to 1 June 2006)

Independent Members:

Lasse Kaukomaa (architecture and/or urban design) (1 December 2005 to 30 November 2006)

Rob Cheesman (environmental and/or heritage management) (1 December 2005 to 30 November 2006 & 1 December 2004 to 30 November 2005)

Brenton Burman (property management and/or development)(1 June 2006 to 30 November 2006)

Andrew Atkinson (property management and/or development) & Presiding Member to mid April 2006

Paul Downton (environmental and/or heritage management) to 30 November 2005

Ordinary Meetings of the Council, Committees & Development Assessment Panel

Council, 4 Key Committees & the Development Assessment Panel met within a fortnightly cycle on a Monday starting at 5.30pm. The Panel met in the alternate week to Council and the Key Committees.

Other Committee established by the Council met as and when required.

The Agenda [Reports with Attachments] for scheduled meetings were posted to the website www.adelaidecitycouncil.com on the Wednesday or Thursday prior to the scheduled Monday meeting.

Minutes of the scheduled meetings were posted to the website on the Friday of Monday meeting week.

Public Forum – each ordinary meeting of the Council provided the opportunity for the Lord Mayor and Councillors to hear members of the public in a formal setting, in relation to issues in which the Council has a direct interest or responsibility. Guidelines & Registration Form for the Public Forum were available on the website.

10 hard copy Agenda, [Reports with Attachments] were available at the Customer Centre and in the meeting room free of charge. Minutes of meetings were also available in hard copy at the Customer Centre free of charge.

Documentation for special meetings of the Council, a Committee or Panel were posted to the website & made available at the Customer Centre in accordance with the Local Government Act 1999, the Terms of Reference & Code of Practice for the Panel or the determination of the Committee. Minutes for all Special meetings were made available within 5 days of the meeting.

Ordinary meetings of the Council were held in the Council Chamber, Town Hall, Adelaide. Special meetings of the Council were held in the Council Chamber or Colonel Light Room, Town Hall. All meetings of Committee and the Panel were held in the Colonel Light Room, Town Hall, Adelaide.

Confidentiality Provisions

PURSUANT TO THE *LOCAL GOVERNMENT ACT, 1999*

The Adelaide City Council is fully committed to the principle of open and accountable government. A commitment which recognises that on some occasions it may be necessary to restrict public access to discussion or documents. Due diligence and professional consideration is applied to ensure that this principle is complied with.

In accordance with Section 90(1) of the *Local Government Act, 1999* all meetings held of Council and its Committees were conducted in a place open to the public.

Section 90(2) of the *Local Government Act, 1999* enabled a meeting of the Council or a Committee to determine an order that the public be excluded from attendance at so much of a meeting as is necessary to receive, discuss or consider in confidence any information or matter as prescribed in Section 90(3) of the Act.

On every occasion that the provision to exclude within Section 90(2) of the *Local Government Act, 1999* was exercised the Minutes of every meeting included the proceedings making an order and the grounds on which the order was made in accordance with Section 90(7) of the Act.

The Adelaide City Council found that possible embarrassment or loss of confidence in the Council or a Committee as irrelevant when considering whether or not to exclude the public from a meeting.

Section 91(7) of the Act enabled a Council or Committee to make a confidentiality order and also instruct on requirements [duration of order, review date and delegation to review/ revoke] as identified in Section 91(9) of the Act.

The majority of reports that Adelaide City Council considered in confidence were business matters where the Council competes in the private marketplace, including strategic property matters. Adelaide City Council is considerably more active in the commercial business environment, compared to other local councils.

Use of Confidentiality Provisions – Local Government Act 1999

When determining whether to order that the public be excluded from attendance at a meeting the Council or the Committee considered whether it was necessary and appropriate to act in a meeting closed to the public in order to receive, discuss or consider a matter in confidence.

When a matter was listed with a request for consideration in confidence on the grounds listed in Section 90(3) (b), (d) & (j) of the Act, the meeting of the Council or the Committee also determined whether the consideration of the matter in a meeting open to the public would, on balance, be contrary to the public interest.

Section 90 (3) of the Act, lists the following information and matters that may be received, discussed or considered in confidence –

- (a) information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead);
- (b) information the disclosure of which—
 - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
 - (ii) would, on balance, be contrary to the public interest;
- (c) information the disclosure of which would reveal a trade secret;

- (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which—
 - (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
 - (ii) would, on balance, be contrary to the public interest;
- (e) matters affecting the security of the council, members or employees of the council, or council property, or the safety of any person;
- (f) information the disclosure of which could reasonably be expected to prejudice the maintenance of law, including by affecting (or potentially affecting) the prevention, detection or investigation of a criminal offence, or the right to a fair trial;
- (g) matters that must be considered in confidence in order to ensure that the council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty;
- (h) legal advice;
- (i) information relating to actual litigation, or litigation that the council or council committee believes on reasonable grounds will take place, involving the council or an employee of the council;
- (j) information the disclosure of which—
 - (i) would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the council, or a person
 - (ii) would, on balance, be contrary to the public interest;
- (k) tenders for the supply of goods, the provision of services or the carrying out of works;
- (m) information relating to a proposed amendment to a Development Plan under the Development Act 1993 before a Plan Amendment Report relating to the amendment is released for public consultation under that Act;
- (n) information relevant to the review of a determination of a council under the Freedom of Information Act 1991.

On 59 occasions in this period an order that the public be excluded from attendance at a meeting was implemented to receive, consider or determine a matter in confidence after identifying the relevant provision within the *Local Government Act 1999*.

1 matter was listed on an Agenda for a meeting for consideration in confidence which was presented to the meeting in public.

1 matter considered in confidence without identifying a relevant provision within the *Local Government Act 1999* became public immediately and was included in the Minutes of the relevant meeting in its entirety.

1 matter considered in confidence resulted in 2 confidentiality orders.

The 59 matters received and considered in confidence have a confidentiality order placed on all or part of the matter.

Part of the proceedings in relation to 6 of the 59 matters the subject to confidentiality orders became public immediately and were included in the Minutes of the relevant meeting.

The Minutes for all meetings of the Council or a Council Committee included a confidentiality order made by a meeting in accordance with S91(9) of the Act.

The table below indicates the number of times and the provision within S90(3) of the *Local Government Act 1999* identified as the relevant grounds on which to exclude the public to receive, discuss or consider in confidence a matter.

Local Government Act 1999	[59]
Section 90 (3) - information and matters were utilised to receive, discuss or consider in confidence	
(a)	6
(b)	7
(c)	-
(d)	-
(b) & (d)	37
(e)	-
(f)	-
(g)	-
(h)	-
(i)	3
(j)	1
(k)	-
	-
(m)	-
(n)	-
(k), (b) & (d)	1
(e) & (j)	1
(a) & (h)	3

The table below indicates the number of times and the relevant meeting which utilised S90(2) of the *Local Government Act 1999* to order that the public be excluded from attendance at so much of a meeting as necessary to receive, discuss or consider a matter in confidence.

S90(2) – Local Government Act 1999	Utilised [59]
Council	22
City Strategy & Policy Committee	8
Capital Works, Assets & Projects Committee	6
City & Community Services Committee	13
Corporate & Financial Services Committee	3
Adelaide Central Market Sub-Committee	2
Audit Committee	5

The table below indicates the number of times the relevant meeting utilised S91(7) of the *Local Government Act 1999* to make a confidentiality order and also instruct on requirements [duration of order, review date and delegation to review/revoke] as identified in Section 91(9) of the Act.

Confidentiality Orders Made	[59]
Council	21
City Strategy & Policy Committee	8
Capital Works, Assets & Projects Committee	6
City & Community Services Committee	13
Corporate & Financial Services Committee	3
Adelaide Central Market Sub-Committee	2
Audit Committee	6

The table below indicates the number of times the relevant meeting in utilising S91(7) of the *Local Government Act 1999* to make a confidentiality order also instructed that part of the proceedings the subject of a confidentiality order become public immediately and included in the Minutes of the relevant meeting.

No. of times part of proceedings became public and included in the Minutes of the meeting	[6]
Council	4
City & Community Services Strategy Committee	2

Confidentiality Provisions

PURSUANT TO THE *DEVELOPMENT ACT 1993*

Use of Confidentiality Provisions – Development Act 1993

The *Local Government Act 1999* does not apply to, or in relation to, the Development Assessment Panel (including with respect to its members when acting under Section 56A or its processes or procedures).

Section 56A(12) of the *Development Assessment Act 1993* contains the provision enabling the Development Assessment Panel to exclude the public from attendance at a meeting for specified information or matters and retain confidentiality.

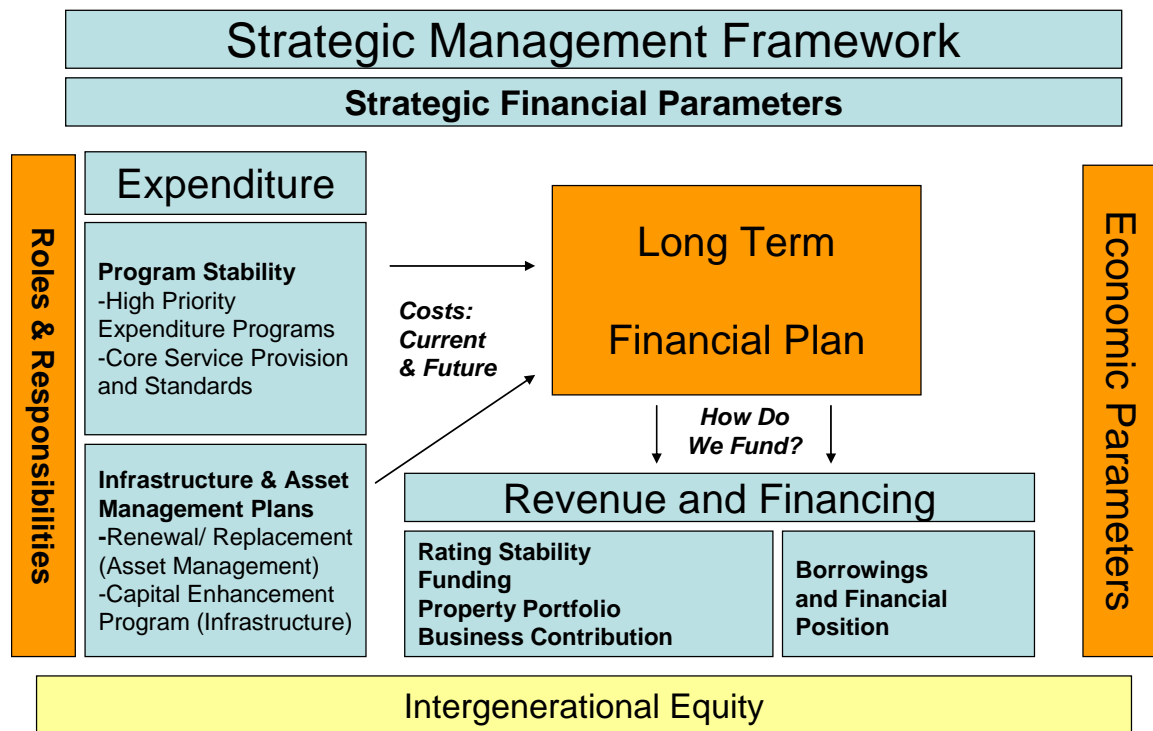
Section 56A (16)(b) contains the provision enabling a development assessment panel to, before it releases a copy of any minutes, exclude from the minutes information about any matter dealt with on a confidential basis by the panel.

Section 56A(12) of the Development Act 1993 identifies that a development assessment panel may exclude the public from attendance during so much of a meeting as is necessary to receive, discuss or consider on a confidential basis any of the information or matters listed in the table below:

56A(12)(a)(i)	information that would, if disclosed, confer a commercial advantage on a person with whom a council is conducting (or proposes to conduct) business, or prejudice the commercial position of a council;
56A(12)(a)(ii)	commercial information of a confidential nature that would, if disclosed— (A) prejudice the commercial position of the person who supplied it; or (B) confer a commercial advantage on a third party; or (C) reveal a trade secret;
56A(12)(a)(iii)	matters affecting the security of any person or property;
56A(12)(a)(iv)	matters that must be considered in confidence in order to ensure that the panel does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty;
56A(12)(a)(v)	legal advice, or advice from a person who is providing specialist professional advice;
56A(12)(a)(vi)	information provided by a public official or authority (not being an employee of a council, or a person engaged by a council) with a request or direction by that public official or authority that it be treated as confidential;

On one occasion in this period the Development Assessment Panel excluded the public from attendance at a meeting for specified information or matters, namely that contained within 56A(12)(a)(v) of the Development Act 1993. The Panel excluded from the minutes information about this matter which was dealt with on a confidential basis by the Panel.

Relationship between Corporate Plan, Rating Policy, General Revenue Raising Policies and Expenditure Policies



The Strategic Management Plan (Corporate Plan) sets out the long term vision for the future of the City and the way in which Council shall work towards this vision over the next few years. The Strategic Management Framework consists of various strategies, growth plans and policies which work together to achieve the outcomes of the Plan.

As part of this framework, the Council's determination of their roles and responsibilities in terms of individual growth plans and other expenditure policies and their agreed targets will impact on the total amount of expenditure required to meet those targets. This will set the overall amount that will be required from Revenue Raising and Funding Policies to fund the agreed expenditure policies. An important element of this will be the Rating Policy. In addition, borrowings in line with the Treasury Policy will also be used as a funding source to address funding and intergenerational issues.

The Long Term Financial Plan summarises the financial impacts of the goals and objectives of the Strategic Management Plan and determines the sustainability of these plans. The population growth targets contained in the current Strategic Management Plan are challenging, requiring a more interventionist role and a corresponding increase in financial commitment to deliver the required outcomes. This has and will continue to put pressure on rating, borrowings and other revenue sources over the coming years. In addition, Council has developed Strategic Financial Parameters to provide a more robust medium term financial framework in line with recommendations from the recent independent Financial Sustainability Review of SA Councils initiated by the LGA.

Freedom of Information

There were 26 requests for information from July 2005 to 30 June 2006 made under the Freedom of Information Act.

In summary:

Number of Applications:	26
Access granted in full:	13
Access granted in part:	7
Access refused:	5
Transferred:	1

Freedom of Information Statement

Public Participation

Adelaide City Council provides a variety of ways for the community to participate in decisions made by Council.

Council Meetings

A Public Forum provides an opportunity for the Lord Mayor and Councillors of the Adelaide City Council to hear members of the public in a formal setting, in relation to issues in which the Council has a direct interest or responsibility. An application form to participate in the Public Forum is available from the Adelaide City Council website. Members of the public can contact the Elected Members of Council to discuss any issue relevant to Council.

Written requests for information can be made by members of the public to Council regarding any Council policy, service or activity.

