

I am in the process of purchasing a house in Armidale. I currently live in North Sydney.

Rates paid last year for the Armidale house were \$2974.13. In North Sydney I paid \$1223.69.

I recognize that this may be due to differences in land value (the Armidale block is much larger), and that there are economies of scale involved, in that Armidale Regional Council must provide similar services for a much smaller population than North Sydney's, but it is inequitable that individual ratepayers in Armidale must bear increased costs due to a declining population

The reason I am re-locating is that the current State government is spending billions on roads and other works in Sydney which it designates State Significant Infrastructure - when in reality they serve only Sydney.

In the process, the Warringah Freeway Upgrade has destroyed much of the beauty and amenity of North Sydney by brutally removing all trees and other vegetation which previously screened the freeway from the surrounding areas. It has done this by ignoring the objections of residents and over-riding North Sydney Council's planning and environmental regulations.

The State government justifies this by saying Sydney must "plan for growth", while regional cities like Armidale are losing population because of interest rate rises - (the house I am planning to purchase is just one of several other houses for sale in the same area), and downturns in local industries : the University of New England in Armidale lost 12% of its staff in 2022 (another reason why there are so many houses for sale), as well as facing the costs of repairs from a tornado which struck it in October 2021. Other regional cities and towns around NSW face even higher costs for repairs and recovery from natural disasters.

Regional councils north of, and including Armidale, are also being manipulated by Transport for NSW into dismantling now disused railway tracks and turning the route into a "Rail Trail" for cyclists and hikers, promising that tourism will bring economic benefits to the community. That is, while Transport for NSW will dispense with the costs of maintaining the tracks and reinstating a much needed rail service between Armidale and the Queensland border, the councils (or rather, rate-payers) will bear the cost of building and maintaining the "rail trails". Arguably a reinstated rail service for carrying both freight and passengers would be more economically beneficial to the region than the rail trails which would be used by a very much smaller demographic.

A "managed decline in services " is not an acceptable alternative if the Armidale Regional Council is unsuccessful in its application to increase

rates. What services would decline, and who would decide? Furthermore, allowing some services such as building maintenance to decline, could incur greater costs in the future. Reduction in staff numbers is also not an option since council staff provide services, and they and their jobs are part of Armidale's economy.

I suggest that the State government should re-allocate some of the billions it proposes to spend in Sydney on "State Significant Infrastructure", to regional local governments to enable them to provide good services which attract people to move there, thus relieving Sydney of the need to plan for more growth, and relieving individual rate payers of the need to pay extortionate rates to maintain basic services as well as those which make regional towns and cities civilised and desirable places to live.

[REDACTED]

North Sydney 2060

From: [REDACTED]

Date: Fri, 10 Feb 2023, 6:03 pm

Subject:

To: [REDACTED]

Dear [REDACTED]

As a rate payer in Armidale NSW, I am writing to you in regards to the Armidale Council's application for a special rate variation of, I believe, 58%.

I have had many discussions with friends and fellow rate payers over this proposal, and the common reaction is white-hot anger. After years of economic mismanagement, we as rate payers are expected to foot the bill.

I understand that expenses have increased and recent weather events have damaged roads in the shire, but many other regional councils seem to be getting by with much more reasonable increases. Surely an increase more in line with inflation would be more appropriate?

Most people I know simply can't afford such a large increase, under the existing weights of mortgage hikes, petrol prices and food costs. We are all very stressed and worried. If the alternative to the mammoth increase is reduced hours at the library and swimming pool, less money for progress and expansion (as stated by council - why now???? We can't afford it!!), then so be it. As families and individuals we all have to live within our means, and so should communities.

Along with my friends and neighbours I have filled in surveys and written letters to the council. But the general response seems to be one of a deaf ear and inflexible intentions. Hence my appeal to your office; we feel we are not being listened to.

I will keep my letter short; I ask you to consider my plea on behalf of the rate payers of Armidale - our Council's proposal is exorbitant and unaffordable, and will cause much pain. Hence it should not be approved.

Thank you for considering our position,

[REDACTED]
[REDACTED] Armidale NSW

Author name: [REDACTED]

Date of submission: Thursday, 23 February 2023

Please provide any other comments on the council's application that you would like to make here.

As a member of the Armidale Regional Ratepayers Association, I know that it has done very extensive research about the necessity or otherwise of the proposed SRV. It will be doing its own submission and I agree with everything contained in that submission. My voice is one of many who oppose the SRV, yet are not sufficiently motivated or able to write a submission themselves.

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

The Armidale Regional Council has tried to clearly establish the need/purpose for the SRV, but I don't believe they have been entirely honest with the figures presented. I am a member of the Armidale Regional Ratepayer's Association (ARRA), which will be presenting its own submission, suggesting a lower SRV. ARRA's findings are that not all budgeted figures are correct and have been inflated to further justify a rates increase.

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

ARC has not canvassed any other alternatives to the rate rise, nor were we given an option to choose a different SRV, as we were in a previous SRV application for 10% rise. I believe that council has deliberately shied away from offering alternatives to give ratepayers no choice in the matter.

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

Yes, the full cumulative increase in percentage terms and the total increase in dollar terms for the average ratepayer was communicated. However, this was not easily understood by a lot of people, and applying an average increase did nothing to allay people's fears about exactly how much it cost to each individual. Averages mean nothing until they become specifics.

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

I don't believe that council's engagement strategy ensured community awareness. Many people I have spoken to since the engagement period are still unaware of the SRV application, and are horrified to know of the increases to already stretched budgets. Of the many meetings I attended, only VERY small audiences were in attendance. This was so different to a meeting in the Town Hall around 8 years ago when council wanted a 20% increase in rates. The Town Hall was packed and very vocal. The council backed off and applied for a 10% increase instead. Incidentally, that increase was only supposed to last 7 years. By stealth and zero communication from the council, that increase has become permanent and here we are now staring down a nearly 60% increase. No, people are NOT aware of this.

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

There has been no publicity from the council regarding its response to community feedback. There has been no publicity about how residents and businesses have reacted to the proposed increase. I am in the dark about general community opinion, apart from those I meet personally. The latter feel panic, betrayal, shock, concern and anger.

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

I think the impact on most residents has been very much underplayed. With extremely high inflation and costs of living, a further financial burden is the last thing residents need. A \$600 a year increase may not seem very much to a highly-paid councillor, but to a young first-home buyer on a low salary already struggling to make ends meet, it's a lot. Council has got itself in the current mess, and it can't just put out its hand to the ratepayers each time there is a financial problem - the over-stretched resident can't do that.

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay.

I believe council has given no consideration of the community's capacity and willingness to pay. If a Town Hall meeting can fire volleys at a council for a 10% increase, imagine what it would do for a 60% increase, had it been made comprehensively aware, with wide coverage. I think there will be a lot of people who have to default on their rates (either not paying or having to sell their house) if the proposed increase is accepted.

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

I haven't seen any literature on this matter. There was some talk about allowing a time-payment plan, but that won't help at all. Again, this has not been made public.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

I understand that council has done what is necessary, but I cannot confirm that.

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

The ARC has been badly managed for decades. It has made some very bad investment decisions, it has hired so-called experts at great cost only to have them resign or retrenched for lack of performance. Council has in the past been very dictatorial. It has sat on projects for years even though they have been approved and financed, with little accountability. My fear is that this SRV will set a very high bar for future SRV's, and that the increased funds will be poorly managed and then in a few short years the hands will once again be outstretched to the residents. Council needs to prove that it run its business frugally and practically before it is handed millions of dollars. Every resident has to live within their means, so why not council? If we have to claw our way out of the mess using available funds and effective management, so be it. I don't believe council has looked at that as an option.

Author name: [REDACTED]

Date of submission: Thursday, 23 February 2023

Please provide any other comments on the council's application that you would like to make here.

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

No

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

No

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

No

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

No

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

They do not provide all of the services they are charging for.

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

Increased rates for services not provided.

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay. Requesting payment for not delivered services

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

No

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

No

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

They have not considered the services we provide for ourselves and do not ask the council to provide.

Author name: [REDACTED]

Date of submission: Friday, 24 February 2023

Please provide any other comments on the council's application that you would like to make here.

I am against the councils SRV Proposal

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

No

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

No

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

No

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

None

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

Unreasonable

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay.

No consideration

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

no

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

Author name: [REDACTED]

Date of submission: Thursday, 2 March 2023

Please provide any other comments on the council's application that you would like to make here.

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?
No the ARC have not and there are many areas to look at

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

Submission re: Armidale Regional Council Special Rate variation To : IPART The proposed 58.8% rate increase being sold to rate payers as a 50% rate increase is unjustified and must not occur until the whole community is consulted, understands it and most of all listened to the concerns of the rate payers. Everything put forward is so complicated to read through in such a short time too. This rate increase will cost Guyra rate payers far more than 58.8%, with some up to 150% or more. (We have already have had 60 new fees and charges, along with increases in rates of 250% and no services) This will be impossible for some to pay but the ARC refuses to hear the these concerns. The Region has had 6 years of promised improvement to services and cheaper rates, this has now failed drastically. The Region has gone backwards with services disappearing, and service costs going skyward. A lot of rate payers are being charged council fees for services they dont receive. We have personally been charged over \$3000 for services not provided and after bringing up with the ARC ignored. The roads are in a disgrace, impassable for some from poor maintenance programs from years gone by, along with very poor management. One good example is a bridge that was put in and then another ordered for the same creek crossing, leaving I believe some \$1.5 million wasted with a bridge that cant be used. The GM receives about \$653,000 per annum for this achievement. It has been proven by experts in the field like Professor Drew and others that the economy of scale is the cause, yet the ARC ignores these facts and continues bring the Region down. There has been ARC vehicles counted (some 15) heading back to Armidale at 3.30 pm each day as a example of waste. Now with this submission, my concern is the consulting, where the Mayor claimed has support for a rate increase by the community, but in fact no majority at these meetings supported this rate increase. Why wasnt, there a show of hands or a vote is taken. When trying to speak up at these meeting, micro phones were take off those who ask questions on costs. The community was on the very clear understanding after these meetings that NO support was there in the community for this rate increase , and with our submissions into the ARC, They would then decide whether to apply to IPART. Considering there was a over whelming against these rate increases, the ARC then had a meeting on the 13th January and moved the goal posts by adding new proposals in, (eg the bike trail) giving rate payers until the 20th January (7DAYS) to put new submissions in! The old Guyra Shire has been also portrayed as in financial trouble which is totally wrong and this used flawlessly to say it has caused the debt we in now to sell this rate rise. This type of action is I believe deceitful and does not represent rate payers in any way. The waste of money over the last 6 years is in my opinion criminal and requires an inquiry as this action shows clearly voters are not being listen too. Priorities should be put into roads and maintenance. Weeds have been neglected which affects the main industry and yet is ignored by the ARC. Until transparency happens, accountability, we get representation and mismanagement is corrected, and a separation occurs its an absolute no to any rate increase in the Region. A confirmation of the receipt of this email would be appreciated. [REDACTED]

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay.

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

Author name: [REDACTED]

Date of submission: Friday, 3 March 2023

Please provide any other comments on the council's application that you would like to make here.
cant afford. disagreed.

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

no.

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

no.

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

no.

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

no.

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

not effective

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

not reasonable

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay.
cant afford the increase

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

not reasoable one.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

no.

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

not well explained.

Author name: [REDACTED]

Date of submission: Saturday, 11 February 2023

Please provide any other comments on the council's application that you would like to make here.

Totally Opposed to this rate Rise, after seeing the waste of tax payer money over the years not to mention [REDACTED] .. Simple shoving the arrogance dont tax payers throats. If they cant keep to a budget why should we prop up their inability. As no one helps me if Im short in my Budget..

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

NO

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

NO

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

NO

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

NO

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

Didnt Give a [REDACTED]

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

NO

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay.

Dont Care

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

Didnt know about it

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

Only Seen on Facebook

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

Not Seen

Author name: [REDACTED]

Date of submission: Wednesday, 15 February 2023

Please provide any other comments on the council's application that you would like to make here.

There needs to be ways in which Council communicates that are more diverse than the current ways that simply put work only for the literate, and comparatively speaking the well off. The long term effects of increasing costs of living here have not received enough attention.