Community Consultation

Adelaide City Council is committed to open, responsive and accountable government; being sensitive to the needs, interests and aspirations of individuals and groups within the community; and seeking to ensure a proper balance within the community between economic, social, environmental and cultural considerations.

Council's Public Communication and Consultation Policy ensures Council's responsibilities to effectively communicate and consult with stakeholders are fulfilled. This policy is available on the Adelaide City Council website.

Access to Council Documents

Council documents (Policies & Strategies / Brochures) are available for public inspection at the Adelaide City Council Customer Centre:

- In person: 25 Pirie Street Adelaide,
- Telephone: 08 8203 7203
- Fax: 08 8203 7575
- Email: city@adelaidecitycouncil.com
- Internet: www.adelaidecitycouncil.com.
- Mail: GPO Box 2252
Adelaide SA 5001

Documents Required by Legislation

Adelaide City Council is required to make the following documents available to the public under various Acts. These are all available through the Customer Centre and most are free to inspect but to obtain an extract, payment of a fee will be required.

Document	Details
Annual Budget	Customer Centre & Website
Annual Report	Customer Centre & Website
Assessment Record	View at Customer Centre – copies on payment of fee
Audited Financial Statements	Contained within Annual Report
Code of Conduct (Elected Members)	View at Customer Centre* & Website
Code of Practice – Access to Meetings & Documents	In draft – not available
Community Land Management Plans	Currently out for public consultation
Contract & Tender Policies	Website
Council / Committee Agenda	Customer Centre & Website
Council / Committee Minutes	Customer Centre & Website
Delegated Authorities	Via request to Senior Risk Analyst
Freedom of Information Statement	Customer Centre* & Website
List of Fees and Charges	Customer Centre* & Website
Notice and Agenda for Meetings	Customer Centre & Website
Order Making Policy	Website
Public Consultation Policy	Website
Rating Policy	Customer Centre & Website
Recommendations adopted by Council	Customer Centre & Website (recorded in minutes)
Reimbursement of Members' Expenses Policy	Website
Register of Allowances & Benefits	Customer Centre*
Register of By-Laws and Certified Copies	Customer Centre – Certified copies on payment of fee & Website
Register of Community Land	In draft – not available
Register of Expenditure & Campaign Donations	Customer Centre*
Register of Interests (Elected	Customer Centre*

Document	Details
Members)	
Register of Public Roads	Customer Centre* – extracts available on request
Salaries Register	Customer Centre – copies on payment of fee \$40.00 (CPI applied)
Strategic Management Plan	
*Copies subject to photocopying fee	

Other Information Requests

Requests for other information not included in 5.1, 5.2 and 5.3 above will be considered in accordance with the Freedom of Information Act, 1991.

Freedom of Information applications should be submitted using the correct form and be as specific as possible to enable the correct documents to be identified. An application fee of \$24.70 must accompany the application. Application forms are available from the Customer Centre or on the website www.adelaidecitycouncil.com under Publications & Forms. Applications under this legislation will be dealt with as soon as practicable (and in any case, within 30 days) after receipt.

Fees and charges will be waived for persons demonstrating financial hardship.

Freedom of Information requests should be addressed to:

Freedom of Information Officer

Adelaide City Council

GPO Box 2252

ADELAIDE SA 5001

Amendment to Council Records

Under the Freedom of Information Act, a person may 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 person must complete and lodge with Council an application form as indicated above outlining the records that he/she wishes to inspect.

Where the documents require amending, details of the changes should be lodged with Council's Freedom of Information Officer.

There are no fees or charges for the lodgement or processing of this application and where significant correction of personal records is required and the mistakes were not the applicant's, all fees and charges paid for the original application will be fully refunded.

List of Registers

List of registers required to be kept under the Local Government Act 1999 [LGA 99], Local Government Elections Act [LGEA 99] and the City of Adelaide Act, 1998 [CoA 98].

- Members Register of Interests [CoA 98]
- Members Register of Allowances and Benefits [LGA 99]
- Officers Register of Remuneration, Salaries and Benefits (*Register of Salaries*) [LGA 99]
- Officers Register of Interests [LGA 99]
- Campaign Donations Returns [LGEA 99]
- Community Land [LGA 99]
- Register of Public Roads [LGA 99]
- By-Laws and Certified Copies [LGA 99]

LIST OF CODES OF CONDUCT OR PRACTICE

List of Codes of Conduct or Practice required to be kept under the Local Government Act 1999, Local Government Elections Act and City of Adelaide Act, 1998.

- Code of Conduct: Lord Mayor and Councillors [CofA98]
- Code of Practice for Access to Meetings & Documents [LGA 99]
- Code of Practice for the Conduct of Council/Committee meetings when the Local Government (Procedures at Meetings) Regulations 2000 are varied [LGA 99]
- Employee Code of Conduct [LGA 99]

List of Current Strategies, Growth Plans, Action Plans and Policies

Access Adelaide - Disability Access Plan 2006 - 2010

The Access Adelaide Action Plan is the result of Council's efforts to foster a socially just city and address the needs of people with disabilities. The Action Plan seeks to remove barriers, improve accessibility and enrich equity in the community, ensuring that the City is open to everyone.

Adelaide Rental Housing Program Policy

This policy sets criteria for the leasing and management of dwellings owned by the Council under the Adelaide Rental Housing Program with the aim of developing a growing stock of affordable rental housing in the City to accommodate young people under the age of 30 years on low and moderate incomes.

Ageing Well in Adelaide (Older Persons Policy and Action Plan)

This policy and accompanying action plan outline the ways in which Council plans to prepare for the challenges and opportunities of ageing resident, visitor, worker and life-long learning populations.

Applications of Delegations

Provides the framework in which Council staff can exercise their delegated powers and functions in accordance with the directives from Council, the instruments of delegation and prescribed legislative requirements.

Building Inspection Policy

The objectives of this policy are to ensure buildings constructed comply with the Development Approval and associated conditions, ensure that existing buildings are safe to occupy and to ensure that all buildings are appropriate for their approved use.

Built Heritage Management

Council considers that the preservation, enhancement and management of heritage places has economic, social, environmental and cultural benefits for the communities that live in and visit the City.

Busking Operating Guidelines

These guidelines provide direction for the issuing of permits and conditions relating to activities of a busking nature.

Cabling and Communications

Describes the provision and recording of cabling technology throughout the City of Adelaide.

Central Market Tenancy

This document establishes principles against which proposals to change the existing use of Central Market stalls and shops should be considered prior to approval.

Children's Playspaces

The playgrounds in the Adelaide Park Lands are significant recreation facilities provided by Council and play an important role in attracting people to the City to spend their leisure time.

City Arts and Living Culture Strategy 2003-2007

The City Arts Strategy represents a strategic investment by the City of Adelaide in planning and improved coordination of those functional areas of the Corporation with overlapping responsibilities for various aspects of City arts.

City Works Guidelines

Requirements for safely carrying out activities in the public realm (City streets, Park Lands and footpaths). The aim of this booklet is to minimise the impact to the local environment from these activities and to provide consistent requirements for all contractors, developers and builders, especially with respect to safety when undertaking work in the public realm.

Code of Conduct - Lord Mayor and Councillors

Adelaide City Council is committed to providing an open, responsive and accountable government. This document outlines the Code of Conduct for the Members of the Adelaide City Council.

Community Safety Strategy 2003 - 2007

Adelaide City Council's Community Safety Strategy is a new crime prevention and community safety program for the City of Adelaide. It builds on the work of the previous Adelaide Local Crime Prevention Committee Program and encompasses the ideals of a Safe Community under the World Health Organisation – a place that is free of risk or injury and promotes safety.

Companion Animal Policy and Operating Guideline

This Policy seeks to manage the presence of companion animals in the City. The Operating Guidelines provide general comments on dealing with all companion animals but specifically dog management.

Contaminated Land Management Strategy

Establishes processes for management of risks arising from land contamination. Subject to review following legislative changes expected late 2006.

Council Policy Framework

Policy to establish a "Council Policy Framework" providing a structure for future review and development of policy documents.

Credit Policy

This Policy sets out the Corporation's principles in relation to the provision of credit and the management of related debt.

Crime Prevention Through Environmental Design Policy

This policy seeks to ensure the most effective application of design principles and guidelines, which aim to reduce the potential for crime in the City by specifying the circumstances in which the established principles of Crime Prevention through Environmental Design (CPTED) should be applied.

Declaration of the City of Adelaide as a Nuclear Free Zone

A Nuclear Free Zone is a place which has been declared "off limits" to the nuclear arms race and all stages of the nuclear fuel cycle.

Dilapidated Buildings and Vacant Allotments

This policy objective is to minimise the number of dilapidated buildings and vacant allotments to maintain a high quality of visual amenity and optimise development and occupancy of land in the City.

Elected Member Expenses, Facilities & Support

The policy identifies expenses that will be paid, and facilities and support that will be provided, to the Lord Mayor and Councillors in relation to the performance or discharge of their official functions and duties on the business of the Council.

Elected Members' Private Use of Council Facilities and Services

This Policy sets out the relevant provisions of the Act and the requirements to be observed by Members for the private use of Council facilities and services.

Election Signs

Policy for control of signs for Federal, State and Local Government elections, referenda and polls.

Environmental Management Plan

The Adelaide City Council's Environmental Management Plan – Local Agenda 21 forms the basis of the City's Environment Policy with a clear vision focussed on the protection and enhancement of the environment.

Environmental Policy

The Adelaide City Council recognises that it has a major role in protecting the Environment.

Flags & Banners Policy

This policy provides the basis for flying flags and banners in several designated locations, as well as underpinning operational guidelines for policy implementation.

Graffiti and Bill Poster Management

This policy seeks to enhance the City's environment by controlling and minimising the impact of graffiti and bill posters.

Integrated Movement Strategy

The City of Adelaide Movement Strategy brings together the various Council and State Government strategies and initiatives to maintain our advantages and further enhance the movement system.

International Relations Policy

This policy outlines ways in which Adelaide can become a global competitor.

Investment Policy

The Investment Policy forms part of an overall Corporate Treasury Policy, encompassing investments, loans, cash management and associated reporting.

Lighting Policy

Establishes a cohesive framework within which the installation of new lighting, and upgrade or replacement of existing elements of the City's lighting infrastructure, will most effectively enhance the City's quality, consistency and efficiency of night lighting in public places as well as visual appeal, safety and utility.

Litter Management Policy

Ensures adequate provision of facilities for the collection of litter and encouragement for people to discard litter in a controlled manner.

Local Area Parking Action Plan - City South East

This Action Plan will manage existing parking and planning for additional parking needs of the City South East using on-street kerbside space and off-street parking facilities.

Objects on Public Footpaths Policy and Operating Guidelines

This Policy and the accompanying Operating Guidelines, provide criteria for the commercial use of public footpaths to ensure that such use does not impinge on public safety or amenity.

On Street Parking

To optimise the use of on-street space available for parking in a manner that best meets local needs and complements the role of available off-street parking.

Order Making Policy

The Council is committed to using the order making powers available to it under the Local Government Act 1999 in such a way as to facilitate a safe and healthy environment and to maintain and improve amenities within the City.

Outdoor Dining Policy

To facilitate outdoor dining, Council has a process of issuing permits to cafes, restaurants and delicatessens for the use of part of the footpath space in front of their premises. The policy also considers other competing uses of City footpaths and establishes a practical balance among the various user groups.

Park Lands Management Strategy

Sets a clear direction of the community, cultural and recreational use of the Park Lands and Squares and their environmental management.

Park Lands Olive Management Plan

Plan for efficient and effective management of Park Lands Olive trees to improve their health and fruit set.

Park Lands Signage Plan

The Signage Plan deals with the placement and design of naming, interpretative, information & regulatory signs controlled by Council throughout the Park Lands.

Placement of Small Memorials in Park Lands and Squares

These guidelines provide Council with a consistent approach to requests for the placement of small memorials in the Park Lands and Squares of the City of Adelaide that commemorate an event or person(s).

Precinct Licensing Statements

A series of agreements of the Council position regarding licensing conditions to be sought.

Public Communication & Consultation Policy

Ensures that the Council's responsibilities to effectively communicate and consult with stakeholders are fulfilled.

Public Art Policy - "Watch This Place 2006-2008"

The Public Art Policy overview formalises the Council's approach to commissioning, managing and promoting Public Art.

Public Conveniences

This policy is intended to cover the provision of all public conveniences in the City in which the Council has some level of involvement.

Purchasing Policy

Sets out the Council's principles in relation to all activities associated with the purchasing and payment for goods and services.

Rating Policy

The Council is required to publish its rating policy each year.

Recreation and Sport Plan - Light'n Up in Adelaide

Sets the direction for the future of recreation and sport provision in the City.

Recreation and Sport Park Lands Facilities

Policy providing for the development of recreational and sporting opportunities in the Park Lands.

Residential Growth Plan

This document elaborates the approach outlined in the Strategic Management Plan, and sets out actions by which Council intends to pursue its residential growth objectives for the City.

Retail Action Plan 2003

This Action Plan includes short term and long term projects developed to help the retail sector build on strengths that ensure the most attractive retail "offer" possible.

Road Naming

The purpose of this Policy is to provide a framework for selecting and adopting new and replacement names for roads.

Sale and Disposal of Land and Other Assets Policy

Ensures that Adelaide City Council's processes for calling of tenders for the sale and disposal of land and other assets are fair and transparent and define those circumstances with reasons for sale and disposal methods other than by tender.

Sponsorship and Grants Scheme

This Policy provides Adelaide City Council with strategic direction and guidance on an overarching sponsorship and grants scheme that offers support for services, events and activities to develop and sustain a healthy and vibrant Capital City.

Social Development Strategy

Contributing to the City's future and population growth, this Strategy answers key questions:

1. What kind of communities do we want?
2. Who will come to the City and what will they need?
3. How can different groups use the City in a harmonious way?

Street Tree Planting

This policy covers the provision of street trees in the City including the Squares.

Strategic Management Plan - 2004-2007

Sets out the Council's long term goals for the City and the key actions by which it means to work towards them over the plan period.

Student Growth Plan

Growing numbers of students will contribute greatly to the vibrancy of Adelaide as a place of interaction and ideas. Location of institutions in the City maximises accessibility for students, minimising the need for travel by car and helping achieve a more sustainable metropolitan form.

Sustainable Energy and Greenhouse Action Plan

This plan outlines the prospects for sustainable energy and reduction of greenhouse gases.

Treasury Policy

Underpins the Council's decision making in the funding of Council's operations in relation to cash flow, budgeting, borrowings and investments.

Use of Council's Civic Rooms

Outlines the requirements for use of Council's Civic Rooms.

Visitor Growth Plan

Together with the Growth Plans for Residential, Workforce and Student populations and other supporting strategies reinforcing guiding economic, environmental, social and cultural principles, the Visitor Growth Plan sets out the means by which Council intends to pursue its vision for the City.

Volunteer Policy & Guidelines

Establishes the position of the Adelaide City Council regarding the contribution of volunteers to Council programs and services, and sets out the respective responsibilities of the Council and Volunteers.

Workforce Growth Plan

Outlines the strategies and actions for Council to achieve its target of 111,000 workers in the City by 2010.

Youth Policy - 'The Time Of Your Life'

The Council's Youth Policy and Action Plan.

Competitive Tendering and Local Purchasing

The Council has a Purchasing Policy, which covers all activities associated with the purchasing of all goods, services and works by the Council; a Code of Tendering (part of the Purchasing Policy), which sets out the conditions which apply to all public and selected tenders; and a Competitive Tendering Policy, which more specifically applies when works or services currently performed by the Council employees are publicly tendered.

Purchasing Policy

This Purchasing Policy will provide clear direction to management, staff and the Corporation in relation to the purchasing function and establishes a decision framework that:

- Ensures purchases are made in an open, fair, and transparent manner
- Delivers best value
- Ensures open and effective competition
- Supports environmental procurement and sustainability
- Appropriately manages risk
- Promotes efficient purchasing practices and their continuous improvement
- Encourages local suppliers and manufacturers
- Ensures Council's purchasing activities are in accordance with its legislative and common law responsibilities.

The Corporation will usually call for tenders for the supply of goods, the provision of services, or the carrying out of works in circumstances where the level of estimated gross value of expenditure exceeds \$50,000.

Council reserves the right to undertake open or selected tenders whenever considered appropriate by the Council.

In circumstances where the Corporation enters into purchasing contracts other than those resulting from a tender process, the Corporation will record the reasons for entering into those contracts.

For the supply of goods, the provision of services, or the carrying out of works in circumstances where the level of estimated gross value of expenditure amounts between \$10,000 and \$50,000, quotations will usually be obtained.

Code of Tendering

The Adelaide City Council is committed to achieving value for money for its community. The Council is committed to values of continual improvement, increased productivity, safe and healthy workplaces, enhanced performance and high quality works and services to support the economic, environmental, cultural and social life of the City. The ethics that govern best-practice tendering procedures underpin this Code, and this Code reflects the Council's commitment to these values. This Council believes significant benefits will flow to the community from encouraging high ethical standards in tendering.

This Code has been developed as a guide to good practice in tendering for the Council and potential tenderers. The objectives of the Code are to ensure high quality works, goods and/or services are obtained that are value for money. The Council aims to treat tenders in a fair and timely manner. The Code sets out the Council's expectations of tenderers and the steps that the Council will follow when tendering for goods, services or works.

This Code applies to all tendering which the Council undertakes. The Code gives guidance on the process of tendering and registrations of interest. Other standards, codes and guidelines

may be relevant to the Council's tendering. The principles in this Code of Tendering are consistent with national codes and standards.

Local Business

To enhance the opportunities for local business and industry (which operates and have business situated within the Corporation's geographical area), local suppliers will be considered for Council business on the basis of value for money, capability and efficient purchasing practices, in conjunction with the requirements of the Purchasing Policy and Code of Tendering.

Competitive Neutrality

Significant Business Activities – 2005/06 Financial Year

Category One:	Business Activity	Council / Subsidiary / Joint Subsidiary	CRP / COR /COM*	Comments
	UPark	Council	COM	Providing 6,152 car parking spaces at 9 multi storey and 1 open lot / at grade Car Parks
	Wingfield Waste Management Centre	Council	COM	Plays a major role in waste management for the wider Adelaide metropolitan area
	Adelaide Aquatic Centre	Council	COM	Recreation, leisure and aquatic sports facility
	Adelaide Golf Links	Council	COM	Three courses (two 18-hole courses and one par three course) and clubhouse
	Central Market	Council	COM	A world renowned food market with 85 stalls

Category 1 applies to business activities with annual revenue in excess of \$2 million or employing assets with a value in excess of \$20 million.

The Council also operates the Adelaide Town Hall - which is hired for a range of events and functions.

All Council business activities include checks for competitive neutrality. In setting fees and charges the Council has taken into account:

- Relevant Government legislation and policies
- Community service obligations and impact on residents, ratepayers and visitors to the City of Adelaide
- Efficient allocation of Council resources and funds to reflect best value practices
- Impact on competitors - actual and potential - and local, State and national economies
- Council policies, including competitive tendering

CRP=Cost Reflective Pricing, COR=Corporatisation, COM=Commercialisation

Competitive Neutrality Complaints – 2005/06 Financial Year

Complaints mechanism in place (Yes/No):	Yes
Complaints received:	None
Complaints referred to State Competition Commissioner:	None
Complaints in progress:	None

Communication and Consultation

The purpose of the Council's Public Communication and Consultation Policy is to ensure that the Council's responsibilities to effectively communicate and consult with stakeholders are fulfilled.

The policy outlines the Council's commitment to consultation, including:

- Council recognises the important relationship it has with its community, the need to communicate clearly about those matters which affect them and the need to consult in a meaningful way when decisions need to be informed by community input.
- The Council recognises that communication and consultation are an important part of the democratic process. Communication keeps the community and stakeholders informed about the Council's activity and process. Consultation enables the Council Members and staff to be confident that the views of the community and stakeholders are considered and those activities will meet their requirements, while also meeting technical constraints.
- Consultation complements, but does not replace, the decision making role of Council. Whether community or stakeholder opinion is divided or overwhelmingly in one direction, it still rests with Council to make the decision.
- Council undertakes to effectively communicate and consult with its community to achieve informed decision making.

Key approaches to communicating with the public include a commitment to:

- Be clear about the subject and the purpose of the contact
- Use clear and suitable language
- Use different methods for different situations
- Use processes that are open and accountable
- Listen with an open mind and treat the public with respect
- Allow sufficient time and a range of ways for the public to respond
- Identify others who are likely to be affected and talk with them
- Always give a contact name and number
- Have fair and clear complaint and conflict resolution processes
- Tell the public what happened and why
- Continue to learn and improve the approach

Copies of the policy are available for inspection at no cost at the Customer Service Centre, 25 Pirie Street and may be downloaded from Council's website.

Other Information: Meeting notices, agendas, minutes and reports are supplied to members of the public and can be viewed on the Council website.

Community Land

Status of Community Land Management Plan (as at 30 June 2006)	Park Name
Adopted as a final Plan	<ul style="list-style-type: none"> • Piltawodli (Park 1) • Padipadinyilla (Park 2) • Kandarilla (Park 3) • Kangattilla (Park 4) • Ngampa Yerta (Park 5) • Nanto Womma (Park 6) • Kuntingga (Park 7) • Barguttilla (Park 8) • Rundle Park/Kadlitpinna • Rymill Park/Mullawirraburka • Ityamaipinna (Park 15) • Tuttangga (Park 17) • Wita Wirra (Park 18) • Pityarrilla (Park 19) • Kurrangga (Park 20) • Tambawodli (Park 24) • Narnungga (Park 25) • Palmer Gardens/Pangki Pangki • Brougham Gardens/Tandotittingga • Frome Road Park Land (formal name to be advised)
Adopted as a draft Plan	<ul style="list-style-type: none"> • Tidlangga (Park 9) • Warnpangga (Park 10) • Tainmundilla (Park 11) • Karrawirra (Park 12) • Minno Wirra (Park 21W) • Wikaparndo Wirra (Park 22) • Wirranendi (Park 23)
To be developed	<ul style="list-style-type: none"> • Victoria Park/Bakkabakkandi • Tarndanya Womma (Park 26) • Tulya Wodli (Park 27) • Hindmarsh Square • Hurtle Square • Light Square • Victoria Square/Tarndanyangga • Wellington Square • Whitmore Square

Rating Policy

Adelaide City Council is required to publish a rating policy for each financial year to meet the requirements of the City of Adelaide Act 1988 and the Local Government Act 1999.

Council acknowledges that rates constitute a system of taxation for Local Government purposes, as required by the Local Government Act. Rates are determined by reference to the Assessed Annual Value and the Rate in the Dollar.

Council's 2005/06 Rating Policy builds on, and is a refinement of the 2004/2005 Rating Policy, including any changes to the City of Adelaide Act, the Local Government Act and feedback from the community.

A summary version of the Rating Policy is included with the Rate Notice sent to ratepayers each year. Copies of the complete policy are available for inspection or a copy (free of charge) may be obtained from Council's Customer Service Centre, Ground Floor, 25 Pirie Street, Adelaide.

Policy Statement 1 – Strategic Focus & Budget

Reason for the Policy

The Adelaide City Council is required to publish a Rating Policy for each financial year to meet the requirements of the City of Adelaide Act 1998 and the Local Government Act 1999. This policy sets out how Council will set and collect rates from its community. Council believes that the rating structure should provide relative certainty and continuity to city ratepayers.

Explanation

Considerations

In formulating the Rating Policy for 2005/06, Council has taken into account the impact of the rates structure on key parameters including Council's Strategic Directions, Business Planning and Budget Documents. This framework allows Council to develop a rates structure that takes into consideration both the Strategic Focus and service delivery of Council.

In setting its rates for the 2005/06 financial year, Council has considered the amount of revenue required to fund the delivery of services and activities set out in the budget and to meet the goals and objectives of Council's strategic directions. Council has taken into account other sources of revenue and how the rate burden is distributed amongst various categories of ratepayers including businesses.

Prior to its decision making process, Council prepared informative documentation about the budget and invited submissions from the public in order to consider community feedback.

Business Impact Statement

Businesses are vital to the economic development, financial health and vitality of the City and therefore Council has considered the impact of rates on businesses in the area. A comprehensive Business Segmentation Study was conducted in May and June of 2003, the results of this study are assisting Council to develop strategies to achieve business and workforce growth. The study surveyed both business owners/managers and commercial property investors.

Among current business owners who were surveyed, very few (just 1%) listed high council rates as a disadvantage of being located in the City. Notably 23% said there were no disadvantages. When asked what Council could do to help them grow their business, the top responses (40%) were parking related, followed by 'nothing' (17%). All other responses were cited by fewer than 10% of current businesses including reducing rates (suggested by 6%). More detailed examination of the results shows that rates remained a minimal issue even among those businesses planning, at that stage, to close or relocate out of the City.

The study also interviewed people who invest in commercial property in the City. More than 90% of investors consider their investment successful, and this rose to 98% among those who own investment property elsewhere as well as in the City. When asked what they considered to be barriers to investing in the City, 37% of commercial property investors said no barriers existed and 30% cited finance availability as a barrier. No one specifically stated council rates as a barrier, although 6% of respondents did cite the regulatory system of local government.

Although business owners and commercial property investors did not consider council rates to be so high that they were a barrier to running a business or owning commercial property in the City, Council recognises that an increase in council rates will impact on business and aims to continue supporting the business community by maintaining and implementing strategies to grow businesses.

The community was invited to comment on the budget prior to Council’s final deliberations. Council has considered the impact of rates on all sectors of the community when setting the annual budget for 2005/06.

Historical Trends

The following graph indicates the actual increase in rate revenue. The total assessed value of rateable property has increased over the last ten years. Over recent years, Council has been able to keep the rate in the dollar relatively stable, although the total rate revenue has increased due to new City developments and the increase in the real value of some assessed annual values. With the closure of the Wingfield Waste Management Centre and the consequent loss of revenue, a redistribution of the rate burden was unavoidable and Council had to increase the general rates in the dollar in 2004/05.

Total rates revenue is calculated for each year by multiplying the Assessed Annual Value by the rate in the dollar.

General Rate Revenue Trends

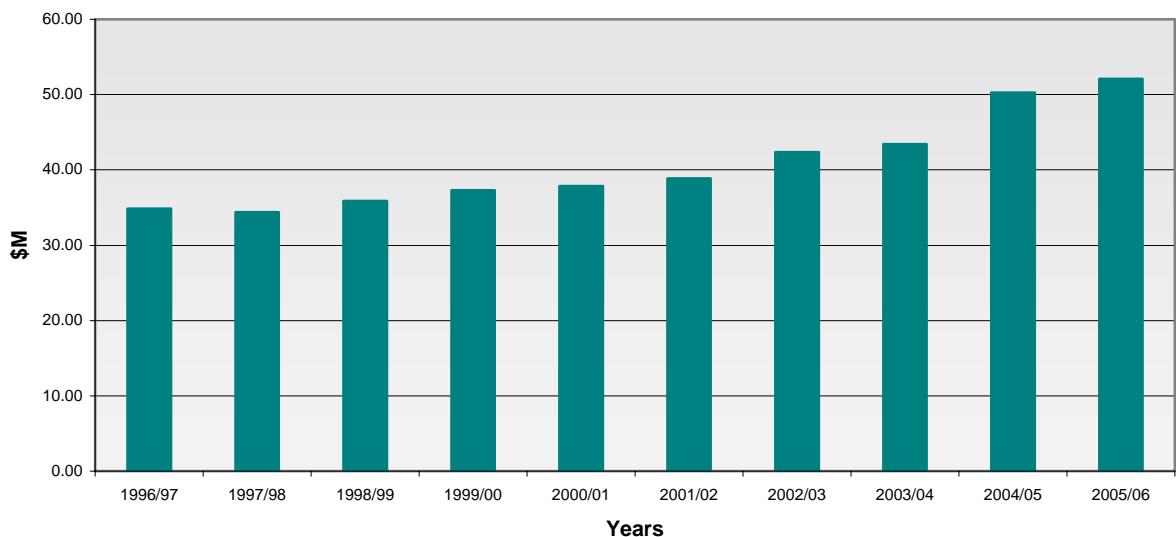


Figure 1: General Rate Revenue Trends

Policy Statement 2 – Valuation Method

Reason for the Policy

Council has adopted the ‘Annual Value’ valuation method.

Council reviews the valuation method as part of its yearly Rating Policy review to determine whether Annual Value continues to be the most appropriate method to distribute the rate tax burden amongst Council’s ratepayers. As Adelaide’s property base changes, the valuation

method must continue to reflect relative changes to the tax base and reflect growth in existing values and the mix of new property developments.

Council employs its own property valuers to undertake an annual valuation program to ensure that rating valuations are equitable. This is achieved by ensuring that the valuations are assessed on the basis of the most recent market evidence and are consistent across the Council area.

The 'Annual Value' valuation will continue to be adopted for the following reasons:

- For the majority of Council's ratepayers, it is a suitable valuation measure taking into account their ability to pay according to the income earning capacity of the property
- Based on the predominant commercial land use for the City, assessed annual value has been used for many years and is understood by the City's ratepayers
- The availability of a significant amount of market annual rental information makes the Assessed Annual Value method efficient to administer
- The method is considered consistent with the equity, ability to pay, efficiency and simplicity principles of taxation

Furthermore, a survey of seven Australian capital cities indicates that four of the seven use an annual rental-based property valuation method (Melbourne, Perth, Hobart and Adelaide).

Explanation

'Annual Value' is a valuation methodology principally based on the annual rental potential of the property.