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

There have been letters to the editor in the local newspaper which like most is an online publication. It is published in a paper format on Friday but in reality it has become a meaningless source of information to the majority of people. This Shire has a very large proportion of older, retired people and pensioners. There has been some editorial commentary in the newspaper but nothing that equates to a comprehensive analysis. I would suggest that whatever Council has put on paper is not well understood in general terms and not in a helpful format. I have as a rate payer received nothing from Council as an argument or explanation for a 43% in rates.

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

Again, there has been what I feel is a threat from Council. "If we don't get the rate interest we are seeking, then services to you the rate payer will have to be reduced". I know Council has tried to "sugar" the pill by introducing the increase over 2 years. This does not reassure me, a pensioner and observer who has witnessed Councils's unnecessary purchase of assets that have not addressed the basic needs of rate payers. Even the 'Fogo' program, a good one, from an environmental point of view has fallen into a heap as a consequence of incompetence and poor communication.

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

I do not believe so. The problem being that for a big percentage of local rates payers the information is electronic. Many people can not navigate Council's website and many who can are caught up in a cycle of poverty; their time is taken up trying to find ways to pay for exorbitant rent, or mortgage repayments. I am active in the local community and the vast majority of 20 to 40 year old I speak with have the view that they are powerless over what Council will do or not do. Their focus is elsewhere.

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

No. I think I have addressed this above. Whatever 'engagement strategies' Council has used target the well off, computer literate, and those who can, reluctantly, afford to absorb the 43% increase. My estimate would be that 50% of those who will be adversely effected my the rate increase have not been engaged with in ways that would make their feeling heard.

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

I imagine, there has been feedback. But this has been tempered by the threat of reduced services. Many basic Council services have been poorly attended to, the threat of less is intimidating. Again the feedback mechanism depends heavily on time and technology and many rate payers have neither.

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

My view the "proposed special variation" is a cover up for past mismanagement. The capacity to pay? If I was renting a property and had a young family I'm going to pay, not directly, but because my rent is going to go up. As a renter I'm looking at more hardship.

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay.

I think I have already commented on this above. There is little willingness, and little confidence in Council's capacity to deliver. There is a generalised feeling that says "what alternative" do we have.

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

I've commented on this. Council's has not considered the flow on effects. Renters, employment, the likely exodus of people who already struggle to live in the Shire.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

I believe so. The effectiveness behind this formal process is what I question.

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

Of course Council can paint a "rosey" picture. It is the track record of our local Council going back years that has seen several administrators appointed because of Council's incompetence to govern properly, that is the issue.

Author name: [REDACTED]

Date of submission: Thursday, 16 February 2023

Please provide any other comments on the council's application that you would like to make here.

Should the Premier of NSW be implementing reforms such as the Environmental Planning & Assessment Act, and the Local government Act coupled with the Six Cities type of amalgamation on what evidence will these two recently amended Acts or will these changes emulate the recent LG Amalgamations implemented on the basis of commissioned consultants reports (with cost blowouts not previously witnessed) then more cost to rate payers is inevitable and should be balanced against CPI and other known factors. Finally, who monitors all Councils and their performance? If the State Auditor is responsible for audit financial oversight. The State Auditor failed to identify the funding expenditure incurred by the former elected Councilors; and the current and two previous Administrators appointed to manage the Central Coast Council. In addition, IPARTS involvement in Feed in Tariffs has only witnessed a decline in returns now down to \$0.05 per kWhr destroys the rate of return to solar panel owners at a time when tariffs should be increased to ease the burden of energy costs and equalize the rate of return on investment for solar panel owners and would be owners. These comments are not aligned to the Council's mentioned and focuses on similar increases to the Central Coast Council and is offered on that basis.

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

General application to all Councils regarding special rates, excess rates, functions services and facilities provided by the Office of Local Government IPART, Auditor General NSW and politicians, all allegedly all acting independently appear to be conspiring to increase daily living costs. Particularly within NSW with its \$181 billion gross Superficially, it appears that the MNSW government is transferring many functions, facilities and other costs to Local Government without the appropriate funding allocation. Changes such as the Six Cities legislation recently introduced and the amalgamation of many LG Councils into one massive planning control thus creating yet another planning bottleneck. A significant scale of economy costs and be achieved by the State Government taking back functions and services including reduction in the number of employees associated with Planning and Development controls. Councils should only be required to perform the functions provided by local government

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

Councils are not known for their honesty, transparency and consultancy and generally only consult with focus groups that they then proclaim to be community consultation. The news is often presented with complaints from rate payers with respect to Council performances. Therefore the reply has to be NO

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

This is a skewed question. How does one make contributions to any Council claims for increased cost when all relevant information and data is concealed in lengthy council documents compiled by public servants to confuse members of the public. This is compounded by archaic and over represented by Councils where members of the public are granted only three minutes to make a presentation. This is followed by voluminous minutes and agendas, also too verbose to read and comprehend. Whilst the current government has prevented the election of candidates for Central Coast Councilors until 2024, we are locally governed by an autocratic system

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

Since 2016 the Central Coast has had at least three Administrators over the six-year period with little appearance of any changes other than increased rates. Roads are as potholed as ever, band aids on band aid repairs. No significant increase in services other than again increased fees for service. Inadequate staffing levels and Development Applications for even standard construction which is legislated to be processed with 45 days of receipt are 1 to 2 years approval period. When Council employees are finally contacted you are advised that they are working from home and are too busy to provide the legislated timing. Councils should divest themselves from current activities and the rewriting of the appropriate legislation to be organizations that only apply basic services and divest themselves of all State, facilities, functions, and adhere to the providing essential services and cease attempting to be developers, kerb and guttering and parks and recycles

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

Significant funds have disappeared from Central Coast Council (\$500 million) [REDACTED] what are the loan values, who is the lending provider for what term and at what interest rate per annum? All sanctioned by the Minister of Local Government. The first sentence of criterion 3 "The impact on affected ratepayers must be reasonable" is factual garbage and assumes all rates payers are carbon copies of each other. Similarly, the following points are also only motherhood statements: * clearly show the impact of any rate rises upon the community * demonstrate the council's consideration of the community's capacity and willingness to pay rates, and * establish

that the proposed rate increases are affordable having regard to the community's capacity to pay.

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

The application of rate increases in the current financial climate when cost of living is increasing daily and cost of all services are rising at record levels, IPART participants making financial imposts on the consumer do not have crystal balls and should only be making decisions on truthful evidence confirming the factual need based on adequate programmed facilities aligned with realistic budgets (estimates) based on known conditions and requirements. All nominated projects should be fully costed, and achievable timelines and targets within all known restraints including employee productivity. Autocracy does not sit comfortably within a democracy.

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay. There has been very little or no meaningful public consultation and the Public Enquiry of the Central Coast Council was farcical in application and relating recommendations used only as a smoke screen to placate and irritate public.

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

Council should not be empowered to undertake this type of involvement and should be left to other external groups and Agencies, and involvement may prejudice the intent of the Privacy Act.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

These decisions are determined by public servants screened by copious volumes of data the size and availability of which make it difficult to obtain (hard copies) and time consuming to read, digest, comprehend and compile replies.

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

This question is posed in good faith but who follows up with the relevant published outcomes? Who assess the assessor? The inadequacy of Council's and in particular the Central Coast Council does very little to encompass the rate payers who generally hold this Council in contempt. If the application of this wording was implemented and adhered to Council's should be capable of living within the income (Budgets) including State and Federal grants. This would prevent leapfrogging by Councils to achieve parity with other local government areas and would assist in meeting and living with budgetary restraints.

Author name: [REDACTED]

Date of submission: Wednesday, 1 March 2023

Please provide any other comments on the council's application that you would like to make here.

I strongly support Council's application as I want to see our community grow and prosper.

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

I believe they have. Council have adopted a clear path for recovery for Armidale and region that, on my reading, clearly explained in a logical and comprehensive manner. Having adopted their forward plans, Council now needs to finance the program.

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

I believe it has.

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

On my reading of the relevant documents I believe it has.

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

Yes

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

Council has provided reasonable response to my satisfaction.

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

As it has been explained, and in the context of the approved forward planning, I believe the changes to be reasonable.

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay.

Council rates are a form of taxation that pays for services. No one enjoys paying taxes and no one enjoys increasing taxes but if we want to see Armidale and region grow and prosper then the short term cost will be a long term benefit.

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

I believe it covers the issue fairly.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

Yes

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

I believe it has done so - certainly to my satisfaction.

[REDACTED]
Armidale NSW 2350

**SUBMISSION: Armidale Regional Council Special Variation
Application 2023-24**

Dear IPART,

Please accept the below as my submission to your review processes for the Armidale Regional Council Special Variation Application 2023-24.

I am a recently returned Armidale local, having gone to school and spent most of my 20s here, then being forced to spend most of my thirties elsewhere due to needing specialised health care. I have, however, always kept a close eye on things at home, and, as a political professional, that includes keeping an eye on Council.

The extent to which things have been mismanaged in the Armidale Regional Council (ARC) since merger, and in Armidale Dumaresq Council long before that, are well known and documented. Unfortunately, the rot has not been expelled with a near wholesale change of elected council members and a change of General Manager: the deeply disappointing culture of ignoring and disrespecting residents persists, as does their very warped sense of priorities.

When I returned to town in 2021 I, like so many in the area, were so optimistic about the new council. But their behaviour in regards to this special variation has been nothing short of appalling. I have addressed the criteria in turn below, but the summary is this: just no.

Criterion 1: a need for the special variation is clearly demonstrated in the council's integrated planning and reporting (IP&R) documents

The only thing clearly demonstrated in the IP&R documents is waste, poor planning, and a council that needs to be reminded what its job is.

Included in the proposed works in the Delivery Plan are a number of initiatives that KORE Communication Strategy Research proposed to undertake ourselves, as part of being a social good company that works for altruistic goals of servicing the needs of the community first and generating

profit second. Specifically this includes T2.1.1 development of a regional brand, which was a core part of the Phoenix Strategy circulated to Council for comment in late 2021, and is included in the delivery plan as one of the initiatives to be funded by the special variation.

The Phoenix Strategy also proposed a community owned events and regional marketing company to do what is noted in T2.3 (tourist events), L1.4.2 (sporting events), E2.1, E2.5.1 (culture and arts events), and, in conjunction with Business New England who already run shop local promotions, T2.4. ARC has a track record of destroying events created by the community. By all means be supportive, but ARC needs to get out of the community's way and let us organise events and promotions that the community wants.

Also proposed in the Delivery Program are the following activities, which are not appropriate activities for Council, or are unnecessary because they are already being undertaken by other entities, or are quite simply not needed.

- All of T1.1 - attract new job creating investment to the region. There's no shortage of investment, jobs, or new industry wanting to establish in the region, the only thing stopping them has been the council itself, which has directly blocked several major investments. The Renewable Energy Zone and the intense development that goes with it will continue to drive rapid economic growth no matter how much ARC tries to kill it.
- All of T1.3 Unemployment in Armidale is at 3.5%, and there are over 200 available jobs being advertised. A vision for the region would be nice, but we don't need industry to be blocked by a local environmental plan, and certainly don't need business concierge services.
- T1.4 is very problematic and likely also to be a waste of money. Of course ARC should employ more apprentices if they can, but the local TAFE won't train them - most apprentices have to travel to Tamworth. That's not a problem ARC can fix.
- C1.2.1 ARC has just received a grant of \$80,000 to develop the walking and cycling strategy, it doesn't need a rate rise to pay for it.
- C2.1.6 and C2.1.7 is the controversial Rail Trail proposal. Broke Councils don't get to waste money on white elephants, and this should always have been a commercial tourism project.