The Valuation of Land Act 1971 defines annual value:

A value computed as three-quarters of the gross annual rental that the land might reasonably be expected to realise if leased upon condition that the landlord were liable for all rates, taxes and other imposts on the land and the insurance and other outgoings necessary to maintain the value of the land, or as five per cent of the capital value of the land ...

Example A Residential Property: This illustration demonstrates how residential differential rates payable is calculated using a property that has an assessed annual value of \$10,000 per annum. $\$10,000 \times 0.115 = \$1,150$ per annum.

Example B Non-Residential Property: This illustration demonstrates how the differential rates payable is calculated using a non-residential property that has an assessed annual value of \$10,000. $\$10,000 \times 0.133 = \$1,330$ per annum.

Ratepayers who wish to dispute the valuation of their property may lodge an objection within sixty days after the date of service of the Notice of Valuation (Rate Notice). The objection must be made to the council in writing (setting out a full and detailed statement of the grounds on which the objection is based).

Upon receipt of an objection, the Council's valuer will inspect the property and reconsider the valuation. The ratepayer will be notified of the valuer's determination of value. Should the ratepayer be dissatisfied with this decision they may request Council to refer the valuation to the Valuer-General for further review by an independent licensed Valuer.

If an objector, or the council, is dissatisfied with the valuation after the further review, the objector or the council may, in accordance with the appropriate rules of court, appeal against the valuation to the Land and Valuation Court.

It is important to note that the lodgement of an objection does not change the last date for payment of quarterly instalments of council rates.

Historical Trends

The adopted 'Annual Value' of rateable property for the City in 2005/06 is \$431.8m compared to \$403.0m in 2004/2005. Approximately \$10m of this increase is included

for the first time, because of the expiry of an exemption provision. It is expected that most affected properties will apply for and receive a mandatory rebate of council rates.

Annual Valuation Trends

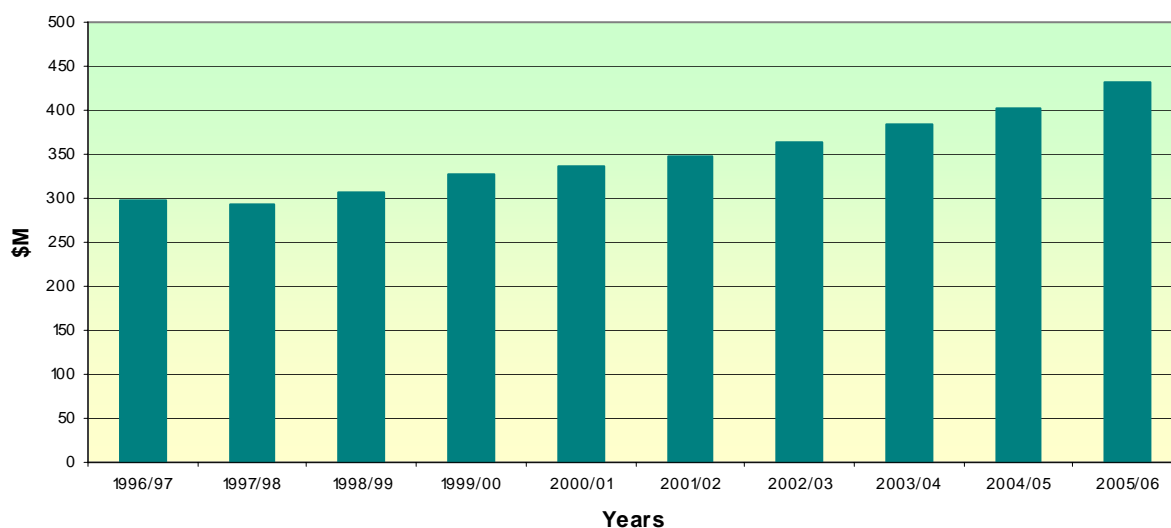


Figure 2 Annual Valuation Trends

Policy Statement 3 – Exemptions

Reason for the Policy

Adelaide City Council's practice is to identify and value all land in the council area. Once identified each separate piece of land is assessed for rateability. Section 147 of the Local Government Act, 1999, specifies those types of properties which shall be exempt from council rates.

Adelaide City Council has the highest proportion of 'rate-exempt' property of any Council in South Australia.

Properties can be identified as exempt from council rates in certain circumstances:

- Crown Land - public properties used or held by the Crown for a public purpose;
- University Land - properties occupied by a University;
- Recreation Grounds - properties satisfying the criteria set out in the Recreation Grounds Rates and Taxes Exemption Act 1981;
- Council Land - public properties occupied or held by the Council;
- Another Act - properties specifically exempted from council rates by virtue of another Act (either Commonwealth or State).

Explanation

Crown land is exempt from council rates if it is used for a public purpose (including an educational purpose) except any land held from the Crown under lease or licence or where the property is used for residential purposes.

University land is exempt from council rates when the university has been established by statute, excepting any residential or domestic land use.

The Recreation Grounds Rates and Taxes Exemption Act 1981 specifies that recreation grounds shall be exempt from rates where they are either vested in a council or are under the care, control or management of a council and the public is entitled access to the land for sport or recreation. The exemption can only be applied where the whole of the income derived from the land is applied towards the maintenance, repair or improvement of the land.

Council land is exempt from council rates where it is occupied or held by the council, except any such land held from the council under a lease or licence.

There are a number of Acts of Parliament which specifically exempt properties from paying council rates.

The Local Government (Implementation) Act 1999 conferred a five year exemption for certain properties proclaimed in the Gazette Notice of 24 June, 1999. These exemptions will no longer apply for 2005/06, however, some properties identified in the proclamation may be occupied by community service organisations which satisfy the criteria under the current Local Government Act for a mandatory rebate. Council intends to make investigations of each proclaimed body to establish if any rebate may be applied.

Council is mindful that wherever properties are exempt from paying council rates, or where a rebate is applied, those rates foregone must be contributed by the rest of the community. The principles of equity dictate that Council remains diligent in only awarding exemptions where they are warranted.

Historical Trends

For the 2005/06 financial year, Council has undertaken a comprehensive review of rate exempt property. Where it has been found that a property no longer satisfies the eligibility criteria for a rates exemption, then rates will be levied.

In recent years it has been Council's practice to adopt valuations for exempt properties. Where exempt properties become rateable part of the way through the financial year, rates can then be calculated and recovered.

Policy Statement 4 – Differential General Rates

Reason for the Policy

Council has determined that Differential General Rates will be applied to all rateable properties based on their predominant land use.

The rates in the dollar for 2005/06 are:

- Residential 0.115
- Non-Residential 0.133

In formulating the Rating Policy for 2005/06, Council has considered issues of consistency and comparability across council areas in the imposition of rates on various sectors of the business and wider community.

The Local Government Act, 1999 allows Council to differentiate rates based on the use of the land. Definitions of the use of the land are prescribed by regulation and the current definitions are:

- Residential
- Commercial - Shop
- Commercial - Office
- Commercial - Other
- Industrial - Light
- Industrial - Other
- Primary Production
- Vacant Land
- Other

The 2005/06 Rating Policy has been formulated so that there is effectively one rate for property falling within the defined residential land use and another rate for all other property. A change in the use of land after differential rates are declared for the particular year does not affect the calculation of the rates.

Ratepayers who wish to dispute the land use ascribed to their property may lodge a written objection within sixty days of the date of service of the Rate Notice.

Lodgement of an objection to land use does not affect the last date for payment of quarterly instalments of council rates.

Explanation

Local Government utilises a property valuation taxation methodology. Implied in the application of that methodology is that the property valuation should be the basis by which the community's rates contribution for the Council is apportioned.

The property value approximates income or wealth, and therefore ratepayers in high value properties should have a greater *ability-to-pay* than taxpayers in low value properties. Because the value of the rates payable is linked to the property value, the tax meets the *efficiency* principle. A 'Differential General Rate' tax is simple, understandable and unavoidable and therefore meets the *simplicity* principle.

The *equity* and *ability to pay* principles, with the property valuation taxation methodology, imply that an equitable distribution of the rates burden is achieved through the use of a General Rate.

The application of a Differential General Rate is generally intended to alter the amount payable by particular land uses, often to approximate the *benefit* principle; i.e. that certain ratepayers benefit more or less in respect to the level of services consumed.

The Relief Rebate has been implemented to lessen the impact against what would otherwise amount to a substantial change in the rates payable due to a re-distribution of the rates burden arising from the change to the structure of the Council's rates in 2003/04. Please refer to Policy Statement 10 for further information about the Relief Rebate.

It is expected that the Residential Differential General Rate will raise gross rate revenue in the order of \$10.1m in 2005/06.

It is expected that the Non-Residential Differential Residential Rate will raise gross rate revenue in the order of \$45.8m in 2005/06.

Historical Trends

Council determined that Differential General Rates would be introduced for the 2003/04 rate year. This determination was based on a review of the impact on the ratepayers of the City of Adelaide of the ending of the Owner/Occupier Residential Rate Rebate.

Public Consultation was undertaken prior to the introduction of the Differential Rate and Council considered the views of the community in reaching its determination. Council has also considered the equity, benefit, efficiency and simplicity principles of taxation in making its determination.

Policy Statement 5 – Fixed Charge

Reason for the Policy

Council has determined that, under current circumstances, it is not appropriate to apply a fixed charge component in conjunction with the General Rate.

Based on a review of the impact on the ratepayers of Adelaide City Council, the application of a fixed charge alters the principles of taxation, and unfairly penalises those in the community least able to pay.

Explanation

The Local Government Act 1999 allows Councils to impose a fixed charge on every property in its area, provided that it has not also imposed a minimum rate.

The fixed charge would be applied plus a calculated amount based on a rate in the dollar multiplied by the value of the property.

Historical Trends

The fixed charge was first considered as a Rating Policy option during the 1980's. To date, Adelaide City Council has chosen not to adopt any fixed charges.

Policy Statement 6 – Separate Rates, Service Rates & Charges

Reason for the Policy

Council has determined that the use and level of the separate rate, service rate or service charge provisions should be limited to the use of a Separate Rate:

- Marketing the Rundle Mall Environs.
- Recovery of funding requirements of the Water Catchment Boards.

A key issue for the future of Rundle Mall is the ongoing marketing of the Mall in all forms of media. Council supports the unique marketing effort for Rundle Mall.

The Water Resources Act 1997 imposes the duty on Councils to declare a separate rate under Chapter 10 of the Local Government Act 1999, on rateable land in the catchment area of the board. Such a rate must be fixed and calculated to raise the same amount as the Council's share to be contributed to the board (taking into account any rebates and remissions under Sections 159 to 166, Rebates of Rates, Local Government Act 1999).

Explanation

Rundle Mall Differential Separate Rate

Council, having taken into account the general principles of rating outlined in Section 150 of the Local Government Act 1999, declared a differential separate rate in the dollar of 0.0264 (to be known as the Rundle Mall Environs Separate Rate) for the period 1 July 2005 to 30 June 2006 which will apply to all land uses except residential within the Rundle Mall Environs. The purpose of the separate rate is marketing the Rundle Mall Environs, pursuant to Section 154 (1) of the Local Government Act 1999.

The Rundle Mall Environs Separate Rate will be payable by four equal instalments due on or before the first working days of September and December 2004 and the first working days of March and June 2005.

For the purposes of this resolution 'Rundle Mall Environs' is that area bounded by the:

- Southern alignment of North Terrace between Pulteney and King William Streets.
- Eastern alignment of King William Street between North Terrace and Grenfell Street.
- Northern alignment of Grenfell Street between King William and Pulteney Streets.
- Western alignment of Pulteney Street between Grenfell Street and North Terrace.

Water Catchment Boards

The Water Catchment Boards advise the total amount of revenue required by Adelaide City Council ratepayers on an annual basis. Adelaide City Council acts as a revenue collector for the Patawalonga and Torrens River Catchment Management Boards in this regard (under the Water Resources Act 1997). Council does not retain this revenue or determine how the revenue is spent.

The annual rate is calculated based upon the assessed value of that part of the City in either the Patawalonga or Torrens Catchment Board areas.

The rates in the dollar for 2005/06 are:

- Patawalonga Catchment 0.001269
- Torrens Catchment 0.001234

Historical Trends

Council has used the Separate Rate provisions of the Local Government Act since 1997 to collect Water Catchment levies, and since 1999 to collect the Rundle Mall Environs Rate. Prior to that period, a Special Rate was declared for Rundle Mall in accordance with the Rundle Mall Act. The rate was held at 1.64 cents for 12 years (1987 to 1998), before being increased to 2.64 cents for 1999/2000 and has remained at that level in subsequent years.

It is expected that the Rundle Mall Environs Differential Separate Rate will raise rate revenue in the order of \$1.57m in 2005/06.

Policy Statement 7 - Minimum Rates

Reason for the Policy

Council has determined that it will not apply a minimum rate in conjunction with the general rate.

Based on a review of the impact on the ratepayers of the City of Adelaide, the application of a minimum rate alters the principles of taxation, and has a regressive effect, i.e. it unfairly penalises those in the community least able to pay.

Explanation

The Local Government Act 1999 permits Councils to impose a minimum rate. A minimum rate cannot be applied in conjunction with a fixed charge.

A calculated amount would be determined for each property based on a rate in the dollar multiplied by the value of the property. Where the result is less than the minimum rate - the minimum rate would apply. Where the result is more than the minimum rate - the calculated amount would apply.

If a minimum rate were used, its effect would be to increase the rates payable by lower valued properties and reduce the rates paid by higher valued properties.

Minimum rates are currently used by a number of South Australian Councils, including most Councils in the metropolitan area. However, this is generally in conjunction with a Capital Value method of property valuation.

Historical Trends

To date, City of Adelaide has never applied a minimum rate in conjunction with a General Rate or a Differential General Rate.

Policy Statement 8 – Rating Equity

Reason for the Policy

Council has determined that issues concerning equity within the community and the impact of rates across the area are addressed by this Rating Policy. These have regard to the equity, benefit, ability-to-pay, efficiency and simplicity principles of taxation.

Based on a review of the impact on the ratepayers of the City of Adelaide, Council has determined that it should ensure that all relevant land is assessed for rates, and that the provisions of the Local Government Act 1999 should be applied fairly and equitably to all landowners.

The Local Government Act defines rateability and exemption. In applying this law Council should act fairly and equitably so that identical land uses will be treated in the same manner. Some properties are exempt from paying council rates. In certain circumstances rates levied against some properties are rebated according to mandatory provisions of the Local Government Act. Rates foregone through exemption or rebates must be contributed equitably across the remainder of the ratepayer base. Council acts responsibly to only award exemptions and mandatory rebates where they are warranted so as to minimise this impact on the general community.

Equity and impact issues are best dealt with when considering all facets of Rating Policy, including valuation, rating and collection policies.