- C2.2.2 There are already a number of walking and cycling maps. Presumably they want to do a new one to incorporate the Rail Trail, but the idea of a printed map is pretty out of date.
- F1.1.1 We do not need a biodiversity strategy. If we do, there's federal and state departments, and a whole lot of academics right here in town, who do that for a living, you don't need to raise rates to duplicate that work.
- F1.3 Armidale has an extremely strong environmental movement locally, including very healthy Landcare groups and one of the oldest sustainable living organisations in the country. They don't need support, they're doing fine without ARC interference.
- F2.1.2 is nonsense hot air. Not climate change, the 'emergency declaration' which achieves nothing. Ratepayers months should not be used to support vanity exercises that only make people feel better.
- F2.2 is also a waste of money - renewable take up is extraordinarily high in this area and consistently growing.
- F2.4 is not the Council's job. Does Armidale have an air quality problem? Yes. Is the air quality in Armidale the personal obsession of one councillor? Yes. Absolutely the EPA should be doing something about the air quality, but it doesn't require Council resources.
- E1.1.1 it is also not ARC's job to advocate for health services and there's three local groups already doing it.
- E1.2.1 The disability inclusion and action plan is not worth the paper it is written on - and I say that as a disabled person. ARC definitely needs to improve its inclusion, but it would first need to acknowledge that Council itself is a gobsmackingly ableist organisation.
- E2.4.2 A state government grant has already been given to digitise the museum collection.
- E2.5.1 More events, same objection.

Note: most of the Strategy section of the Delivery Plan is core business or recommendations of the governance review. The number of items in that section flagged as needing the rate variation, while frivolous other projects throughout the plan do not, underscores the deception that ARC likes to engage in regularly.

Additionally the IP&R documents that were put out for consultation did not include the two extra senior executives.

Examples of activities that are desperately needed but do not appear in the IP&R documents include:

- Transitioning from heavy and awkward recycling tubs to yellow lidded wheelie bins like every other council area.
- Addressing the significant and systemic issue of the causeways that flood on a regular basis, cutting the town in two.
- Repairing the significantly neglected cycling tracks and footpaths (where they exist, about two thirds of Armidale they've never been built).
- Establishing tornado bunkers and other measures to deal with Armidale's increasingly severe storm season.

Criterion 2: evidence that the community is aware of the need for and extent of the rate rise

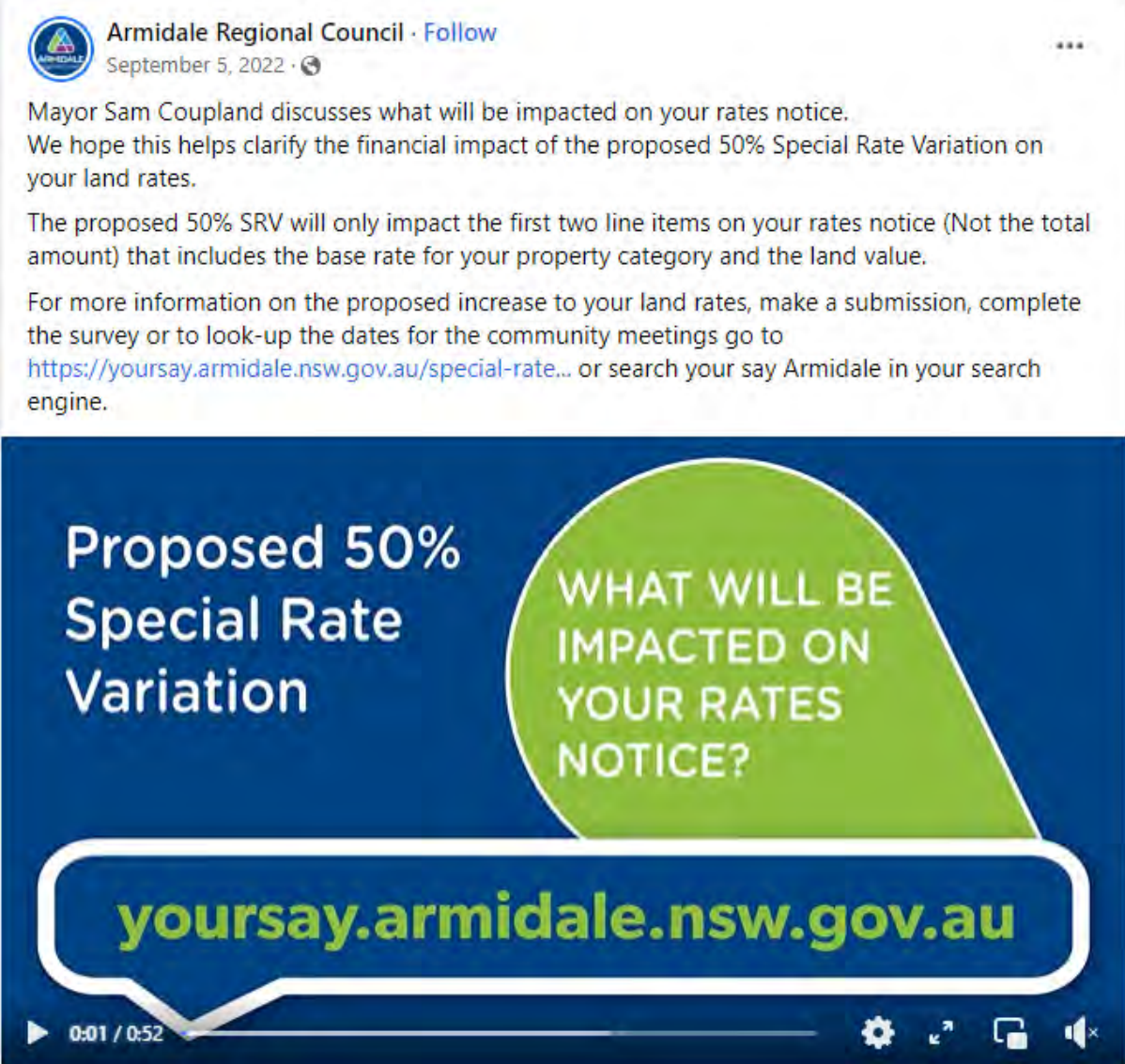
The community is aware that ARC wants the rate rise, but the need for it has not been well communicated. Claims of structural deficits and needing to pay an increased wages bill do not add up in the face of ARC expanding their senior executive team from 4 to 6, and the many unnecessary and hard-to-justify additional programs in the IP&R documents that do not improve the amenity for ratepayers.

The controversial Rail Trail proposal has been frequently raised as a project the rate payers of Armidale and surrounds should not be paying for, with many calls to abandon it. Views on the proposal are polarised, certainly: [research my company conducted in 2021](#) found that 32% approved of it, 41% opposed it, and 22% neither approved or disapproved. With only a quarter of residents strongly believing the proposal should go ahead, it does not have the necessary social licence to proceed. Even if it does go ahead, such a tourism venture should be done by commercial interests and not be an ongoing burden on ARC's books.

The extent of the rate rise has also been miscommunicated. Almost all ARC communication and discussion has communicated a 50% rate rise. Below, as an example, is one of ARC's social media posts.

Only two councillors to my knowledge, Brad Widders and Margaret O'Connor, have been communicating the cumulative figure of 58.8%. Formal communications had that figure buried in the fine print, if communicated at all. The 86.6% and 89.6% figures for Guyra farmland has

certainly never been communicated - the first time I saw that figure was in the actual IPART application. And as far as willingness to pay, there are already ratepayers outside of Guyra refusing to pay rates because ARC refuses to provide them services like rubbish collection.




The image shows a Facebook post from the Armidale Regional Council, dated September 5, 2022. The post text states that Mayor Sam Coupland discusses the impact of a proposed 50% Special Rate Variation (SRV) on rates notices. It clarifies that the SRV will only affect the first two line items (base rate and land value) and not the total amount. It also provides a link to <https://yoursay.armidale.nsw.gov.au/special-rate...> for more information and mentions community meetings.

Below the text is a video player showing a graphic with a blue background. On the left, it says "Proposed 50% Special Rate Variation". On the right, a green speech bubble contains the text "WHAT WILL BE IMPACTED ON YOUR RATES NOTICE?". At the bottom, a white speech bubble contains the website yoursay.armidale.nsw.gov.au. The video player interface shows a progress bar at 0:01 / 0:52 and various control icons.

There is also a great deal of confusion about whether it is a permanent or a temporary rise, and the documents that were available for public consultation were unnecessarily complex and cumbersome, heavy with acronyms and a lot of errors.

The council was particularly dishonest in their poorly designed survey of ratepayers to measure support for the rate increase. In order to indicate in any way you were against the rate rise, you were forced into saying that you wanted local assets to be depreciated and not maintained. There were

multiple complaints on social media, such as the below, which pointed out the issues. Despite the dishonest trickery in the survey design, the majority of the respondents to the survey opposed the rate increase, but the survey itself created a great deal of confusion and concern.



Group member
September 6, 2022 · 🌐

Just a warning for anyone doing the survey on Council's proposed rate hike that the second batch of questions isn't asking if you support improvements to facilities etc, it's asking if you support a 50% rate hike to pay for them. It feels wrong to put that you don't support these things but below is what your answers should look like if you oppose the rate hike. Of course all of us want repairs made and the like - but they have worded it very trickily to try and make it look like the rate hike has support.

Also at the end where it asks you if you favour the managed decline or rate increase, and there is no other or none of the above option, you can skip the question.

Pretty disappointing survey showing [Armidale Regional Council](#) has definitely already made up its mind and has no respect for it's constituents.

Maintaining local roads - sealed and unsealed

Not at all supportive

Repairing timber bridges

Not at all supportive

Criterion 3: the impact on affected ratepayers must be reasonable

There has been an extraordinary increase in property values in the past year - property prices in Armidale have increased more than anywhere else in the state. One thing that has not been discussed or considered in any way is to what extent rates will increase anyway because of that enormous increase in property values, and presumably a linked increase in land values. The combination of a 58.8% rate increase combined with a property value increase of at least [12.6% according to CoreLogic](#), and house prices increasing [29.6% according to Domain](#), may have a catastrophic impact on many household budgets.

While Armidale is relatively wealthy, the surrounding villages are not. Like any rural community, we have an ageing population and many retired people on fixed incomes who will not be able to manage such a steep increase.

We also have a very high volume of renters who are already under pressure with rent increases between \$60 and \$100 a week being widely reported. Significant rate increases on those rental properties will be passed straight on to the vulnerable, our students, and many workers in our local manufacturing industry as well as essential workers - especially the health workers - we have such a hard time keeping in town.

Criterion 4: the council has publicly exhibited, approved and adopted the council's integrated planning and reporting documents

They have technically met this criterion. However, it should be noted that I, and many others, complained about the first exhibition on the IP&R documents being entirely within the formal federal election campaign, thus meaning those who have the necessary skills and knowledge to thoroughly examine the documents were too busy to do so.

The second consultation on the revised IP&R documents was completely consumed by the Christmas break, opening December 16 and closing 20 January. The Council's own offices were closed for most of this time, and no alert email was sent nor were there the usual notices on social media when the consultation opened - only a reminder email a couple of days before the consultation closed.

Criterion 5: a history of well-documented council productivity improvements and cost containment strategies.

Council is very good at producing all kinds of documents. And then doing something else. Increasing the wages bill by adding new senior staff roles, giving the [REDACTED] and the astonishing waste that is evident through much of the ARC operations proves any pretty documentation ARC has given you for this process are likely to be full of lies. Their actual strategies have largely been not doing their job and selling their assets rather than improving productivity.

Author name: [REDACTED]

Date of submission: Wednesday, 15 February 2023

Please provide any other comments on the council's application that you would like to make here.

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

* You have NOT made any valid claim to increase the rates. * Cut wast and inefficiencies within the Council's expenditure. * Ensure there is better oversight of all projects and control, manage and limit any redundancies and wastes. * Consider the impact of the increases you propose on all residents especially retirees who live on fixed income in these inflationary times. * Examine EVERY expenditure by the council and see if you can eliminate/reduce/amend such expenditures. * Examine if there is any corruption and eliminate them ASAP.

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

I do NOT believe so.

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

Residents are already in difficulties due to the current valuation of the property which has resulted in higher council rates with absolutely NO benefit for the rate payer. The rate payer may sit on a property with high valuation but this does NOT provide the rater-payer any benefit - it only results in increase in council rates while all other expenses have gone up due to the current inflationary conditions.

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay. I do NOT believe this has been considered in any serious way. As I stated above under "Question 1" the residents are already struggling to keep up with the inflationary environment.

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

* there seems to be nothing to help rate payers on fixed income - I refer particularly to retirees on fixed income such as Self-funded pensioners. Self funded pensioners may be getting the same amount as an Australian Government Pensioner but with no rebates or reduced rates that Australian Government Pensioners get - this is definitely an anomaly that has existed for a long time.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

Author name: [REDACTED]

Date of submission: Friday, 3 March 2023

Please provide any other comments on the council's application that you would like to make here.