Explanation

An assessment for the purposes of rating may be against any piece of land subject to separate ownership or occupation or any aggregation of contiguous land subject to the same ownership or occupation. In this context land has been defined to include buildings, structures or improvements. For example, this may include automatic teller machines, showcases, signage rights, advertising signs, radio and mobile telecommunication masts.

Historical Trends

Adelaide City Council's practice is to assess all rateable property in the City and to ensure that up to date information is used. New evidence is acted upon when received.

For the 2005/06 rate year, Council has undertaken a comprehensive review of rate exempt property. Where it is found that a property no longer satisfies the eligibility criteria for a rates exemption, then rates will be levied.

Policy Statement 9 – Payment of Rates

Reason for the Policy

Explanation

Mandatory Rebates

Council has determined that rebates of rates will be granted to ratepayers when the applicant satisfies the eligibility criteria for Mandatory Rebates under Sections 159 to Section 165 of the Local Government Act 1999.

Discretionary Rebates

Council has determined that applications for Discretionary Rebates (except the Relief Rebate) will be considered if they are submitted by 1 May prior to the commencement of the financial year for which the rebate has been sought. These rebates will be considered on a case by case basis and may only be granted if they meet the prescribed eligibility criteria set out at Section 166 of the Local Government Act, 1999.

It is proposed that a joint Rate Rebate and Community Services funding Policy be developed that offers financial assistance to eligible organisations within the City through an outcome based and coordinated corporate funding program in line with the Sponsorship and Grants Scheme.

The aim of this Scheme is to support targeted community service delivery within the City that matches Council's strategic directions and enables proactive social planning to meet expanding resident population needs. The Scheme will align the legislative and discretionary rate rebate requirements with Council's other funding programs.

This will enable Council to accurately identify the total amount of assistance provided to any one organisation and the overall level of financial support provided to the community.

Relief Rebates

Council has decided to provide relief against the substantial increase of rates payable by ratepayers due to the introduction of the Differential General Residential Rate and the loss of the Owner/Occupier Residential Rate Rebate. The Relief Rebate was introduced on 1 July 2003 under Section 166(1)(l) of the Act and in accordance with Section 161(3a) must end on or before 30 June 2006.

For the 2005/2006 rating year, Council has decided to exercise the powers contained in Section 166 (1) (l) of the Local Government Act, 1999, to provide relief against what would otherwise amount to a substantial change in the rates payable due to a re-distribution of the rates burden arising from a change to the structure of the Council's rates.

Subject to the restrictions and conditions set out below, the Relief Rebate, for the 2005/06 financial year, will be a rebate of 20% of rates payable, up to a maximum of \$500, in respect of each eligible assessment of rateable property. Eligibility shall be determined:

- where the property would previously have enjoyed the benefit of the Owner/Occupier Residential Rate Rebate; and
- where the property was within the defined "residential land use" on 30 June 2003.

Pursuant to Section 41 of the Local Government Act 1999 the City Valuer is delegated the power under Section 159(10) of the Local Government Act 1999 to remove a Relief Rebate during a financial year:

- if the rebate has been incorrectly applied; or
- where the use of the property changes prior to 30 June 2005, so that it becomes wholly used for non-residential purposes, from the date the property is wholly used for non-residential purposes; or
- where the residence is sold prior to 30 June 2005, from the settlement date; or
- if any of the criteria upon which the rebate is granted are no longer satisfied.

In addition, section 159(7) of the Act states that:

If a person or body has the benefit of a rebate of rates under this Division and the grounds on which the rebate has been granted cease to exist, the person or body must immediately inform the council of that fact and (whether or not the council is so informed) the entitlement to a rebate ceases.

The City Valuer may grant a proportionate rebate granted to reflect the period (if any) during which the property was eligible to receive the rebate.

Only one Relief Rebate may be claimed from Council in any one financial year.

In accordance with the legislation (Section 166(3a) of the Act), the Relief Rebate may be granted for a period not exceeding three years and must finish on or before 30 June 2006.

Historical Trends

Mandatory and Discretionary Rebate provisions were introduced in 1999 with the commencement of a new Local Government Act.

The Adelaide City Council's 'Owner/Occupier Residential Rate Rebate' ceased on 30 June 2003.

The Relief Rebate was introduced from 1 July 2003 (for a period not exceeding three years) in conjunction with the Differential Residential Rate. Please refer to Policy Statement 4 for further information about Differential General Rates.

Policy Statement 11 – Remission and Postponement of Rates

Reason for the Policy

Council has determined that it may utilise the discretionary remission or postponement of rates and charges provisions of the Local Government Act 1999.

Council has determined that, based on a review of the impact on the ratepayers of the City of Adelaide, discretionary remissions or postponements should be applied, as required, in cases of proven hardship, or other circumstances in accordance with Section 182 of the Local Government Act.

Explanation

If Council is satisfied on the application of a ratepayer that payment of rates in accordance with this Act would cause hardship, the Council may:

- a) remit the rates in whole or in part; or
- b) postpone payment of rates in whole or in part for such period as Council thinks fit.

Council may grant other, or additional remissions of rates on the same basis, as applies under the Rates and Land Tax Remission Act, 1986 (and such remissions will be in addition to the remissions that are available under that Act); or on any other basis determined by Council. Council may require a ratepayer who claims to be entitled to a remission of rates to provide evidence verifying an entitlement. Council may revoke a determination at any time (the revocation will not affect any entitlement to remission in relation to rates declared before the revocation takes effect).

A postponement may be granted such that the ratepayer pays interest on the amount affected by the postponement at a rate fixed by Council (but not exceeding the cash advance debenture rate).

The postponement ceases to operate if Council in its discretion revokes the postponement (in which case Council must give the ratepayer at least thirty days written notice of the revocation before taking action to recover rates affected by the postponement).

The postponement ceases to operate as soon as the ratepayer ceases to own or occupy the land in respect of which the rates are imposed (in which case the rates are immediately payable).

Financial Hardship

Ratepayers who are experiencing financial difficulties and are unable to make their rate payment by the last day are encouraged to contact Council's Rates staff at the earliest opportunity to discuss a revised instalment payment scheme to suit their particular circumstances. The City Valuer has delegated authority to enter into alternative payment arrangements and all discussions relating to payment difficulties will be treated in the strictest confidence.

For applications received before the due date, consideration will be given to permitting a payment plan without fines, interest or costs being incurred.

Where rates have been postponed, unless a payment plan is in place allowing for no fines, interest or costs to be incurred, the total payable is the postponed rates plus interest at the prescribed rate, in accordance with this policy.

It is important to note that seeking a remission does not change the payment date for Council rates.

Historical Trends

Council has rarely needed to consider applications for hardship. The provisions of the Local Government Act have been mainly used to postpone rates for short periods so as to allow for payment of outstanding rates over a period that is suited to particular short-term circumstances.

Policy Statement 12 – Rate Payment Support

Reason for the Policy

Council recognises that some ratepayers may experience difficulty paying their rates due to financial hardship or low/fixed incomes.

This Policy Statement is to be read in conjunction with Policy Statement 11 – Remission and Postponement of Rates and Policy Statement 14 – State Government Concessions.

Council has determined that those ratepayers who are experiencing hardship may apply for a postponement or remission of rates. Council has also determined that those ratepayers who are in receipt of a Pensioner Concession administered by SA Water, a Self Funded Retiree Concession administered by Revenue SA or a hardship payment administered by Children Youth & Family Services (CYFS) will be entitled to a further remission funded by the Council.

Explanation

This Policy was introduced in 2004/05 to provide ratepayers who may be experiencing hardship, a confidential and simple process to seek a remission or postponement of rates.

Section 182 (4) of the Local Government Act allows Council to grant an additional remission of rates to those ratepayers who are currently receiving a concession. This Council has determined that this remission will apply to ratepayers who are currently receiving a Pensioner Concession, a Self Funded Retiree Concession or a Hardship Concession.

Financial Hardship

Council recognises there are varying degrees of financial hardship that may be encountered by people on a temporary or permanent basis. For example a person may experience a short term decrease in income due to a relationship breakdown or illness, or experience a large or unexpected increase in expenses due to funeral costs or health issues.

Alternatively a person may be experiencing prolonged and extreme financial hardship and it may be appropriate to enter into an agreement whereby Council postpones the payment of rates either in whole or in part until the property is sold or otherwise transferred at some time in the future.

Council has adopted the definition of Hardship as defined in *Occasional Paper No. 4: Hardship in Australia – An analysis of financial stress indicators in the 1998/99 Australian Bureau of Statistics Household Expenditure Survey (2001)* which states:

Hardship – being unable to afford heating and meals, or having had to pawn or sell possessions, or needed assistance from community organisations.

Applications for remission or postponement of rates based on financial hardship should be submitted, in writing, to the City Valuer, who has delegated authority to remit or postpone rates in these cases.

An application for a remission or postponement of rates will only be considered:

- where the applicant owns and occupies the rated property as their principal place of residence; and
- ownership of the rated property has not changed since 1 July 2004; and
- the applicants have demonstrated the emergency nature of their situation and produced evidence in support; and

- for long term postponement, where the rated property is not subject to any mortgages, and remains fully insured at all times.

Each application will be considered on merit, on a case by case basis. An applicant who meets the criteria set by the definition of hardship does not automatically become eligible for a remission or postponement of rates. If appropriate, or where possible, consideration will be given to flexible payment options.

Ratepayers who are experiencing financial difficulties and are unable to make their rate payment by the last day are encouraged to contact Council's Rates staff at the earliest opportunity to discuss a revised instalment payment scheme to suit their particular circumstances. The City Valuer has delegated authority to enter into alternative payment arrangements and all discussions relating to payment difficulties will be treated in the strictest confidence.

For applications received before the due date, consideration will be given to permitting a payment plan without fines, interest or costs being incurred.

Where rates have been postponed, unless a payment plan is in place allowing for no fines, interest or costs to be incurred, the total payable is the postponed rates plus interest at the prescribed rate, in accordance with this policy.

It is important to note that seeking a remission does not change the last day to pay for Council rates.

Pensioner Remission

If you have satisfied the eligibility criteria of SA Water and currently receive the Pensioner Concession, Council has determined you will also receive (on application) a Pensioner Remission to a maximum of \$100 for the 2005/06 financial year.

Self Funded Retiree Remission

If you have satisfied the eligibility criteria of Revenue SA and currently receive the Self-funded Retiree Concession, Council has determined you will also receive (on application) a Self Funded Retiree Remission to a maximum of \$50 for the 2005/06 financial year.

Hardship Remission

If you have satisfied the eligibility criteria of Children Youth and Family Services (CYFS) and currently receive a hardship benefit, Council has determined you will also receive (on application) a Hardship Remission to a maximum of \$100 for the 2005/06 financial year.

Historical Trends

Council first resolved to supplement the State Government concessions granted under the Rates and Land Tax Remission Act 1986 in 2004/05. Council has resolved to continue its policy of "topping up" the state government funded concessions.

Policy Statement 13 – Late Payment of Rates

Reason for the Policy

Council has determined that the application of penalties for late payments will be in accordance with Section 181(8) of the Local Government Act 1999

Based on a review of the impact on the ratepayers of the City of Adelaide, late payment fines and penalties will be applied to any outstanding rates not paid by the last day to pay.

To alleviate debate or discussion in respect to postal delays, a period of one business day's grace will be allowed.

Council may take legal action to recover any overdue amounts.

If an amount payable by way of rates in respect of land has been in arrears for three years or more, Council may sell the land in accordance with Section 184 of the Local Government Act 1999.

A formal resolution of the Council is required before any sale of land (to recover rates) is commenced.

Explanation

Late payment fines are calculated in accordance with section 181 (8) of the Local Government Act, currently 2% of the instalment amount overdue. Once fines are calculated, they are recoverable as rates.

Council has limited options to ensure all ratepayers pay promptly, and so enforcement of the 2% fine is considered reasonable.

On the expiration of each full month after the last day to pay, interest shall be calculated on any overdue rates (including the amount of any previous unpaid fine but excluding interest from any previous month).

The interest rate is prescribed in Section 181 (17) of the Local Government Act, currently 0.79% monthly.

Should circumstances justify, the General Manager, Corporate Support, has delegated authority to consider the waiving of fines and/or interest incurred as a result of Council's policy. A request for the waiver of fines must be received in writing, setting out detailed reasons as to why a remission has been requested.

For administrative convenience, at the end of each financial year, the City Valuer has delegated authority to consider writing off small insignificant amounts of rates which would otherwise need to be accrued and carried forward into the new financial year.

Council acknowledges that organisation and individual financial circumstances can change. If difficulties are anticipated, individuals and organisations should promptly initiate discussions seeking alternative payment arrangements.

Ratepayers who are experiencing financial difficulties and are unable to make their rate payments by the last day should contact Council's Rates staff at the earliest opportunity to discuss a revised instalment payment scheme to suit their particular circumstances. The City Valuer has delegated authority to enter into alternative payment arrangements and all discussions relating to payment difficulties will be treated in the strictest confidence. Please refer to Policy Statement 11 for further information about remission and postponement of council rates.

Historical Trends

Council has consistently imposed fines in accordance with the Local Government Act in order to be fair and equitable to the vast majority of Ratepayers who do pay on time.

Policy Statement 14 – State Government Concessions

Reason for the Policy

Council continues to administer the State Government funded concessions on council rates which are applied under the Rates and Land Tax Remission Act 1986.

Explanation

If you are a Pensioner, Self Funded Retiree or suffering financial hardship you may be entitled to a concession on your council rates. Please note that seeking a concession does not alter the last date for payment of rates. Please refer to Policy Statement 12 for further information about rate payment support as an additional rate remission may be applicable.

Pensioner Concessions

If you are an eligible Pensioner you may be entitled to a State Government remission on your rates to a maximum of \$190. The applications should be lodged with SA Water for assessment of eligibility.

If you are a Pensioner and do not own the property in which you live, but are responsible for paying rates on that property you should seek advice from SA Water.

Self Funded Retiree Concession

If you are an eligible Self Funded Retiree who holds a State Seniors Card, you may be entitled to a State Government remission on your rates to a maximum of \$100. Applications should be lodged with Revenue SA for assessment of eligibility.

Hardship Concession

Children Youth and Family Services (CYFS) may provide a State Government concession on council rates to a maximum of \$190 for those ratepayers suffering financial hardship. Applications should be lodged with Children Youth and Family Services (CYFS) for assessment of eligibility.

Historical Trends

Council has been administering a State Government concession scheme applying to council rates for many years.

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.

Council's Rate Rebates

The following table provides information about the cost of all rate rebates provided by the Council in 2005/06. The total amount of rebates provided for the financial year comprised 5.87% of gross rate income.