This council is not acting in the community's best interest and requires much closer supervision as to the products it is prepared to take on and to the danger of the expensive projects which have not been commented by the general community. Should this dangerous Rail Trail Project be built, my family will be leaving this area forever.

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

No they have not. The Armidale Regional Council presents itself as rather secretive and seem to consider they are a law unto themselves. Some of the councillors are helpful but the majority are un-communitive and usually present themselves as answerable to the general public only at election time. I have seen no attempt by the Council to present any alternative to the community other than their claim that the Council rates must rise by fifty percent. Some Councillors have been told that thirty to thirty five percent is more than adequate, but this advice has been ignored.

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

Definitely not. Once they apparently saw what the fifty percent increase could buy them, they gave up searching for any other alternative. They are the elected Councillors and what they say, goes, end of story. Regardless of the fact that those resident homeowners who have been hit with ever increasing Home Loan Rates and who are in financial distress, the Council's decision for a 50% increase is simply ridiculous.

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

Certainly not. The Armidale Regional Council seems to consider that any or all monies they raised, or intend to raise from the community, somehow seems to automatically convert from "community money" to suddenly becoming "their money" which they can spend as they seem fit.

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

Again, certainly not. They make decisions apparently in secret and they expect the community to accept whatever decisions they come up with. Twice the ARC has been classified as "dysfunctional" but while the Current Council appears somewhat improved, it is highly likely the "back-office staff" are the ones who have been dysfunctional all the time.

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

What action? They made the decision so "get used to it and accept it."

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

With the low availability of work in Armidale/Guyra, combined with the rising interest rates for home ownership finance, the 50% rate increase will send some households to the wall. It may be possible that a 30% rise would be more acceptable but a 50% increase? NOT ON

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay.

They have not consulted the community as they have an unacceptable attitude of take it or else. They are completely out of touch with reality. Years ago the ARC claimed it was financially fit for the future. With their current request for the increase, obviously someone was not telling the truth.

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

I have not seen them or been told that they are on display.

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

The Council is relying on the Proposer Bike Rail Trail for which it has apparently been assured of many millions of dollars of Federal Funding. [REDACTED]

[REDACTED] The NSW LGA requires local consultation for projects but he stubbornly refuses to hold a Public Consultation Meeting without explaining why. From the many documents I have sent him and from his abusive reply it is obvious that he does not have the management skills, nor the engineering aptitude to understand the many dangers which the Rail Trail users would encounter. It would appear that he may not have the engineering skills to understand the disaster he is proposing to be built from Armidale to Glen Innis through and over deep cuttings and dangerous steep sided high embankments. All of the engineering documents he has received have indemnity disclaimers so if things go wrong, as they certainly will, the Council will be responsible to rectify them within their limited budget.

Author name: Name suppressed

Date of submission: Thursday, 2 March 2023

Please provide any other comments on the council's application that you would like to make here.

From: [REDACTED] Sent: Monday, 27 February 2023 12:00 PM To: IPART Subject: Submission ARC SRV application 2023-2036
My apology, I previously neglected to attach the cover sheet . Please find attached. submission and cover page [REDACTED]

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay.

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

On proposed Armidale Regional Council SRV 2023- 2036

The need for, and purpose of, a different revenue path for the council's General Fund (as requested through the special variation) is clearly articulated and identified in the council's IP&R documents.

As a ratepayer in the Armidale Regional Council(hereafter ARC) area we declare that the need for and purpose of the revenue path is not clearly articulated or justified.

We found that ARC documents, as presented, failed to clearly show dissections and therefore, traceability and accountability, across the accounting threshold. As a resident in a village that engages in co-operative agreements with ARC, to find no reference to a village, is consistent with inability to cross reference financial dealings, throughout the documented financial papers. For want of any clarity appropriate dissections are a necessity.

The community has not demonstrated a consolidated 'need' for items that ARC wish to pursue in the interests of 'some portions of the community'. The main reason attributed to non-acceptance of proposed 'rail trail' is abject failure to consider a peer review in reference to the initial costing and failure to include, future maintenance costings. Budgetary figures already fail to provide for maintenance of existing walking/cycle ways, nor does ARC engage with community groups to benefit from potential cost saving measures such as 'community co-contribution' otherwise put as, user pays. Instead existing facilities fall into disrepair through failure on Council's strategic management record. Ideas of constructing additional assets that will further burden the maintenance schedule, of a future council, is ludicrous and just plain wrong.

The ARC community contributed constructive ideas which were outright rejected by the council.

ARC received suggestions of options for consideration to recover their financial situation from a community wanting to progress hand in hand with their council.

Proposals were put forward for options to ensure council could instigate,

- i. thorough revisionary processes of operating budgets, for obvious efficiencies, within the immediate budgetary period.
- ii. Also during this immediate budgetary period, the harmonisation of rates for the Guyra portion of the Council Area, should be completed Clarity of the position; with the 'best possible' financial position would then identify the ideal, future way forward.

The immediate proof of genuine efficiencies, achieved by ARC, and subsequent imposition of higher rates for the whole of the community, is genuine and more appropriate. To have both areas worked as one, would clarify the position for ratepayers, thereby allowing for the proverbial, 'level playing field,' from which to adjust, for future growth.

This concept was blankly rejected by the council.

We, the ratepayer base of ARC, have been denied the opportunity to see evidence of ARC's internal commitment to financial reform, while expecting the ratepayer to do the 'heavy lifting' through the SRV application.

We feel there is no appreciation that without prior evidence of the internal commitment to reform, there is no sense of trust nor confidence that funds from us, the ratepayers, raised in any SRV would be managed prudently. That additional funds may just flush down the same drain hole of waste and unmitigated spending, is a prevailing fear.

Evidence that the community is aware of the need for and extent of a rate rise.

The community does not have an awareness of the need or extent of the proposed rate rise.

Meetings held with small groups of invited ratepayer representatives, left no doubt that, by the council's assessment, a rate rise was required.

The 'designer' meetings involved both councillor, council staff and ratepayer representatives. Threats to withdraw essential services (roads) overshadowed these meetings. Each speaker was assured that aspects of ARC services, essential to their very existence, would be withheld, if the SRV was not forthcoming. The 'designer meetings' afforded disproportional representation in council's favour and thereby an unfair advantage. They offered answers to justify their reasoning for everything, from their perspective, deriding statements offered by ratepayer attendees.

As a business owner/operator I found the mood of meetings to be dismissive, to the extent of being threatening - even bullying. I noticed comments dried up and a feeling of 'fait accompli' emerged in us, that discouraged further participation in additional "information session" opportunities.

ARC vision is not supported by all sectors of the newly merged communities.

The consequences of visionary growth have not been discussed widely yet, assumed as the basis of the proposal. Future growth – where? When? How? By whom? - assumed as THE solution to future financial viability. There is neither considered acceptance nor consensus to underpin this idea. A biased vision such as this, may, indeed, discourage future growth, for some sectors of our community.

To outright dismiss a traditional business base model, superimposed by a revolutionary model for which resources and business prospects offer neither a sound business case nor a proponent, is folly. It is not the assumption on which to grow a quest for more funding from the very businesses, for whom, it seems, you wish to see meet their untimely demise.

Need for and extent of rate rise is NOT evidenced in the community.

The impact on affected ratepayers must be reasonable

The Impact on ratepayers is deemed to be unreasonable.

The impact on every ratepayer was expressed in a chart produced by the Ratepayer Association, whose figures allowed ratepayers to see the real figures – why could not the ARC accounting department have commissioned (or even produced) this chart with 'clear as day' numbers for every category in every precinct. The fact is that for a portion of the amalgamated shire the rate rise is unacceptable – yet to see harmonisation! Figures that speak of averages are fanciful in a case where all players are not operating within the same threshold.

The portion of ARC ratepayers - former Guyra Shire Council ratepayers, have not yet seen the impact on their rates from the merger. Harmonisation brought in, together with an SRV, adding to recent, previously applied SRV adjustments, is totally unreasonable and unacceptable.

a process to exhibit relevant council documents to the public

In this day and age distribution of information is inherently difficult. There is reliance on technology – not equally available to all residents. Meetings called with short notice are exceptionally problematic. Acknowledgement of commentary sent to ARC in response to meeting information was a cursory acknowledgement, by form of a generic letter, yet another consultancy engaged to evaluate the commentary. I feel the response to comment was disappointingly little if anything at all.

5. The IP&R documents or the council's application must explain and quantify the productivity improvements and cost containment strategies.

These have not been explained adequately. Productivity improvements and cost containment strategies are the basis of our concern. The Armidale Regional Resident/Ratepayer Association group has a better record for explanation for quantifying the ARC position than was produced by the ARC. There is reluctance to afford any additional resources into an existing wasteful organisation. Attributing the position of the current ARC to previous poor governance and accountability, while valid, does not excuse the current ARC from demonstrating no improvement, prior to seeking a new funding strategy.

Author name: Name suppressed

Date of submission: Friday, 3 March 2023

Please provide any other comments on the council's application that you would like to make here.

When considering the information provided by Armidale Regional Council against IPART's SRV criteria. I believe that the application fails to meet several criteria: Accuracy and validity of the Long-Term Financial Plan (LTFP) June 2022, upon which all community engagement and consultation was based, does not validate the need for a 50% SRV. ARC engagement did not demonstrate the need for and use of all additional funds resulting from the SRV. Council did not establish that the proposed SRV was affordable, or that the community had the capacity to pay. ARC IP&R documents and engagement material did not canvas alternatives to the 50% SRV rate rise. Council presented to the community a 50% take it or leave approach with service level cuts as the only option. I do believe that Council has provided sufficient evidence that a 30% SRV is required to meet OLG benchmarking targets on financial stability and asset renewal and maintenance. However, the community was not given the opportunity to discuss or support such an SRV, Council had already determined that the only way forward was a permanent SRV of 50% over three years. The permanent 50% SRV is not affordable in the current economic climate, approval of a 50% SRV will only add to inflation in a time when the RBA and government is trying everything that it can to reduce inflationary pressure. I do not support Council's current application for a 50% SRV, and I do not believe that Council has failed to meet the selection criteria set by IPART for a 50 % SRV. I find this version of providing a submission to IPART limiting, it is akin to completing a SRV survey where you are presented with a choice between two negative outcomes with consideration of other options. I appreciate that you need to keep responses on track and against the IPART selection Criteria. Please review supporting document attached - IPART Submission - ARC SRV Application - JMC Criteria comments.

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

Council has not established the need for a permanent 50% SRV. Please review supporting document attached - IPART Submission - ARC SRV Application - JMC Criteria comments.

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

Council has not canvassed alternatives to the 50% SRV. Council presented one option only a 50% SRV or nothing with service level cuts. Please review supporting document attached - IPART Submission - ARC SRV Application - JMC Criteria comments.

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

Yes Council communicated the increase, however it was not until toward the end of the consultation period that Council provided specific information for individual ratepayers based on category and Land value. Council also failed to clearly articulate that some "Guyra" Farmland properties will see an increase in rates of 100% from the combined effects of the SRV and rates harmonisation between "Armidale" and "Guyra" farmland properties.

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

Yes

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

Council gave no weight to the feedback from the community - 69% of respondents did not support the SRV, yet council continued on its pre determined path to a 50% SRV, with no regard to affordability or alternatives. Please review supporting document attached - IPART Submission - ARC SRV Application - JMC Criteria comments.

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

The impact is not reasonable, the current economic conditions have curtailed the communities willingness and capacity to pay. Please review supporting document attached - IPART Submission - ARC SRV Application - JMC Criteria comments.

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay.

Morrison and Low were engaged by Council to prepare a report that supports Council's application for a 50% SRV. The report cleverly seeks to compare the regions within the Council LGA against each other without providing a comparison visually or in data to the rest of NSW. The Morrison and Low report also quote statistics from a period that supports the narrative that the SRV is affordable, such as household saving ratio figures from 2020-2021, not the current 2023 figure which speaks to affordability now, as opposed to 2020-2021. Please review supporting document attached - IPART Submission - ARC SRV Application - JMC Criteria comments.

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed

special variation. Please comment on the council's plan.

Council's hardship policy does not provide relief from the resulting increase in rate burden, all that Council will do is not apply interest on outstanding amounts. No consideration has been given to increase pension concessions or other concession to vulnerable groups.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

Yes

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

Council has not quantified its productivity improvements, nor has it communicated that it has set itself a KPI on productivity improvement and cost containment strategies. Council's June 2022 LTFP details that Council intends to decrease its income derived from user fees and charges by \$6.9 million. Why would you seek to reduce fees and charges on those receiving a service from Council and then seek a \$12.67 million SRV. Although this action is not a cost containment, it is a cost shifting, moving the burden from the user to the general rate base. Please review supporting document attached - IPART Submission - ARC SRV Application - JMC Criteria comments.

When considering the information provided by Armidale Regional Council against IPART's SRV criteria. The application fails to meet several criteria:

- Accuracy and validity of the Long-Term Financial Plan (LTFP) June 2022, upon which all community engagement and consultation was based, does not validate the need for a 50% SRV.
- ARC engagement did not demonstrate the need for and use of all additional funds resulting from the SRV.
- Council did not establish that the proposed SRV was affordable, or that the community had the capacity to pay.
- ARC IP&R documents and engagement material did not canvas alternatives to the 50% SRV rate rise. Council presented to the community a 50% take it or leave approach with service level cuts as the only option.

Although I do not support Council's current application for a 50% SRV, as it fails to meet the selection criteria. I do believe that Council has provided sufficient evidence that a 30% SRV is required to meet OLG benchmarking targets on financial stability and asset renewal and maintenance.

Accuracy and validity of the Long-Term Financial Plan (LTFP) June 2022, upon which all community engagement and consultation was based, does not validate the need for a 50% SRV.

Underpinning all the community engagement material was Council's Long Term Financial Plan (LTFP) June 2022. The June 2022 LTFP was subsequently replaced by a new LTFP that was very quietly adopted and placed on public exhibition in December 2022, over the Christmas New Year holiday period, avoiding additional scrutiny on the new LTFP. This action does not negate the fact that all of Council's engagement was undertaken based upon the June 2022 Delivery program and Long-Term Financial Plan June 2022.

The June 2022 LTFP Income statement upon which all community engagement details the following:

- In the year 2025-2026 (the first year of the full 58% cumulative SRV) Council will have an operating general fund cash surplus of \$5.2 million, all subsequent years have a general fund cash surplus of \$4.5 million or above. This is after the additional spend of SRV income required to bring asset renewal and maintenance in line with OLG benchmarking.
- For the previous 5 years Council capital grants and contributions have averaged \$16 Million, the LTFP details \$11.5 million in 20-21, \$15.27 million in 21-22, \$70.89 million in 22-23 (Kempsey Road Upgrade). Yet from 23-24 onward the LTFP has assumed only \$1.6 Million, current and historical contributions indicate this figure is understated.
- For the previous 4 years Council User fees and charges have averaged 12.5 million, The LTFP details \$17 million in 20-21, \$17.5 million in 21-22, \$18.8 million in 22-23. Yet from 23-24 onward the LTFP has assumed \$11.9 million increasing by approximately \$300K through to 2031-2032. Current and historical fees and charges income suggests that this figure is understated. In addition, one must ask, if council is seeking a SRV of 50% why is it also actively reducing its general fund user fees and charges income by \$6.9 million?

- It should be noted that the New January 2023 LTFP assumes the same changes to User Charges and Capital Grants and Contributions, as the June 2022 LTFP. It also details that Employee Costs and Materials and Contracts are very similar, if not identical which indicates that there is no additional spending on employees or asset renewal and maintenance between the two LTFP's.

When asked about the general fund surplus at the Guyra Bowling Club public meeting, the Acting CFO advised that he did not think that the LTFP detailed an operating surplus and that he would check as he did not have a copy of the LTFP handy at the meeting.

June 2022 LTFF

Scenario 2: SRV 50% Over 3 Years

Income Statement – General Fund

\$'000	Actual	Revised Budget	Projected Years									
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Revenue												
Rates & Annual Charges	26,862	27,861	28,677	32,265	36,429	41,251	42,282	43,339	44,423	45,533	46,672	47,839
User Charges & Fees	17,000	17,592	18,868	11,902	12,194	12,492	12,798	13,111	13,432	13,761	14,097	14,442
Interest & Investment Revenue	191	154	787	568	586	590	687	818	964	1,115	1,287	1,469
Other Revenues	2,616	2,294	2,348	2,406	2,467	2,528	2,621	2,687	2,754	2,823	2,894	2,966
Operating Grants & Contributions	15,648	14,745	11,902	11,785	11,993	12,206	12,424	12,646	12,872	13,103	13,340	13,581
Capital Grants & Contributions	11,514	15,270	70,897	1,602	1,602	1,602	1,602	1,602	1,602	1,602	1,602	1,602
Total Revenue	73,831	77,916	133,479	60,528	65,271	70,670	72,414	74,203	76,046	77,937	79,891	81,899
Operating Expenses												
Employee Costs	21,338	23,876	25,815	25,150	25,778	26,423	27,083	27,761	28,455	29,166	29,895	30,642
Borrowing Costs	1,249	966	845	691	536	383	282	238	200	165	144	140
Materials & Contracts	18,476	19,485	21,443	16,589	17,353	17,962	19,411	19,896	20,793	20,903	21,426	21,962
Depreciation	14,119	12,757	15,835	16,231	16,637	17,053	17,479	17,916	18,364	18,823	19,294	19,776
Other Expenses	2,602	1,917	1,836	1,882	1,929	1,977	2,027	2,077	2,129	2,182	2,237	2,293
Losses on Disposal of Assets	1,731											
Revaluation/impairment	2,312											
Total Operating Expenses	61,827	59,002	65,775	60,543	62,234	63,798	66,282	67,888	69,941	71,239	72,996	74,813
Net Surplus/(Deficit)	12,004	18,914	67,704	(14)	3,037	6,872	6,132	6,315	6,105	6,698	6,895	7,086
Operating Surplus/(Deficit)	490	3,644	(3,193)	(1,616)	1,435	5,270	4,530	4,713	4,503	5,096	5,293	5,484

ARC engagement did not demonstrate the need for and use of all additional funds resulting from the SRV.

The June 2022 LTFP clearly details that Council will have an operating general fund cash surplus of \$5.2 million, all subsequent years have a general fund cash surplus of \$4.5 million or above.

Council, in its presentations and document production used for community engagement had two clear pillars upon which it based its SRV methodology and application. The SRV was required firstly, for asset renewal and maintenance, to maintaining current service levels to the community. Secondly for growth and activation.

The LTFP does not separate out as a line-item General Rate Income, however using Council's revenue policy general rate income in 2022-23 is approximately \$19.83 million, this will increase to approximately \$31.49 million, representing an increase in general rate revenue of \$12.67 million. Based upon the June 2022 LTFP Council has demonstrated that it will spend approximately \$7.4million on asset renewal and maintenance to maintain current service levels. Council did not detail how or what it intends to spend the additional \$5.2 million general fund surplus income. If it is to be spent on growth and activation, what constitutes growth and activation? Is growth and activation a function of Council?

When asked about the general fund surplus at the Guyra Bowling Club public meeting and what the Council would spend the surplus funds on. The Mayor advised that the Council had some ideas on how Council could spend the additional funds, but at that stage, nothing had been planned or agreed upon by Council. The only thing that they did know and could present to the community is that they needed \$5.2million.

Council did not establish that the proposed SRV was affordable, or that the community had the capacity to pay.

In preparation for the community engagement meeting at the Guyra Bowling Club, I prepared some analysis of the proposed 50% SRV. At the time of preparing the data the OLG time series data that was publicly available was the 2019-2020 dataset. <https://www.olg.nsw.gov.au/public/about-councils/comparative-council-information/your-council-report/>

I attempted to gain an understanding of affordability and capacity to pay, the OLG time series data provides average rate details for all categories along with average taxable income. When you express the average rate of each category as a percentage of average income you arrive at the percentage of average income spent on general rate rates. Using the information available I calculated the effect of the SRV on each average rate category by increasing by 58%, all other councils assumed the rate peg. I appreciate that there are now 13 Council's applying for a rate variation so the data needs revising, however at the time and in preparation for attending the meeting the data was correct.

Council The councils listed are those that continued operations and reported for the financial year 1 July 2019 to 30 June 2020	OLG Group	Classification	Population Change over 5 years (%)	Socio-Economic Index Rating 2016	2017 Average taxable income (excl. Government pensions and allowances) (\$)	Average Residential Rate (\$)	Percentage of Taxable income spent on Residential General Rate Only	Average Farmland Rate (\$)	Percentage of Taxable income spent on Farmland General Rate Only	Average Business Rate (\$)	Percentage of Taxable income spent on Business General Rate Only
Armidale Regional	4	Regional Town/City	3.0	87	50,884	1,021.76	2.01	3,165.89	6.22	3,737.68	7.35
Rank without SRV	4	Regional Town/City	54th	42nd	89th	67th	41st	51st	53rd	48th	41st
ALL NSW Council Average	ALL	ALL	2	65	59853	998	2	2882	5	3424	6
Armidale regional with SRV	4	Regional Town/City	3.0	87	50,884	1,614.38	3.17	5,002.11	9.83	5,905.54	11.61
Rank with 58.85SRV	4	Regional Town/City	54th	42nd	89th	5th	1st	26th	4th	21st	15th

Observations resulting from the calculations and analysis of the time series data:

- ARC has the 89th highest/lowest average household income out of 129 Council Areas which is also \$8,969.00 below the state average.
- ARC has the 67th highest average residential general rate in NSW at \$1,021.76, this is slightly above (\$23.76) the state average of \$998.00. The application of the SRV will result in ARC having the 5th highest average residential rate in the state, at \$ 1,614.38. This equates to \$615.89 above the state average.
- When you consider the average residential general rate as a percentage of taxable income, ARC is currently 41st with a percentage of 2.01 of household income spent on general rates.
- With the application of the 58% SRV, the average residential general rate increases from \$1,021.76 to \$1,614.38. Increasing from 2.01% of household income to 3.17% of household income. Making ARC the highest-ranking Council in NSW for percentage of total income spent on residential general rates.

- ARC has the 51st highest average farmland general rate in NSW at \$3,165.89, this is slightly (\$284.37) above the state average of \$2,882.00. The application of the SRV will result in ARC having the 26th Highest average farmland rate at \$5,002.11. This equates to \$2,120.59 above the state average.
- With the application of the 58% SRV the average farmland general rate expressed as a percentage of taxable income takes ARC's ranking from 53rd highest to 4th highest in the state.

At the Guyra Bowling Club community engagement meeting I asked the Executive if they had prepared any data on the affordability of the proposed SRV and the capacity of the community to pay. The Executive provided some comparative information on average rates compared to other Council's that suited their narrative. I then asked if they also considered the number of ratepayers and the income of those Council's which speak to affordability as opposed to just comparing rate averages. The Executive said that they would be undertaking that work in the future but at the time of consultation they did not have the information. Council then engaged the services of Morrison Low to prepare a capacity to pay report which is dated November 2022, this was released long after the community engagement was completed.

Morrison and Low were engaged by Council to prepare a report that supports Council's application for SRV. The report cleverly seeks to compare the regions within the Council LGA against each other without providing a comparison visually or in data to the rest of NSW. There are also many instances in the report where the comparison comments refer to "Regional NSW" as opposed to NSW.