<i>Type of Rebate/Remission</i>	<i>Amount</i>
Rebate – Resident	623,783
Rebate - Education	605,315
Rebate – Other	539,301
Rebate – Religious	517,415
Rebate – Community Service	68,138
Rebate – Royal Zoological Society	47,087
Rebate – Discretionary	7,159
Rebate – Hospital or Health	871,890
Total Rebates	3,280,088

Council's Representation Quota

The total representation quota is the number of electors for each Elected Member, including the Lord Mayor. In February 2003, when the last election was held, the total representation quota was 1:2,193 and the total number of electors was 19,740. In February 2006 the representation quota was 1:2,384 with 21,457 electors on the combined Council and State Roll.

Adelaide City Council's representation quota compares with other similar councils (using the Australian Classification of Local Governments) as follows:

<i>Council</i>	<i>Number of Electors</i>	<i>Representation Quota</i>
Adelaide	21,457	1:2,384
Charles Sturt	86,778	1:4,132
Marion	66,575	1:5,121
Port Adelaide Enfield	83,243	1:4,624
Salisbury	96,212	1:5,659
Tea Tree Gully	78,563	1:6,043
Onkaparinga	120,651	1:5,745

The City of Adelaide Act 1998 was amended in June 2006 to allow a Representation Review to be carried out prior to the next Council election. The Representation Review will be undertaken in conjunction with the community and will present a range of available alternatives for representative structures and their various implications. The review will start in July 2006 with a new election date expected to be in the second half of 2007.

The public will have the opportunity to participate in the Representation review during two comprehensive public consultation periods and will have the opportunity to make a representation to Council.

Subsidiaries

Wastecare SA is a regional subsidiary under section 43 and schedule 2 of the Local Government Act 1999 and given that Adelaide City Council is a constituent council it is a subsidiary by definition of the Local Government Act. Wastecare SA was established by a number of constituent councils comprising the Cities of Charles Sturt, Campbelltown, Adelaide, Prospect, Norwood Payneham and St Peters and the Town of Walkerville and in conjunction with Waste Management Pacific (SA) Pty Ltd operates a Resource Recovery Waste Transfer Station (RRWTS) on land leased from Adelaide City Council at Wingfield.

For Wastecare SA financial statements please refer to the following pages.



GENERAL PURPOSE FINANCIAL REPORT
for the year ended 30 June 2006

TABLE OF CONTENTS

	<u>Page</u>
Principal Financial Statements	
Income Statement	1
Balance Sheet	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	5
Note 2 - Functions	9
Note 3 - Revenues	10
Note 4 - Expenses	11
Note 5 - Gain or Loss on Disposal of Assets	13
Note 6 - Current Assets	13
Note 7 - Non-Current Assets	13
Note 8 - Infrastructure, Property, Plant & Equipment	14
Note 9 - Current Liabilities	16
Note 10 - Non-Current Liabilities	16
Note 11 - Reserves	17
Note 12 - Superannuation	18
Note 13 - Commitments for Capital Expenditure	19
Note 14 - Lease Commitments	19
Note 15 - Reconciliation of Increase in Net Assets Resulting From Operations to Net cash Inflow from Operating Activities	19
Note 16 - Financial Performance Indicators	20
Note 17 - Financial Instruments	21
Note 18 - Economic Development	22
Note 19 - Contingencies, Assets & Liabilities not Recognised in the Balance Sheet	22
Note 20 - Budget Comparisons	23
CEO Statement	25
Adoption Statement	25

**ADELAIDE CITY COUNCIL
INCOME STATEMENT
for the year ended 30 June 2006**

	Notes	2006 \$'000	2005 \$'000
REVENUES			
Rates - general	3	52,024	50,021
Rates - other	3	2,095	2,015
Statutory charges	3	8,942	8,609
User charges	3	42,164	50,196
Operating Grants & Subsidies	3	3,183	1,875
Investment Income	3	196	283
Reimbursements	3	1,059	219
Commercial activity revenue	3	437	390
Other Revenues	3	731	1,298
Gain on disposal of assets	5	4,213	-
Total Revenues		<u>115,044</u>	<u>114,906</u>
EXPENSES			
Employee Costs	4	41,668	39,265
Contractual Services	4	24,964	25,411
Materials	4	8,029	7,629
Finance Costs	4	1,113	1,096
Depreciation, Amortisation & Impairment	4	16,593	15,953
Other Expenses	4	18,048	17,070
Loss on disposal of assets	5	-	314
Total Expenses		<u>110,415</u>	<u>106,738</u>
OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS		4,629	8,168
Capital Grants & Subsidies	3	1,454	2,722
NET SURPLUS (DEFICIT)		<u>6,083</u>	<u>10,890</u>

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

ADELAIDE CITY COUNCIL
BALANCE SHEET
as at 30 June 2006

ASSETS	Notes	2006 \$'000	2005 \$'000
Current Assets			
Cash and cash equivalents	6	2,769	1,206
Trade & other receivables	6	7,521	6,433
Inventories	6	187	175
Total Current Assets		<u>10,477</u>	<u>7,814</u>
Non-current Assets			
Receivables	7	30	67
Land and Buildings	8	666,362	658,081
Infrastructure	8	224,967	219,671
Equipment, Furniture & Fittings	8	13,056	13,262
Other	8	51,618	51,063
Total Non-current Assets		<u>956,033</u>	<u>942,144</u>
Total Assets		<u>966,510</u>	<u>949,958</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	9	13,554	13,095
Short Term Borrowings	9	4,000	29
Current portion of Long Term Borrowings	9	9,814	326
Short-term Provisions	9	6,343	5,241
Total Current Liabilities		<u>33,711</u>	<u>18,691</u>
Non-current Liabilities			
Long-term Borrowings	10	7,130	16,944
Long-term Provisions	10	11,847	6,584
Total Non-current Liabilities		<u>18,977</u>	<u>23,528</u>
Total Liabilities		<u>52,688</u>	<u>42,219</u>
NET ASSETS		<u>913,822</u>	<u>907,739</u>
EQUITY			
Accumulated Surplus		720,370	714,290
Asset Revaluation Reserve	11	193,452	193,449
TOTAL EQUITY		<u>913,822</u>	<u>907,739</u>

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

ADELAIDE CITY COUNCIL
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2006

	2006 \$'000	2005 \$'000
	Notes	
ACCUMULATED SURPLUS		
Balance at end of previous reporting period	714,290	703,400
Net Result for Year	6,083	10,890
Transfers from Other Reserves	(3)	-
Balance at end of period	<u>720,370</u>	<u>714,290</u>
ASSET REVALUATION RESERVE		
	11	
Balance at end of previous reporting period	193,449	193,449
Transfer to Accumulated Surplus on sale of property, plant & equipment	3	-
Balance at end of period	<u>193,452</u>	<u>193,449</u>
TOTAL EQUITY AT END OF REPORTING PERIOD	<u>913,822</u>	<u>907,739</u>

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

ADELAIDE CITY COUNCIL
STATEMENT OF CASH FLOWS
for the year ended 30 June 2006

	Notes	2006 \$'000	2005 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>		109,739	116,983
<u>Payments</u>		(85,353)	(86,449)
Net Cash provided by (or used in) Operating Activities	15	24,386	30,534
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Grants utilised for the acquisition or replacement of assets		1,454	2,723
Sale of plant, equipment, furniture and fittings		1,231	1,012
Sale of land and buildings		4,840	-
Repayments of loans by community groups		43	23
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(19,729)	(16,086)
Expenditure on new/upgraded assets		(14,307)	(16,609)
		(34,036)	(32,695)
Net Cash provided by (or used in) Investing Activities		(26,468)	(28,937)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Payments</u>			
Repayments of Borrowings		(326)	(1,058)
Net Cash provided by (or used in) Financing Activities		(326)	(1,058)
Net Increase (Decrease) in cash held		(2,408)	539
Cash & cash equivalents at beginning of period		1,177	638
Cash & cash equivalents at end of period	15	(1,231)	1,177

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial report of the Corporation of the City of Adelaide has been prepared in accordance with the provisions of the Local Government Act 1999, as amended, the Local Government (Financial Management) Regulations 1999, as amended, the City of Adelaide Act 1998, and applicable Australian Accounting Standards. The report has been prepared on the accrual basis under the convention of historic cost accounting, with the exception that certain non-current assets, relating to Land and Buildings (excluding Park Lands), Infrastructure assets, have been revalued to their current cost less accumulated depreciation, and are then revalued on that basis at least every 5 years. The accounting policies adopted for the reporting period are consistent with those of the previous reporting period.

Local Government Reporting Entity

All funds through which the Corporation controls resources to carry on its functions have been included in the financial report.

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

Acquisition of Assets

The cost method of accounting is used for the initial acquisition of all assets. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. Assets acquired at no cost of acquisition, or for nominal consideration, are initially recognised at their fair values as at the date of acquisition.

Materiality

Items of property, plant and equipment with a total value of less than \$3,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

Recoverable Amount of Non-Current Assets

Non-current assets are written down to recoverable amount where the carrying value of any non-current asset exceeds recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows have not been discounted to their present value.

Depreciation of Non-Current Assets

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

Depreciation is recognised on a straight-line basis over the estimated useful life of each asset, from the time the asset is first put into use or is ready for use. Depreciation rates are reviewed each year. The following estimated useful lives are used in the calculation of depreciation:

<input type="checkbox"/> Land & Buildings	30 - 250 years
<input type="checkbox"/> Infrastructure	5 - 100 years
<input type="checkbox"/> Equipment, Furniture and Fittings	2 - 20 years
<input type="checkbox"/> Other	40 - 100 years

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

Non-Current Assets Constructed by the Council

The cost of non-current assets constructed by the Corporation includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Maintenance and Repairs

Maintenance, repair costs and minor renewals are charged as expenses as incurred.

Employee Entitlements

(i) Wages, Salaries and Annual Leave

A liability is recognised, and is measured as the amount unpaid at balance date calculated at discounted amounts based on remuneration wage and salary rates that the Corporation expects to pay as at reporting date including related oncosts.

(ii) Long Service Leave

In accordance with AASB119 the method of calculation of long service leave liability is based on an estimate of:

- The number of employees classified by years of service;
- The service value, representing the expense incurred based on service to date;
- The inflated liability taking into account remuneration rate increases;
- The discounted liability as an estimate of the present value of future cash flows;
- The probability of employees attaining legal entitlement to a prorata payment (based on actual experience over three financial years).

(iii) Sick Leave

Corporation employees accumulate non-vesting sick leave entitlements. In assessing its sick leave liability to comply with AASB119 the Corporation analysed employee payment and entitlement accrual experience and ascertained that in each year the amount paid was less than new entitlements accrued for that year. Therefore, in accordance with the view of the Urgent Issues Group of the Australian Accounting Standards Board, the Corporation has found that unused entitlements does not give rise to a liability at the end of the reporting period because it was probable that, based on past experience, sick leave expected to be taken in future reporting periods was less than entitlements which are expected to accrue in those periods.

(iv) Superannuation

The superannuation expense for the reporting period is the amount of the statutory contribution the Corporation makes to the Local Government Superannuation Scheme, which provide benefits to its employees.

Investments

Investments are brought to account at cost. Interest revenues are recognised as they accrue.

Land and Buildings Held for Resale

Non-current land and buildings held for development or resale is valued at the lower of cost and net realisable value. Revenue arising from the sale of land and buildings is recognised in the operating statement on the signing of a valid unconditional contract of sale. Details of Land and Buildings Held for Resale are set out in note 8

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

Leases

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Assets acquired under finance leases are capitalised. The initial amount of the leased asset and the corresponding lease liability is the present value of the minimum lease payments. The assets are amortised over the life of the relevant lease or, where ownership is expected to be obtained, the expected economic life of the asset. Lease payments are allocated between interest expense and the lease liability. The interest expense is charged against operating surplus when incurred. Operating leases are not capitalised and lease payments are expensed as incurred.

Revenue Recognition

Revenues are recognised when the Corporation obtains control over the assets arising from the 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 and the timing of commencement of control depends upon the arrangements that exist between the grantor and the Corporation.

Contributions not received, over which the Corporation has control, are recognised as receivables. In respect of uncollected rates, provision is made for amounts considered uncollectable, although the rate collection provisions of the Local Government Act are such that rates, as a charge on the land and collectible as a last resort by sale of the property, can be considered to be virtually certain of collection in most instances.

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

Cash

For purposes of the statement of cash flows, cash includes cash deposits which 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 and short term draw down.

Inventories

Inventories have been valued at the lower of cost and net realisable value. Costs have been assigned on the basis of the "Average Cost" method.

Receivables

Receivables are recorded at amounts due less any provision for doubtful debts.

Other Payables

Other payables are recognised when the Corporation becomes obliged to make future payments resulting from the purchase of goods and services.

Loans

Debentures, bank loans and other loans are recorded at an amount equal to the net proceeds received. Interest expense is recognised on an accrual basis.

Financial Instruments

The Corporation has no forward foreign exchange contracts, forward interest rate contracts or other interest rate products. Exposure to interest rate and credit risk as at reporting date is detailed in Note 22.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Comparatives

Where necessary to facilitate comparison, comparative figures have been adjusted to conform with changes in presentation in the current year.

International Financial Reporting Standards

Australian equivalents to International Financial Reporting Standards (AIFRS) have been adopted in the financial report for the year ending 30 June 2006 and the comparative information presented for the year ending 30 June 2005. In preparation for the transition, opening balances as at 1 July 2004 for the comparative year ending 30 June 2005 have been converted to AIFRS in accordance with the new accounting standard AASB 1 "First Time Adoption of Australian International Financial Reporting Pronouncements".

There are no adjustments to the Corporation Financial Statements as a result of the adoption of AIFRS.

Investment in Associate

Waste Care SA is a regional subsidiary under section 43 and schedule 2 of the Local Government Act 1999.

Waste Care SA was established by a number of constituent councils comprising the Cities of Charles Sturt, Campbelltown, Adelaide, Prospect, Norwood Payneham and St Peters and the Town of Walkerville in conjunction with Waste Management Pacific (SA) Pty Ltd to operate a Resource Recovery Waste Transfer Station (RRWTS) on leased land at Wingfield.

In the event of winding up the subsidiary, the City of Adelaide would receive its equity share of any net assets after payment of all expenses of the subsidiary, or be liable to pay its equity share towards all expenses associated with winding up the subsidiary's operations. To offset this potential liability an agreement for the compulsory purchase of the leased land and the purchase of the RRWTS with Waste Management Pacific (SA) has been established.

The City of Adelaide equity share is 23.75% and as at 30 June 2006 the total deficiency of Waste Care SA was \$144,861 (2005: \$70,574). The Corporation's share of accumulated losses in Waste Care SA (\$34k) has been accounted for in the year ended 30 June 2006.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

2. FUNCTIONS

REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES										
	REVENUES		EXPENDITURES		OPERATING RESULT		GRANTS INCLUDED IN REVENUES		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	2006	2005	2006	2005
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Business Undertakings	25,542	25,175	4,875	5,298	20,667	19,877	-	-	232	155
Community Services	261	182	2,834	2,744	(2,573)	(2,562)	237	158	1,249	1,249
Culture	2,178	1,645	6,558	5,798	(4,380)	(4,153)	617	416	-	-
Economic Development	9,319	8,088	21,248	20,032	(11,929)	(11,944)	764	237	17,054	7,681
Environment	2,298	11,236	21,737	19,352	(19,439)	(8,116)	96	235	118,559	120,070
Recreation	7,323	6,690	7,244	6,960	79	(270)	1,169	406	483,785	481,425
Regulatory Services	9,114	8,805	6,940	6,661	2,174	2,144	189	172	-	-
Transport & Communication	1,548	2,308	5,834	5,760	(4,286)	(3,452)	756	2,308	281,824	275,218
Plant Hire & Depot/Indirect	445	323	9,049	8,783	(8,604)	(8,460)	-	24	-	-
Unclassified Activities	-	-	1,032	1,070	(1,032)	(1,070)	-	-	7,709	6,596
Council Administration	58,470	53,176	23,064	24,280	35,406	28,896	809	642	56,098	57,564
TOTALS	116,498	117,628	110,415	106,738	6,083	10,890	4,637	4,598	966,510	949,958

COMPONENTS OF FUNCTIONS

Activities of the Council have been attributed to the following broad functions:

Business Undertakings

Development of Land for Resale, Markets/Saleyards, Off-street Car Parks – fee paying, Property Portfolio, Town Bus Service

Community Services

Crime Prevention, Emergency Services, Other Fire Protection, Other Public Order and Safety, Health Services, Pest Control – Health, Immunisation, Preventive Health Services, Other Health Services, Community Support, Elderly Citizens Facilities, Home Assistance Scheme, Other Services for the Aged and Disabled, Child Care Centres, Children and youth Services, Community Assistance, Community Transport, Family and Neighbourhood Support, Other Community Support, Community Amenities, Bus Shelters, Public Conveniences, Car Parking – non-fee-paying, Telecommunications Networks, and Other Community Amenities.

Culture

Library Services, Mobile Libraries and Housebound Services, Static Libraries, Other Library Services, Cultural Services, Cultural Venues, Heritage, and Other Cultural Services.

Economic Development

Employment Creation Programs, Regional Development, Support to Local Businesses, Tourism, and Other Economic Development.

Environment

Agricultural Services, Agricultural Water, Animal/Plant Boards, Other Agricultural Services, Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management, Other Environment, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Catchment Water Board Levy, and Other Environment.

Recreation

Parks and Gardens, Sports Facilities – Indoor, Sports Facilities – Outdoor, Swimming Centres – Indoor, and Other Recreation.

Regulatory Services

Dog and Cat Control, Building Control, Town Planning, Clean Air/Pollution Control, Litter Control, Health Inspection, Parking Control, and Other Regulatory Services.

Transport

Bridges, Bus Service, Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), and Other Transport.

Plant Hire & Depot

Council Administration

Governance, Administration n.e.c., Elected Members, Organisational, Support Services, Accounting/Finance, Payroll, Housing for Council Employees, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, Customer Service, Other Support Services, Revenues, LGGC – General Purpose, and Separate and Special Rates.

Unclassified Activities

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

	2006 \$000s	2005 \$000s
3. REVENUES		
RATES		
General	55,876	52,089
Fines & Interest	196	181
	56,072	52,270
Less: Rebates	(4,048)	(2,249)
	52,024	50,021
 RATES - OTHER		
Rundle Mall Separate Rate	1,559	1,497
Water Catchment Levy	536	518
	2,095	2,015
 STATUTORY CHARGES		
Development Act fees	519	431
Animal registration fees & fines	18	-
Parking fines / expiation fees	8,363	8,138
Sundry	42	40
	8,942	8,609
 USER CHARGES		
Licences and fees	1,179	1,251
Parking machines	5,888	5,695
Adelaide Aquatic Centre charges	4,603	4,202
Golf Links charges	1,635	1,690
Off-street parking	19,623	19,453
Adelaide Town Hall	1,077	962
Waste Management Fees	459	9,929
Property rental	6,423	6,092
Sundry	1,277	922
	42,164	50,196
 INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	137	106
Banks & other	50	170
Other	9	7
	196	283
 REIMBURSEMENTS		
WERM leasing and royalties	923	136
Central Market Marketing	111	-
Other	25	83
	1,059	219
 COMMERCIAL ACTIVITY REVENUE		
Compost sales	437	390
	437	390
 OTHER REVENUES		
Recoverable works	397	744
Sales various	62	330
Sundry	272	224
	731	1,298

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

	2006 \$000s	2005 \$000s
OPERATING GRANTS & SUBSIDIES	3,183	1,875
CAPITAL GRANTS & SUBSIDIES	1,454	2,722
	<u>4,637</u>	<u>4,597</u>
<i>These grants have been utilised as follows:</i>		
- for the acquisition of new & upgraded assets	609	937
- for the renewal and replacement of existing assets	845	1,785
- for operating purposes	3,183	1,875
	<u>4,637</u>	<u>4,597</u>

The functions to which these grants relate are shown in Note 2.

SOURCES OF GRANTS

Commonwealth government	1,090	576
State government	3,155	4,011
Other	392	10
	<u>4,637</u>	<u>4,597</u>

CONDITIONS OVER GRANTS & CONTRIBUTIONS

Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:

Unexpended at the close of the previous reporting period	790	91
Less: expended during the current period from revenues recognised in previous reporting periods	0	0
Infrastructure Assets	(266)	(50)
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
Infrastructure Assets	378	749
Unexpended at the close of this reporting period and held as restricted assets	<u>902</u>	<u>790</u>
Net increase (decrease) in restricted assets in the current reporting period	<u>112</u>	<u>699</u>

4. EXPENSES

EMPLOYEE COSTS

Salaries and Wages	41,169	39,329
Workers' compensation insurance	1,132	979
Superannuation contribution	3,404	3,176
Long service leave	269	180
	<u>45,974</u>	<u>43,664</u>
Less:		
Capitalised and distributed costs	(4,306)	(4,399)
	<u>41,668</u>	<u>39,265</u>

Total Number of Employees

(Full time equivalents at end of reporting period)	FTEs 690	FTEs 693
---	-------------	-------------

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

	2006 \$000s	2005 \$000s
CONTRACTUAL SERVICES		
Auditors Remuneration		
- Auditing the financial reports	40	43
- Other services	-	7
Legal Fees	662	852
Contractors	6,317	6,860
Professional Services	3,549	2,840
External Plant Hire	1,177	1,951
Rent	3,280	3,030
Advertising & Promotion	3,319	3,785
Maintenance	2,864	2,599
Waste Services	771	618
Other	2,985	2,826
	<u>24,964</u>	<u>25,411</u>
MATERIALS		
Parts and accessories	2,485	2,689
Consumables	1,184	1,171
Energy	3,770	3,313
Water	590	456
	<u>8,029</u>	<u>7,629</u>
DEPRECIATION		
Buildings	5,695	5,453
Infrastructure	7,239	7,069
Plant, equipment, furniture and fittings	3,591	3,331
Other	68	100
	<u>16,593</u>	<u>15,953</u>
OTHER EXPENSES		
Bad & Doubtful Debts	84	22
Communications	655	710
Sponsorship, Contributions & Donations	3,534	3,846
Fees and Permits	41	2,823
Insurances	1,408	1,310
Levies	785	730
Rates & Taxes	619	696
Remediation Expenses	5,790	-
Training & Development		
Work in Progress write-off	1,640	3,502
Other	3,492	3,431
	<u>18,048</u>	<u>17,070</u>

Included within Other Expenses is an amount of \$5.79m (2004/05: \$Nil) of remediation expenses to provide for the ongoing capping and remediation of the Wingfield Landfill site.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

	2006 \$000s	2005 \$000s
5. GAIN/(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS		
Proceeds on disposal of land and buildings	4,014	-
Less carrying amount of land and buildings	(434)	-
Gain / (Loss) on disposal of land and buildings	<u>3,580</u>	<u>-</u>
Proceeds on disposal of infrastructure assets	826	-
Less carrying amount of infrastructure assets	(35)	-
Gain / (Loss) on disposal of infrastructure assets	<u>791</u>	<u>-</u>
Proceeds on disposal of plant, equipment, furniture & fittings	1,231	1,012
Less carrying amount of plant, equipment, furniture & fittings	(1,389)	(1,326)
Gain / (Loss) on disposal of plant, equipment, furniture & fittings	<u>(158)</u>	<u>(314)</u>
Net Gain/ (Loss) on disposal of assets.	<u><u>4,213</u></u>	<u><u>(314)</u></u>
6. CURRENT ASSETS		
CASH & EQUIVALENT ASSETS		
Cash at bank and on hand	1,231	42
Deposits at call	1,538	1,164
	<u>2,769</u>	<u>1,206</u>
<p>The deposits at call value includes an amount of \$286k (2004/05: \$277k) relating to a bequest for the acquisition of library stock and development trusts, and \$902k (2004/05: \$790k) relating to Open Space Fund Contributions and, as such, restrictions are attached to their use.</p>		
TRADE & OTHER RECEIVABLES		
Rates - General & Other	2,298	1,580
Accrued Revenues	769	449
GST Recoupment	745	752
Prepayments	317	370
Loans to community organisations	19	24
Trade Receivables	3,276	1,066
Other	224	2,257
	<u>7,648</u>	<u>6,498</u>
Less: Provision for doubtful debts	(127)	(65)
	<u><u>7,521</u></u>	<u><u>6,433</u></u>
INVENTORIES		
Stores & Materials	35	-
Trading Stock	118	100
Fuel	34	75
	<u>187</u>	<u>175</u>
7. NON-CURRENT ASSETS		
RECEIVABLES		
Loans to community organisations	30	67
	<u>30</u>	<u>67</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

8. INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2006 \$'000				2005 \$'000			
	At Fair Value	At Cost	Accumulated Depreciation	Carrying Amount	At Fair Value	At Cost	Accumulated Depreciation	Carrying Amount
Land & Buildings	538,290	146,129	(18,057)	666,362	538,290	132,154	(12,363)	658,081
Infrastructure	42,559	209,490	(27,082)	224,967	42,556	196,964	(19,849)	219,671
Plant, Equipment, Furniture & Fittings	-	31,258	(18,202)	13,056	-	29,100	(15,838)	13,262
Other	1,002	51,959	(1,343)	51,618	1,002	51,334	(1,273)	51,063
Total	581,851	438,836	(64,684)	956,003	581,848	409,552	(49,323)	942,077

Land and Buildings Held for Resale

Land and Buildings held for resale are held at cost.

Park Lands

Park lands, including city squares and sportsfields, were internally valued on 30 June 2003 by the Corporation's valuation staff at deemed cost.

Park Lands Improvements

Infrastructure components located within the parks were internally valued to written down replacement cost on 30 June 2003 by the Corporation's engineers.

Land & Buildings (Operating)

Land and buildings (operating), excluding Wingfield Waste Management Centre and adjacent land, were independently valued by FPD Savilles at 1 July 2003 using market value where available and written down replacement cost. Buildings on community land

Infrastructure Assets

Infrastructure assets include road pavement, bridges, footpaths, lighting, street furniture, stormwater drainage and Torrens Lake. Road pavement values do not include the land beneath the roads. Infrastructure assets were internally valued by the Corporation's engineers on 30th June 2002. Valuation has been based on written down replacement cost discounted for age and condition.

Plant, Equipment, Furniture & Fittings

Plant, Equipment, Furniture & Fittings are held at Cost

Other Assets

Other assets include capital works in progress of \$31.4m (\$33.0m 2005), civic collection items, antiques and library stock. Civic collection items and antiques were internally valued by the Corporation's staff on the 30th June 2004 at deemed value.

Library stock was internally revalued in the year ended 30 June 2004 to written down replacement cost.

Restrictions on Assets

The nature of many of the Corporation's assets, and in particular Park Land, is such that they have restricted use either because of legal restrictions, heritage or community expectations so that these assets would continue to be held for the benefit of the community. Such assets would not be readily disposed.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

	2005	Carrying Amount Movements During Year			2006
	\$'000	\$'000			\$'000
	Carrying Amount	Asset Purchases	Asset Disposals/ Written off	Depreciation	Carrying Amount
Land & Buildings	658,081	14,411	(435)	(5,695)	666,362
Infrastructure	219,671	12,570	(35)	(7,239)	224,967
Plant, Equipment, Furniture & Fittings	13,262	4,774	(1,389)	(3,591)	13,056
Other	51,063	2,281	(1,658)	(68)	51,618
Total	942,077	34,036	(3,517)	(16,593)	956,003

	2006 \$000s	2005 \$000s
NON-CURRENT ASSETS - Land & Buildings		
Land and Buildings Held for Resale	<u>14,925</u>	<u>12,598</u>
Park Land		
Land at Deemed cost	<u>388,400</u>	<u>388,400</u>
Park Lands Improvements		
Land improvements at Valuation	34,030	33,145
Less: Accumulated Depreciation	<u>(4,325)</u>	<u>(3,319)</u>
	<u>29,705</u>	<u>29,826</u>
Total Park Land	<u>418,105</u>	<u>418,226</u>
Land & Buildings (Operating)		
Land at Valuation	<u>76,469</u>	<u>76,469</u>
Buildings at Valuation	170,596	159,832
Less: Accumulated Depreciation	<u>(13,733)</u>	<u>(9,044)</u>
	<u>156,863</u>	<u>150,788</u>
Total Land & Buildings (Operating)	<u>233,332</u>	<u>227,257</u>
NON-CURRENT ASSETS - Land & Buildings Total	<u>666,362</u>	<u>658,081</u>
NON-CURRENT ASSETS- Infrastructure		
At Valuation	252,049	239,521
Less: Accumulated Depreciation	<u>(27,082)</u>	<u>(19,850)</u>
Total	<u>224,967</u>	<u>219,671</u>
NON-CURRENT ASSETS- Plant, Equipment, Furniture & Fittings		
At Cost	31,258	29,100
Less: Accumulated Depreciation	<u>(18,202)</u>	<u>(15,838)</u>
Total	<u>13,056</u>	<u>13,262</u>
NON-CURRENT ASSETS - Other		
At Valuation	21,588	19,308
Less: Accumulated Depreciation	<u>(1,343)</u>	<u>(1,273)</u>
WIP At Cost	31,373	33,028
Total	<u>51,618</u>	<u>51,063</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