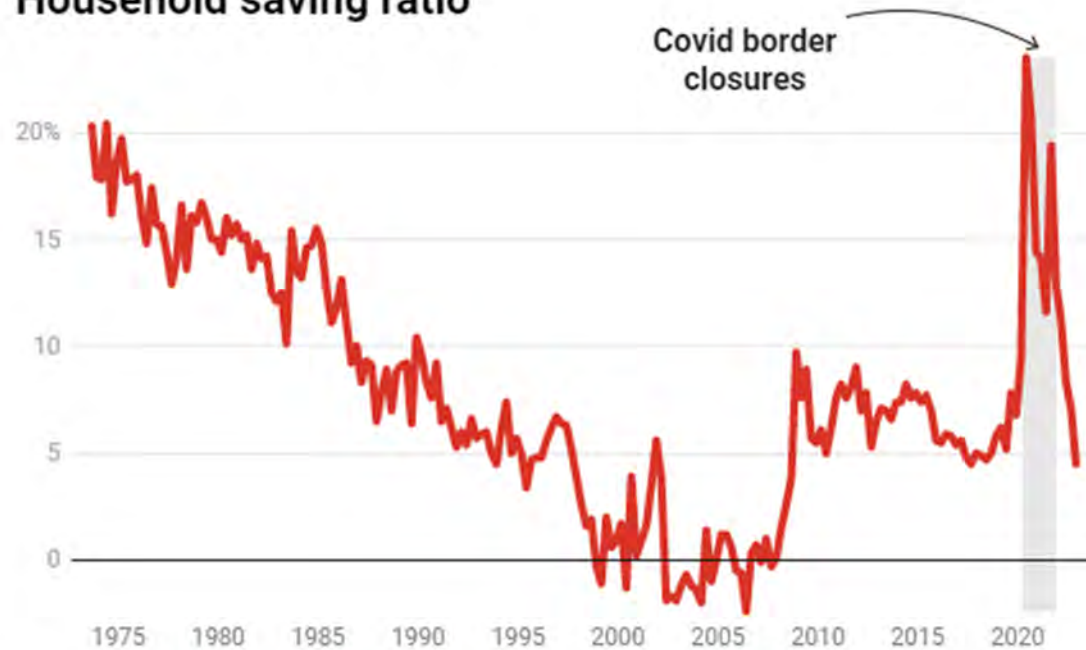
For example, figure 4 on page 8 of the report "Household composition – showing vulnerable households 2021". The data presented compares the regions within the ARC LGA there is no comparison to detail the NSW state average or even the Regional NSW average, yet the comment provided on page 7, "The 'lone person' and 'one parent family' households are considered to be more vulnerable to the impacts of rate increases due to a reduced/singular income stream. Combining these categories together into an 'at risk' group shows that the level of at-risk households in the LGA (40%) is close to Regional NSW (37%), see Figure 4."

There is no pictorial representation of Regional NSW in figure 4. you only have the reference of (37%), so to get a sense of vulnerable households against each of the regions you need to attempt to draw a line on the figure at 37%. If you do that 9 of the 13 regions are above the Regional NSW figure with the highest being Madgwick, which looks to be around 51%. We still have no idea what the whole of NSW average is or how we compare.

The Morrison and Low report also quote statistics from a period that supports the narrative that the SRV is affordable, such as the household net savings. In their conclusion Morrison and Low state, "Reviewing indicators such as household expenditure shows that household net savings have increased to \$25,913 per household in 2020/21 (in line with Regional NSW averages), these increases in net savings indicate a capacity to pay within the community".

The below graph is sourced from the ABS.

Household saving ratio



Ratio of saving to net-of-tax income, seasonally adjusted

Source: [ABS National Accounts table 1](#) • [Get the data](#) • Created with [Datawrapper](#)

The reality is that household savings surged to 23.6% during COVID as opportunities to spend on entertainment, leisure and travel were curtailed. The household saving ratio has now returned to its pre covid level of 4.5%. This reflects the tightening of household budgets as cost of living pressures and interest rate increases weigh on household budgets. The assesment on whether or not the SRv is affordable should be based upon current economic conditions not those from two years ago. Quoting figures from 2020-21 from the height of a pandemic is not a true reflection on the current affordability of the SRV.

ARC IP&R documents and engagement material did not canvas alternatives to the 50% SRV rate rise. Council presented to the community a 50% take it or leave approach with service level cuts as the only option.

Council presented to the community, that the only way forward was a permanent 50% SRV over three years (58% cumulative), no other options were provided for community consideration. It was Council must have a permanent 50% over three years or there would be service level cuts.

There were no discussions around a temporary SRV or productivity gains by Council. A temporary SRV affords the community the opportunity to judge Council performance in managing the additional income and providing the outcomes that the SRV was granted for. At the conclusion of the temporary SRV Council could seek an additional SRV to have the expiring SRV Continued, both Armidale Regional Council and Guyra Shire Council have done this in the recent past.

A permanent SRV, if approved, does not afford the community the same level of oversight of Council especially if part of an SRV is reliant on productivity gains by Council. Both private enterprises and public organisations have KPI's relating to productivity gains with industry standard being a target of 1.5% annually. A permanent SRV does not encourage or place any obligation on Council to meet such targets.

An alternate SRV delivering very similar outcomes over a longer period, allowing for gradual increases in rates not sharp increases, affording the community time to adjust to the new rating burden could be. A temporary 8-year SRV of 3.6% SRV above the rate peg for 8 years so if rate peg is 2.5% the increase would be 6.1% that year. With the option to retain permanently at the end of the 8 years, subject to council productivity gains and financial management. Council agrees to pursue 1.5% productivity gains each year for the 8 years.

SRV 3.6% over 8 years		Productivity Gain	
year 1	103.60	year 1	101.50
year 2	107.33	year 2	103.02
year 3	111.19	year 3	104.57
year 4	115.20	year 4	106.14
year 5	119.34	year 5	107.73
year 6	123.64	year 6	109.34
year 7	128.09	year 7	110.98
year 8	132.70	year 8	112.65
Total	32.70%	Total	12.65%

Total combined SRV and Productivity gain over 8 years 45.35% above what would otherwise be the rate peg

The alternate SRV proposed above would provide that:

- Council achieves asset renewal benchmarking targets set by IPART.
- Council improves its financial sustainability.
- Guyra farmland properties that see a rise in rates of 44% due to harmonisation are provided more time to adjust financially to the combined impact of harmonisation and SRV. Especially on the back of drought and increasing fuel costs.
- Provides sufficient time for the community to adjust financially to the higher level of rates, somewhat offset by wages growth over the period without causing a spike in prices and household budget shock.
- Does not harm pensioners who have little capacity to increase their income and their pension rebate to be adjusted accordingly.
- Provides certainty to business and ratepayers and allows for financial planning.
- Provides the community with evidence that council can manage increased income and sustainable growth.
- Allows for the community to have a more active input into annual capital projects each year.
- Allows for the community to agree to making the SRV permanent after 8 years subject to council being able to prove it can effectively manage the funds and meet its growth targets resulting from the additional income.
- The productivity gains targets, require that council have some skin in the game and that it is not just up to rate payers to carry the burden of inefficiency.

The community were not presented with any alternative SRV scenarios, it was one option and one option only, a permanent 50 SRV over three years. Council's attitude from the start was that there was only one solution for the problem that council created itself.

Conclusion

When considering the information provided by Armidale Regional Council against IPART's SRV criteria. I believe that the application fails to meet several criteria:

- Accuracy and validity of the Long-Term Financial Plan (LTFP) June 2022, upon which all community engagement and consultation was based, does not validate the need for a 50% SRV.
- ARC engagement did not demonstrate the need for and use of all additional funds resulting from the SRV.
- Council did not establish that the proposed SRV was affordable, or that the community had the capacity to pay.
- ARC IP&R documents and engagement material did not canvas alternatives to the 50% SRV rate rise. Council presented to the community a 50% take it or leave approach with service level cuts as the only option.

I do believe that Council has provided sufficient evidence that a 30% SRV is required to meet OLG benchmarking targets on financial stability and asset renewal and maintenance. However, the community was not given the opportunity to discuss or support such an SRV, Council had already determined that the only way forward was a permanent SRV of 50% over three years.

The permanent 50% SRV is not affordable in the current economic climate, approval of a 50% SRV will only add to inflation in a time when the RBA and government is trying everything that it can to reduce inflationary pressure.

I do not support Council's current application for a 50% SRV, and I do not believe that Council has meet the selection criteria set by IPART for a 50 % SRV.

On proposed Armidale Regional Council SRV 2023- 2036

The need for, and purpose of, a different revenue path for the council's General Fund (as requested through the special variation) is clearly articulated and identified in the council's IP&R documents.

As a ratepayer in the Armidale Regional Council(hereafter ARC) area we declare that the need for and purpose of the revenue path is not clearly articulated or justified.

We found that ARC documents, as presented, failed to clearly show dissections and therefore, traceability and accountability, across the accounting threshold. As a resident in a village that engages in co-operative agreements with ARC, to find no reference to a village, is consistent with inability to cross reference financial dealings, throughout the documented financial papers. For want of any clarity appropriate dissections are a necessity.

The community has not demonstrated a consolidated 'need' for items that ARC wish to pursue in the interests of 'some portions of the community'. The main reason attributed to non-acceptance of proposed 'rail trail' is abject failure to consider a peer review in reference to the initial costing and failure to include, future maintenance costings. Budgetary figures already fail to provide for maintenance of existing walking/cycle ways, nor does ARC engage with community groups to benefit from potential cost saving measures such as 'community co-contribution' otherwise put as, user pays. Instead existing facilities fall into disrepair through failure on Council's strategic management record. Ideas of constructing additional assets that will further burden the maintenance schedule, of a future council, is ludicrous and just plain wrong.

The ARC community contributed constructive ideas which were outright rejected by the council.

ARC received suggestions of options for consideration to recover their financial situation from a community wanting to progress hand in hand with their council.

Proposals were put forward for options to ensure council could instigate,

- i. thorough revisionary processes of operating budgets, for obvious efficiencies, within the immediate budgetary period.
- ii. Also during this immediate budgetary period, the harmonisation of rates for the Guyra portion of the Council Area, should be completed Clarity of the position; with the 'best possible' financial position would then identify the ideal, future way forward.

The immediate proof of genuine efficiencies, achieved by ARC, and subsequent imposition of higher rates for the whole of the community, is genuine and more appropriate. To have both areas worked as one, would clarify the position for ratepayers, thereby allowing for the proverbial, 'level playing field,' from which to adjust, for future growth.

This concept was blankly rejected by the council.

We, the ratepayer base of ARC, have been denied the opportunity to see evidence of ARC's internal commitment to financial reform, while expecting the ratepayer to do the 'heavy lifting' through the SRV application.

We feel there is no appreciation that without prior evidence of the internal commitment to reform, there is no sense of trust nor confidence that funds from us, the ratepayers, raised in any SRV would be managed prudently. That additional funds may just flush down the same drain hole of waste and unmitigated spending, is a prevailing fear.

Evidence that the community is aware of the need for and extent of a rate rise.

The community does not have an awareness of the need or extent of the proposed rate rise.

Meetings held with small groups of invited ratepayer representatives, left no doubt that, by the council's assessment, a rate rise was required.

The 'designer' meetings involved both councillor, council staff and ratepayer representatives. Threats to withdraw essential services (roads) overshadowed these meetings. Each speaker was assured that aspects of ARC services, essential to their very existence, would be withheld, if the SRV was not forthcoming. The 'designer meetings' afforded disproportional representation in council's favour and thereby an unfair advantage. They offered answers to justify their reasoning for everything, from their perspective, deriding statements offered by ratepayer attendees.

As a business owner/operator I found the mood of meetings to be dismissive, to the extent of being threatening - even bullying. I noticed comments dried up and a feeling of 'fait accompli' emerged in us, that discouraged further participation in additional "information session" opportunities.

ARC vision is not supported by all sectors of the newly merged communities.

The consequences of visionary growth have not been discussed widely yet, assumed as the basis of the proposal. Future growth – where? When? How? By whom? - assumed as THE solution to future financial viability. There is neither considered acceptance nor consensus to underpin this idea. A biased vision such as this, may, indeed, discourage future growth, for some sectors of our community.

To outright dismiss a traditional business base model, superimposed by a revolutionary model for which resources and business prospects offer neither a sound business case nor a proponent, is folly. It is not the assumption on which to grow a quest for more funding from the very businesses, for whom, it seems, you wish to see meet their untimely demise.

Need for and extent of rate rise is NOT evidenced in the community.

The impact on affected ratepayers must be reasonable

The Impact on ratepayers is deemed to be unreasonable.

The impact on every ratepayer was expressed in a chart produced by the Ratepayer Association, whose figures allowed ratepayers to see the real figures – why could not the ARC accounting department have commissioned (or even produced) this chart with 'clear as day' numbers for every category in every precinct. The fact is that for a portion of the amalgamated shire the rate rise is unacceptable – yet to see harmonisation! Figures that speak of averages are fanciful in a case where all players are not operating within the same threshold.

The portion of ARC ratepayers - former Guyra Shire Council ratepayers, have not yet seen the impact on their rates from the merger. Harmonisation brought in, together with an SRV, adding to recent, previously applied SRV adjustments, is totally unreasonable and unacceptable.

a process to exhibit relevant council documents to the public

In this day and age distribution of information is inherently difficult. There is reliance on technology – not equally available to all residents. Meetings called with short notice are exceptionally problematic. Acknowledgement of commentary sent to ARC in response to meeting information was a cursory acknowledgement, by form of a generic letter, yet another consultancy engaged to evaluate the commentary. I feel the response to comment was disappointingly little if anything at all.

5. The IP&R documents or the council's application must explain and quantify the productivity improvements and cost containment strategies.

These have not been explained adequately. Productivity improvements and cost containment strategies are the basis of our concern. The Armidale Regional Resident/Ratepayer Association group has a better record for explanation for quantifying the ARC position than was produced by the ARC. There is reluctance to afford any additional resources into an existing wasteful organisation. Attributing the position of the current ARC to previous poor governance and accountability, while valid, does not excuse the current ARC from demonstrating no improvement, prior to seeking a new funding strategy.

Submission to the IPART Armidale Regional Council SRV Proposal

My apologies for this slightly late submission. I have been trying unsuccessfully for days to lodge and seem to be prevented from having my say. (Probably my internet skills.) I trust it will be considered along with any other submission.

This submission opposes the application by the ARC for a significant rate variation. The ARC has been granted rate variations in the past without any change in performance or management and has been in administration twice in the past decade. There is no evidence provided that its conduct or performance will change.

As a member of the community, unlike the consultants and staff engaged in this process, I have none of the resources at their disposal. The ARC has all the resources of ratepayers to present a case. Ratepayers and residents have to rely on their own meagre resources to respond. Nevertheless, I do have skills and experience in local government and corporate governance and I have attempted to address only a mere fraction of the justifications provided to increase rates which even on the surface reflect little optimism for change other than to the detriment of ratepayers and benefit of a few extremely well paid if **underskilled staff**. If I was a current Councillor I would send the submission and supporting documents back for a rewrite and anyone putting this forward to ratepayers for endorsement should be grossly embarrassed. (Significant slabs of text are merely copied from other documents (eg Dungog Council Nov 2018 without any acknowledgement)

Not only are the skills of employees admitted to be limited so also it would appear, are the skills of consultants employed by Council to assist. Considering the huge amounts of money paid by ratepayers for outsiders to assist in preparing these documents, there is a clear indication of poor education with significant grammatical and structural errors in expression. It does little to enhance the credibility of the content.

There is a high level of incompetence in the drafting and content of the Plans. There is little if anything that is a specifically measurable indicator of performance past, present or future - essentially, where present at all, qualitative measures rather than quantitative.

If these were court proceedings they would be thrown out at the first hearing.

Community Involvement

It is misleading, deceptive and erodes public confidence, when the Mayor in media comments, puts the depreciating assets and need for enhancement in water and sewage assets as part justification for need for an (SRV) rate rise. There is also deliberate ambiguity in the proposal documents which intertwines these assets and funds with the general assets and funds to support the alleged need for an SRV.

Water and Sewerage funds operate separately and are required to operate separately to the ARC general fund. They are not confined by the same rate ceilings imposed by state government. In fact, as in many councils, (other than metropolitan where these are managed by outside entities) the water and sewerage funds provide some income to the general fund. In fact the SRV if approved does not contribute to those funds and ARC can, and will, increase rates for those funds, in addition to any general rate (SRV or otherwise) as they have already done. Any real rate rise including those funds may exceed well over 60%.

Community response to the proposal for a massive rate hike was significantly opposed 66%, (a specific number), yet the Council has tried to manipulate data to support the SRV and then becomes

vague with statistics “over 50%” were opposed to the nominated cuts (very unspecific). The conclusion that: *“This demonstrates that although the community generally does not want to pay more in rates, they also don’t want to reduce services or growth activity”* (p57), claim is **unsupported by the evidence** provided. A close examination of the plan based on an SRV does not verify that the essential services identified in the survey would be cut without an SRV.

Community participation in the process was minimal. The community is seriously jaded and disillusioned with its local government. Consultation was in most part information for a plan already decided. When community opinion is consistently ignored-as it has been again after a minimal ‘consultation’ which clearly demonstrated opposition to the proposal, there should be no surprise that participation was minimal, given that this same council has previously imposed additional rate levies on several occasions, with similar false promises of improved performance and ability to maintain services.(p47) The current ‘consultation’ is no different. Solicitation for input was slanted by questions to force an opinion which supports the massive SRV.

As with many public sector organisations and many private and public corporations, **the primary focus is on maintaining the organisation rather than the purpose for which it was formed.** The ARC in its changing guises, is no different and there is nothing concrete in the plan which suggests that will change.

Context

The greatest impediment to the Armidale region for the past 2 decades (maybe more) has been the attitude and gross lack of management skills of council and skills of their staff and some councilors -not money. It would be unkind however to paint all staff and elected representatives with that same brush as there are exceptions. Like the incompetence evident in the leadership and executive at the University of New England (Armidale based) over a similar period, the decline was inevitable and in a changing world, probably irretrievable regardless of vision and investment.

In the past month it was announced that 13 GPs were leaving Armidale. Over the past 2 years more than 200 staff have left the University. Whole departments of the University now **do not** live or work in Armidale and the increased use of consultants drains dollars out of the town. TAFE has significantly reduced its staff. Big W closed its doors after a massive campaign (with Council spending) years ago to have them invest in the city. **The foresight and planning of private corporations should be a sobering guide to the future.** The city is not dying but it is neither environmentally nor socially sound for it to grow.

There is no evidence that bigger is better or more economically viable. The table comparing the rate revenue of allegedly comparative councils is misleading without a comparison of the quality of services delivered in return. (p54) Regardless though, Tamworth -a near neighbor-has a significantly greater population and no significantly lesser rate.

The amalgamation with Guyra, apart from causing friction in both communities made the circumstances of both local government areas and their residents, worse. People of Guyra are certainly worse off with centralisation of services to Armidale and (in some cases) massively increased rate burden (due to ‘harmonisation’ requirements), despite any efforts to the contrary.

The Premise for an SRV is flawed

Ratepayers should not be penalised (financially or otherwise) for their compliance with the legislative requirement to pay rates, nor the incompetent manner in which the Council has disposed

of that income (illustrated by amalgamation 2016, wasted court resources over “in fighting” and further state imposed administration in 2020).

“In summary, the Asset Management Policy demonstrated why we need to manage our assets and the governance required around managing assets; the Asset Management Strategy outlines how we are planning to do that; and the Asset Management Plans details what needs to be done in each of the asset classes in order to align the levels of services that community expects and the serviceability of assets”. (p14 Resourcing Strategy) (P59) It is difficult to comprehend how the ARC has even complied with legislation and regulations when there is a clear admission that its real assets position is unknown. (other parts of the report say there is no adequate process for valuation???)

There is no evidence (only vision and dreams) that if approved, the additional \$3.2million plus \$6.9million generated, will in fact assist with asset renewal or maintenance of services. There is no apparent allowance for the predicted increase in rates due to increased valuations which will inevitably accrue as a result of the property prices boom of recent years.

The more detailed planning tables point to visions of increasing population and workforce areas mostly beyond the control or even influence of any local government, let alone with poorly skilled workforce. The **Asset Management Improvement Plan(7.2)** identifies the year in which certain initial changes will occur. It is anticipated that all this work can be completed within the current staffing arrangements albeit under-skilled, and with a new organisation structure.

3.1(p5)“The main objective of the Asset Management Improvement Plan is to ensure that Council is underway with the development of a framework to identify how Council should be managing its assets”.

(p17) Staff skills in some areas are very limited, and growing capability and capacity will be a crucial objective moving forward. The vast number of areas requiring improvement creates difficulties in conducting business as usual service delivery and significant business improvement. Council will need to maintain a “back to basics” approach to achieve its stated goals over the following years”

An appalling admission, albeit finally recognised, despite it being evident to ratepayers for a long time. The poor skill level (and any attempt to rectify this) is not reflected in pay scales of incumbents and their supervisors nor the planning of asset management.

Other than lots of words there is no assurance in the documentation that more money will lead to better or even sustained outcomes for the ARC. Skill levels do not instantly change. Although the demographic and limitations are recognised in the document, **staffing is not listed as an asset** which requires proper management and **nor is there any concrete plan to enhance skill, recruitment practices and retention.**

Goals may be a good starting point. However, lacking in almost all planning is the steps to achieving goals. The documents provided appear to not address that essential element and **the substantiation for a rate rise is not made out.**

The Workforce Management Plan only states a desired end result:

“We acknowledge that one of our most important assets are our people. Having the right people, with the right skills, at the right time, undertaking the right jobs.

6. Armidale Regional Council will have invested in the professionalism and expertise of people and leaders. We have adopted a strategic approach to work which has improved our ability to attract, recruit and develop our team”.

WHEN? There is no planned process or budget allocation, to achieve this outcome and how progress and achievement-if any- will be assessed?

"The quality and consistency of leadership across operations is evolving and is supported by the current Culture and Values program (OPARC) which is seeing some tangible improvements in culture across Council".

There is no measurement of that alleged change.

"Following the decision (of Council) the documents that form part of the Integrated Planning and Reporting Framework (IP&R) and asset documentation have now been amended or developed and are on public exhibition for 34 days from Friday 16 December to Friday 20 January 2023".

Despite these 'amendments' they do not include any account of the Asset Management Improvement Plan goals identified for 2022 and their achievement or otherwise, maybe as an example of a changed attitude to performance and accountability.

Only 3 items are identified with budget expenditure presumably to outside sources.

Can one assume that item23 *"Organise training for key personnel and Councillors on asset management fundamentals 2022-for \$30,000"*, has been completed and the outcome has been properly assessed. **There is no documented evidence of this outcome** despite the opportunity to do so before the IPART submission.

Item 7; \$270,000 is allocated in 2024 (presumably to consultants) updating condition assessments (what happens in the interim?)

Item 17; \$200,000 is allocated in 2024 to *"Investigate the introduction of a single corporate asset management information system."* (what happens in the interim?)

Item 28; assumes council has the internal skills to conduct process mapping when the report clearly articulates a low level of skill and there is no apparent provision to upskill staff in this area (or indeed any area)?

Social Justification

It is unconscionable to use the resident's compliance with the law as legitimate reason to increase rates (p54). Just because Armidale ratepayers have been diligent in paying rates, despite incompetent management and waste of those funds and the disgraceful conduct of some councilors, it is now alleged as justification for increasing rates.

There is no supporting evidence, or authoritative reference for the second tier of justification that Armidale residents' *"household net savings have increased to \$25,913 per household in 2020–21"*. This figure is not credited to any authority. Without substantiation and clarification of what constitutes household savings the statistic is misleading and possibly false and certainly disputed by residents especially in the light of the report stating ***"Interestingly there has also been a significant fall in net savings (8.5%)." from 2013 to 2018.*** (Capacity to Pay p13)

Apart from anything else, **the report is dated April 2019 (based on data from 2016)** prior to the effect of the extended drought, fires and covid. The report was **not** for the purpose of assessing absolute ability to pay but for the purpose of harmonisation of 2 amalgamated LGA's. It is misleading to extrapolate those findings (out of date) accurate or otherwise, with the application for an SRV.

There is a significant proportion of single person households however, this has not been aligned with income or lack thereof, except in the context of the assumption that there is income which would not necessarily apply to those on pensions or benefits or with neither. **The statistics are predicated on the whole of NSW with minimal adjustment for regional difference.**

It is unlikely however, that the clearly indicated disparity in wealth within the LGA has changed significantly. With at least 13% of the population identified as pensioners and up to 23% unemployment rate (as at 2016) **the impact of a rate increase would seriously affect ratepayers in those demographics-directly or through rent increases.** The housing stress data is severely dated compared to anecdotal information in the current environment and yet even that relied upon, indicates mostly 10% to 20%+ of residents experiencing housing stress in the lowest interest rate period recorded.