	2006 \$000s	2005 \$000s
9. CURRENT LIABILITIES		
TRADE & OTHER PAYABLES		
Accounts payable - goods and services	5,920	6,951
Payments received in advance	387	577
Accrued expenses - employee benefits	1,258	1,135
Accrued expenses - other	2,130	1,558
Deposits	34	-
Other	3,825	2,874
	<u>13,554</u>	<u>13,095</u>
SHORT TERM BORROWINGS		
Short term draw down	4,000	-
Bank Overdraft	-	29
	<u>4,000</u>	<u>29</u>
CURRENT PORTION OF LONG TERM BORROWINGS		
Loans - Other	9,814	326
	<u>9,814</u>	<u>326</u>
Loan Facilities and Overdraft available		
<p>The Corporation has available a loan facility with the Local Government Finance Authority of \$20.4m which may be called upon as required to balance the corporation's cash position. As at 30 June 2006 the unutilised amount of this facility was \$16.4m.</p> <p>The Corporation also has an overdraft facility of \$400,000 applicable to its operating bank account. The Corporation uses short term liquidity to minimise the use of the facility and reduce interest expense.</p>		
SHORT TERM PROVISIONS		
Annual leave	3,804	3,466
Long service leave	647	591
Other Remediation works	235	235
Wingfield Waste Management Centre remediation	1,657	949
	<u>6,343</u>	<u>5,241</u>
10. NON-CURRENT LIABILITIES		
BORROWINGS		
Loans - Other	7,130	16,944
	<u>7,130</u>	<u>16,944</u>
Loan Facilities		
<p>In addition to the loan facility with the Local Government Finance Authority the Corporation has fixed term loans which total \$16.944m.</p> <p>Loans are secured over General Rates income.</p>		
PROVISIONS		
Employee Benefits	3,616	3,403
Wingfield Waste Management Centre remediation	8,231	3,181
	<u>11,847</u>	<u>6,584</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

11. RESERVES

Asset Revaluation Reserve

	Balance at 1 July 2005 \$'000	Net Increments / (Decrements) \$'000	Balance at 30 June 2006 \$'000
Land & Buildings	149,890	-	149,890
Infrastructure	42,556	3	42,559
Other	1,003	-	1,003
Total	<u>193,449</u>	<u>3</u>	<u>193,452</u>

The Asset Revaluation Reserve is used to record increments and decrements arising from changes in fair value of non-current assets.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

12. SUPERANNUATION

The City of Adelaide contributes in respect of its employees to a defined benefit superannuation scheme managed by the Local Government Superannuation Scheme. In accordance with statutory requirements, the local government contributes amounts as determined by the Scheme's 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, Council would be required to meet its share of the deficiency. The general purpose financial report of the Scheme disclose that an actuarial assessment of the scheme was undertaken as at 30 June 2002 by L C Brett, B.Sc., FIA, FIAA, of Brett and Watson Pty Ltd and that the actuary indicated that without improvements to benefit conditions, or other unanticipated events, current contribution rates to the Local Government Superannuation Scheme would be sufficient to meet members' benefits as they accrue. No liability of Council has therefore been recognised as at the reporting date in respect of superannuation benefits for its employees. The date of the most recent actuarial assessment of Local Super was 30 June 2002. The date of the most recent actuarial assessment of the Corporation of the City of Adelaide Superannuation Plan was 1 July 2002. The Actuary indicated that without improvements to benefit conditions, or other unanticipated events, current contribution rates to the Local Government Superannuation Scheme would be sufficient to meet members' benefits as they accrue.

The amount of superannuation contributions paid by Council during the reporting period was \$3,282,265 (2005 \$3,081,436).

The Council's proportion of the net market value of the plan assets cannot be determined reliably. Any surplus between the employees' accrued benefits and Council's share of the net market value of the plan remains within the plan and is not returned to the Council.

In previous years the Corporation also contributed in respect of a small number of employees to the Corporation of the City of Adelaide Superannuation Plan. On 1 June 2006 this Plan was transferred to the Local Government Superannuation Scheme. The net market value of assets transferred was \$6,838,646.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

	2006	2005
	\$000s	\$000s

13. COMMITMENTS FOR CAPITAL EXPENDITURE

Capital expenditure commitments contracted for as at the reporting date which have not been recognised as liabilities in the statement of financial position are as follows:

Not longer than one year	28,667	2,738
	<u>28,667</u>	<u>2,738</u>

14. LEASE COMMITMENTS

At the reporting date the Corporation had the following lease obligations which have not been recognised as liabilities in the Balance Sheet:

Not later than one year	3,680	3,074
Later than one year and not later than two years	3,780	3,176
Later than two years and not later than five years	11,823	9,998
Later than five years	41,238	39,020
	<u>60,521</u>	<u>55,268</u>

These lease obligations are predominantly for the operating lease of land and buildings.

15. RECONCILIATION OF INCREASE IN NET ASSETS RESULTING FROM OPERATIONS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

Net cash provided by operating activities	24,386	30,534
Depreciation expense	(16,593)	(15,953)
Net gain (loss) on disposal of non-current assets	4,213	(314)
Increase (decrease) in Capital WIP	(1,658)	(1,278)
Change in operating assets and liabilities	-	-
Increase (decrease) in debtors	1,094	(2,077)
Increase (decrease) in inventories	12	26
Increase (decrease) in other current assets	-	236
(Increase) decrease in payables	(459)	(3,436)
(Increase) decrease in provisions	(6,366)	430
Operating surplus	<u>4,629</u>	<u>8,168</u>

RECONCILIATION OF CASH

For the purposes of the statement of cash flows, cash includes cash on hand and deposits at call, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the Balance Sheet as follows:

Cash and cash equivalents	2,769	1,206
Less: Short term draw down	(4,000)	-
Less: Bank overdraft	-	(29)
Balances per statement of cash flows	<u>(1,231)</u>	<u>1,177</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

16. FINANCIAL PERFORMANCE INDICATORS

	2006 \$'000	2005 \$'000
Operating Surplus before Capital amounts	<u>416</u>	<u>8,482</u>

The Operating Surplus before Capital amounts has been adjusted by excluding amounts relating to gains/ losses on disposal of assets.

Operating Surplus Ratio	<u>0.77%</u>	<u>16.30%</u>
--------------------------------	--------------	---------------

Adjusted Operating Surplus
Rates - General & Other

This ratio expresses the operating result as a percentage of general and other rates, net of rebates.

	\$'000	\$'000
Net Financial Liabilities	<u>42,181</u>	<u>34,338</u>

Net Financial Liabilities are defined as total liabilities less non-equity financial assets.

Net Financial Liabilities Ratio	<u>38.24%</u>	<u>29.88%</u>
--	---------------	---------------

Net Financial Liabilities
Total Operating Revenue

Total operating revenue excludes profit on disposal of non-current assets and revenue from NRM/Water Catchment Levy

Interest Cover Ratio	<u>0.83%</u>	<u>0.71%</u>
-----------------------------	--------------	--------------

Net Interest Expense
Total Operating Revenue

Net interest costs are defined as total interest expenses less total interest revenues.

Asset Sustainability Ratio	<u>118.90%</u>	<u>100.83%</u>
-----------------------------------	----------------	----------------

Net Asset Renewals
Depreciation Expense

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new new capital expenditure on the acquisition of additional assets.

Asset Consumption Ratio	<u>86.86%</u>	<u>87.23%</u>
--------------------------------	---------------	---------------

Carrying value of depreciable assets
Gross value of depreciable assets

Total carrying value of depreciable assets divided by total reported value of depreciable assets before accumulated depreciation.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

17. FINANCIAL INSTRUMENTS

Interest Rate Risk

The following table details the exposure to interest rate risk as at the reporting date. All other financial instruments and liabilities are non-interest bearing.

	Note	Weighted Average Interest Rate %	Variable Interest Rate \$'000	Fixed Interest Rate Maturity				Total \$'000
				Less than 1 Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000	Non-Interest Bearing \$'000	
2006								
Financial Assets:								
Cash at bank and on hand	6,15	5.00	1,189	-	-	-	42	1,231
Deposits at call	6	5.50	1,252	286	-	-	-	1,538
Receivables	6,7	6.60	-	20	30	-	7,501	7,551
			2,441	306	30	0	7,543	10,320
Financial Liabilities:								
Loans and bank overdraft	9,10	5.87	4,000	9,814	2,010	5,120	-	20,944
Payables	9	-	-	-	-	-	13,554	13,554
Employee Entitlements	9,10	-	-	4,451	3,616	-	-	8,067
			4,000	14,265	5,626	5,120	13,554	42,565
2005								
Financial Assets:								
Cash at bank and on hand	6,15	5.00	670	-	-	-	42	712
Deposits at call	6,15	5.25	186	278	-	-	-	464
Receivables	6,7	6.60	-	24	67	-	6,409	6,500
			856	302	67	0	6,451	7,676
Financial Liabilities:								
Loans and bank overdraft	9,10	5.78	-	326	15,044	1,900	-	17,270
Payables	9	-	-	-	-	-	12,641	12,641
Employee Entitlements	9,10	-	-	4,057	3,403	-	-	7,460
			-	4,383	18,447	1,900	12,641	37,371

Credit Risk

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the economic entity's maximum exposure to credit risk without taking into account the value of any collateral or other security obtained.

Net Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in note 1 to the accounts.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

18. ECONOMIC DEVELOPMENT

In accordance with the requirements of the City of Adelaide Act 1998, operating expenditure of \$5.5m was incurred in relation to Council's commitments under the Capital City Development Program. This represents 4.6% of the total operating expenditure for the year ended 30 June 2006.

In accordance with the requirements of the City of Adelaide Act 1998, operating expenditure of \$6.0m was incurred for works, services and activities that directly related to Council's economic development program. This represents 11.24% of the total operating expenditure for the year ended 30 June 2006.

19. CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE BALANCE SHEET

Legal Action

Supreme Court SA proceedings have been commenced against the Corporation by India Pty Ltd, claiming damages and other losses in the sum of \$3.5m in addition to interest and costs.

The nature of the dispute centres around the alleged failure of the Corporation to enter into a lease agreement in respect of a ticket validation booth in a car park operated by the Corporation and leased from India Pty Ltd.

The Corporation intends to vigorously defend the action.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

20. BUDGET COMPARISONS

Shown below is the 2005/06 Budget adopted by Council on the 14th of July 2005 and is compared to the actual result for the year. Following the results are a listing of explanations of the material variations.

	Actual \$'000	Budget \$'000	Variance \$'000
REVENUES			
Rates - General	52,024	52,100	(76)
Rates - Other	2,095	2,108	(13)
Statutory charges	8,942	8,877	65
User charges	42,164	42,211	(47)
Operating Grants & Subsidies	3,183	3,026	157
Investment Income	196	76	120
Reimbursements	1,059	670	389
Commercial activity revenue	437	350	87
Other Revenues	731	619	112
Gain on disposal of assets	4,213	3,355	858
Total Revenues	115,044	113,392	1,652
EXPENSES			
Employee Costs	41,668	41,707	(39)
Contractual Services	24,961	26,432	(1,471)
Materials	8,031	8,267	(236)
Finance Costs	1,113	2,332	(1,219)
Depreciation	16,593	17,397	(804)
Other Expenses	18,049	12,317	5,732
Total Expenses	110,415	108,452	1,963
OPERATING SURPLUS BEFORE CAPITAL AMOUNTS	4,629	4,940	(311)
Capital Grants & Subsidies	1,454	5,135	(3,681)
NET SURPLUS	6,083	10,075	(3,992)

Explanations for major variances to budget attributable to:

Total Revenues	Variance \$'000
Council generated \$1.652m (1%) additional revenue on original budgeted revenue estimates of which:	
Gain on Disposal of Assets	
Loss on disposal of plant and equipment - less than budgeted	468
Gain on disposal of surplus land/buildings - more than budgeted	390
Reimbursement	
Increased Wingfield reimbursements particularly for the clean fill business	297
Reimbursement for costs incurred by council in previous year.	110


NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

Total Expenses	Variance \$'000
Council spent \$1.963m (2%) above original budget expectations:	
Contractual Services	
Budget had assumed that some of the expenditure included in Capital Works Programs was maintenance in nature and therefore would need to be transferred to operating under contractual services. However, given delays in Capital Works Program including North Terrace, less was identified as operating in nature	(1,471)
Finance Costs	
Cost savings on interest expense due to expenditure delays on capital projects and thus reduced requirement to borrow	(1,238)
Depreciation	
Budget for depreciation based on full completion and handover of capital works projects. Delays in the completion and, therefore, handover of projects has resulted in a diminished actual charge for depreciation.	(804)
Other Expenses	
Increased provision for capping and remediation for Wingfield landfill site	5,790
Capital Grants & Subsidies	Variance \$'000
Capital Grants & Subsidies	
Delays in the commencement/completion of Capital Works Program, particularly in relation to North Terrace (\$2.370m) and Open Space funded Projects (\$0.549m) has resulted in these grants being received in 2006/07 instead of 2005/06 as originally budgeted. Further, a capital grant of \$1m was budgeted in relation to Grote St capital works. No amount was received in 2005/06.	(3,681)

STATEMENT BY CHIEF EXECUTIVE OFFICER

I, Mal Hemmerling, the person for the time being occupying the position of Chief Executive Officer for the Corporation of the City of Adelaide do hereby state that the financial statements for the 2005/2006 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, the Local Government (Financial Management) Regulations 1999 made under that Act and the City of Adelaide Act 1998.


.....
Mal Hemmerling
CHIEF EXECUTIVE OFFICER
Dated this 13 day of October 2006

ADOPTION STATEMENT

Laid before the Corporation of the City of Adelaide and adopted on the _____ day of _____ 2006.

.....
Michael Harbison
LORD MAYOR



Chartered Accountants
& Business Advisers

INDEPENDENT AUDIT REPORT TO THE LORD MAYOR AND COUNCILLORS OF THE ADELAIDE CITY COUNCIL

Scope

The financial report and Chief Executive responsibility

The financial report of the Adelaide City Council ("the Council") comprises the Statement by the Chief Executive Officer, Income Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and notes to and forming part of the financial report, and the for the year ended 30 June 2006.

The Council's officers are responsible for the preparation and true and fair presentation of the financial report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We have conducted an independent audit of the financial report in order to express an opinion on them. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

Our audit procedures have also included an evaluation of the compliance by Council with the Local Government Act, 1999 together with the Local Government (Financial Management) Regulations 1999 made under that Act.

All of these procedures have been undertaken to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Council's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the board of management.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Tel 618 7421 1400 | Fax 618 7421 1499
adelaide@pkf.com.au | www.pkf.com.au
A South Australian Partnership | ABN 21 903 784 597
Level 2 | 139 Frome Street | Adelaide | South Australia 5000
GPO Box 2505 | Adelaide | South Australia 5001

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

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

Audit Opinion

In our opinion the financial report of the Adelaide City Council is properly drawn up:

- a) To give a true and fair view of:-
 - i) the Council's state of affairs as at 30 June 2006 and changes in equity resulting from operations and cashflows for the year ended on that date.
 - ii) the other matters required by the Local Government Act 1999 to be dealt with the financial statements.
- b) According to the Local Government Act 1999, together with the Local Government Act 1999 (Financial Management) Regulations 1999 made under that Act; and
- c) According to Australian Accounting Standards and mandatory professional reporting requirements.

Signed at Adelaide this 13th day of October 2006.



PKF
Chartered Accountants



I J Painter
Partner