Very little, if any, of the cost of living data in the report is relevant after 10 years of low inflation (reflected in the report) and sudden massive inflation and housing costs experienced in 2022 onward and **the outdated report has no standing as evidence of capacity to pay in 2023 and beyond.**

The rate changes imposed by the harmonisation legislation have already impacted some areas by up to 340% especially discriminatory as the areas most impacted, benefit little from services in Armidale. **A further 58% rate rise would seem unconscionable.** The current processes for dealing with hardship really only involves financial management and would not adequately address those who just have insufficient resources regardless of planning.

The Staff Asset/Liability

Whereas staffing and staff skill is given some recognition in the documentation and even awarded the status of *"our greatest asset"* *We acknowledge that one of our most important assets are our people.* (P37Tand R) **there is no asset management plan for the \$28m** for 2023 (or some 32% of total expenditure) **of the staff asset.** Regardless of the LGA methods of accounting in an application for an SRV the condition of this asset does not even rate. **What gets measured gets done!**

8. Performance monitoring Council monitors performance against the budget and LTFP by way of Key Performance Indicators (KPIs) through the following methods: • Actual audited KPI results as at 30 June each year, • Estimated KPI results through development of the annual Operational Plan and update of the LTFP; and • Updated estimated KPIs through the quarterly budget review process'

There are appears to be no KPI's for staffing?'

A "culture audit" might explain some of the missing values in past and current staffing?

"Council staff hold each other to account over the nominated timeframe for our 'Turnaround Strategy'.

"There is not even a statement of how this will be measured. There is a vision/goal to undertake surveys and studies of staff and competence. However, action plans and budget do not reflect implementation and **the goals are very much focused on staff satisfaction rather than community satisfaction.** The ARC continues to be inwardly focused, despite clear recognition of the problem and potential solutions;

"It is critical to the effective and efficient delivery of Council services that the quality and performance of our operations improve significantly in the short and medium term so as not to hinder the delivery of Council's many and varied external services. The ability to make any

real change will be largely dependent on the provision of adequate resources and skills in order to deliver both the core business of Council.”(p51Tand R)

There is no evidence in any planning documents that the additional SRV funds will be directed to this need.

The document identifies a vision without constructive steps to achieve even the basic goals. There is one budget allocation for 2023 of \$30,000 to “Organise training for key personnel and Councillors on asset management fundamentals”

“Measuring our success: “Armidale Regional Council will report back to the community at least every six months through a detailed Council Report. This report will outline progress and completion of the Council Initiatives in this Delivery Program and flag any potential issues with their completion. (p16)

This promised process is not evident even in submission to the IPART. This is neither a measure of success or accountability. Even the document in which this statement resides, demonstrates no measures of success. In the words of Darryl Kerrigan 1997 in the well known movie ‘The Castle’ “Tel’em their dreamin” more accurately reflects the content of the PLAN.

“By implementing the strategies outlined in this plan, Council’s team will have the required capability, skills and competencies to deliver our services and programs into the future”

One could not possibly argue with the stated strategy BUT the capacity to implement is beyond the capacity of ARC and more money might make it worse rather than better!

Conclusion

- The ARC does not have **social licence** to be granted a further Special Rate Variation.
- There is no evidence in any of the documents that more money would lead to any improved performance, merely **more spending**.
- There is no evidence of any process of **measurement of performance** or reporting to the community, for any area that is not merely **qualitative**.
- Evidence to allegedly support ratepayer’s ‘**ability to pay**’ is seriously outdated and in no way does it reflect the environment for 2023 and beyond.
- Past performance is a clear indicator of future conduct. **The ARC admits it has wasted millions.** There is no empirical evidence in the submissions that has, or will change. In fact there is clear indication that promised achievements for 2022 (as identified in planning documents and during preparation of their submissions for more funds) have **not been achieved and certainly not reported to the community as promised.**

The IPART should not grant the ARC the requested Special Rate Variation.

Should the IPART seek further input I would be happy to oblige.

(There appears to be no accreditation of the document ARC Delivery Program” so one assumes it is the work of ARC itself and not consultants?).

Author name: Name suppressed

Date of submission: Wednesday, 1 March 2023

Please provide any other comments on the council's application that you would like to make here.

Council has attempted to mislead ratepayers and other authorities by holding a referendum on the SRV. Council made this survey available on their website so that ratepayers could indicate their preferred SRV option but Council decided that the only options available for selection were either:- 25%next year OR 10% per year cumulative for 3 years Ratepayers were not given the option to vote for 4.4% increase approved by IPART. Council then is able to falsely claim that the result of their survey is what the ratepayers want. I can assure you that the vast majority of ratepayers strongly support the 4.4% increase but were not given the opportunity to express that opinion

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

At the community meeting I attended the only need and purpose was that without an SRV the Council would be financially unsustainable providing its current level of service. Council has opted for the easy solution ask the ratepayers to pay more rates. I expressed my opinion to the Mayor and General Manager that they should be too ashamed to put their hands out for more money from the ratepayers as their only solution to their financial difficulties. I also indicated that in my opinion the councils staffing level was high in comparison to Sydney Councils with a similar number of rateable properties

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

Not to my knowledge

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

not in the local press where the average ratepayer would normally obtain that information

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

I am not aware of any other than a few public meetings held by council staff and some councillors

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

not aware

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

I live at Shoal Bay and like a large number of Port Stephens residents who reside by the ocean are retired (I was employed in Local Government Administration for 35 years). A large number of residents are age pensioners or like myself are self funded retirees who live on a limited income in what has become, since covid, a popular and expensive area. Because of the current rating system our land values are higher than inland properties and consequently rates higher so we will carry a larger share of any rate increase. This together with our recent Valuer General Land Value increase of 100% will raise our current rates of \$3,000 per year to ?? Council has no proposal for any financial assistance with increased rates for self funded retirees. If Councils SRV application is approved it will not be within the capacity of most retirees to pay

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay.

Absolutely no consideration for a large number of self funded retiree residents

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

not aware

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

The best productivity improvement is to take hard look at all staffing levels and efficiencies

Author name: Name suppressed

Date of submission: Wednesday, 1 March 2023

Please provide any other comments on the council's application that you would like to make here.
as a resident of 50 years, continual modest increases in line with inflation are acceptable. However excessive increases over multiple time periods fail to consider persons on fixed income, with little or no avenue to obtain relief from such unreasonable adjustments.

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

They have not clearly set out the need for, and the amount required for each item

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

If they have, nothing has been advised to the ratepayers

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

Yes - in a convoluted manner.

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

not in a specific manner

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

There has been no itemized feed back.

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

Such a large increase, either annually or over 4 years does not take into account all the other price rises occurring at the present time - eg. mortgage interest, food prices increase, fuel increase, and for pensioners on a fixed income, no option of relief.

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay.

Council has not offered any items for consideration.

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

Not enough options or consideration to potential hardship.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

If so, not clearly advised where

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

such advice has been buried in reponses

Author name: Name suppressed

Date of submission: Friday, 3 March 2023

Please provide any other comments on the council's application that you would like to make here.

The 175 pages of submissions from the community on the SRV are in a 43 MB file that's too big to upload to this system. A direct link has therefore been provided so that IPART can read them all and gauge community sentiment.

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

The alternative path appears to be a few additional activities, with the lions share of the additional revenue to be used for repairing roads damaged by the recent extreme weather events, as well as other 'business as usual' activities. Regional and rural councils have many more km of road per resident than their city counterparts. The discrepancy in Federal Assistance Grant funding per km of road (e.g 1,461/km in ARC compared to \$3,008/km for Northern Beaches Council) it is grossly unfair cost shifting, especially given the substantial difference in median weekly household income (ARC: \$1,404, NBC \$2,592, 2021 census). The proposed 58% increase in rates will result in ARC's average residential rate being in the highest 5% of all NSW councils, perhaps even exceeding the average residential rate in NBC. It's also worth noting that ARC's finances were adversely affected by the forced amalgamation, accurately predicted by local government financial expert Dr Brian Halstead and many others to result in a Sea of Red Ink - <https://northernbeachesalliance.weebly.com/council-amalgamations-a-failure---a-sea-of-red-ink-ndash-7-march-2019.html> If the rates rise is granted, IPART should therefore require the rates to be reduced by all grant money that could be used to offset business-as-usual activities, over and above the amounts predicted in the long-term financial statements. ARC is now expected to receive additional funding of about \$4 million for road repairs from initiatives announced in December 2022 and January 2023, again suggesting that external funding will in fact be higher than in the projections submitted to IPART.

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

Yes. An online survey (375 respondents) asked the community what reductions in services they would be prepared to accept. In total, 70% were at least 'somewhat supportive' of disposing of property and public assets and 69% were at least 'somewhat supportive' of accepting worsening road conditions. A majority (66% of respondents to the survey) chose managed decline, rather than the proposed SRV. The contrast in the written submissions was even starker: Against the SRV 58 57% Supportive of the SRV 12 12% Seeking a lower SRV amount 22 21% Expressing a neutral view 10 10% Total 102 100% IPART should read every single one of the 175 pages of written submissions. ARC has provided a large number of documents to IPART. It wasn't obvious where to find this essential and vitally important 43 MB document in the list of submitted documents. To ensure IPART doesn't miss this essential reading, here's a dedicated link:

Although there might have been 12 submissions supportive of the SRV, only 8 appeared to be in full support. Another 3 expressed qualified support using phrases such as 'may agree'. Most new infrastructure, as well as upgrades to existing infrastructure, is funded by grants from other levels of government. Further investigation is required into ARC's argument in the Information Pack for Community Feedback that \$14.5 million is needed every year to renew infrastructure assets, and that this should be funded wholly from rates income. The current rules for presenting the audited accounts make it difficult for residents to understand them. For example, ARC has to include in its books \$1.93 millions of depreciation for Rural Fire Service Assets. This should not be counted as a deficit because ARC does not fund maintenance or renewal. IPART should therefore require councils to reduce their rates every year by the amounts of grant funding for infrastructure renewal over and above the amounts forecast in the long-term financial plan. In addition, if no external grant funding is available to renew a particular asset, whether or not it is renewed should depend on the cost of renewal and its value to the community. Residents who can't afford to maintain their homes to an acceptable standard should not be asked to fund gold-plated renewals.

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

Yes

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

Yes. Although many people are busy and informal discussions suggests that a fair proportion of residents still believe that the rumours of a 58% rates rise are unfounded and that ARC would never do such a thing.

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

It's not clear what action has been taken in response to feedback from the community consultation. Indeed, some information provided to councillors in the business paper to the January 2023 extraordinary council meeting actually contradicts what the community said. The Jan 2023 business paper states: when asked how supportive respondents would be to reducing services -

such as refusing government grants due to lack of matched funding, reducing park mowing and maintenance, and reducing economic development activities - more than 50% of people were very unsupportive of each of these cuts." The table below shows that at least 50% of respondents were at least somewhat supportive of all cuts except Reduced mowing, maintenance, and toilet cleaning in parks and Refusing state and federal government grants for new assets due to lack of matching funds or funds for ongoing maintenance. Disposing of property and public assets 70% Worsening road conditions 69% Increasing commercial and community lease fees 67% Ceasing the community grants program 66% Decommissioning community buildings and facilities 66% Reduced activity in tourism marketing and events 62% Increasing fees for the preschool, airport, home support service 60% Reducing hours at the libraries, swimming pools, customer service counter and museum 57% Closing some sporting fields and parks 51% Reducing economic development 50% Reduced mowing, maintenance, and toilet cleaning in parks 48% Refusing state and federal government grants for new assets due to lack of matching funds or funds for ongoing maintenance 41% If council staff were alerted to the incorrect information in the business paper, its not clear why they didnt issue a correction and thereby gain and enhance the communitys trust in council processes.

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

The rate increase is in addition to all the other fixed charges and levies described in the table below for an Armidale resident in 2022-23, which total \$2023. Fixed Charges Levied on all urban Armidale Ratepayers, FY 2022-23 Residential - Armidale Base Amount \$ 470 Residential - Sewerage Access Charge \$ 525 Water Access Charge \$ 315 Domestic Waste Service \$ 436 Regional Landfill Levy \$ 155 Regional Landfill Operation Charge \$ 72 Armidale Drainage Charge \$ 50 Total Fixed Charges \$ 2023 Adding in the ad valorem component, water usage charges, plus another \$500 for the SRV, even modest households will pay over \$3,200 per year. In the 2021 census, 21.1% of households in Armidale had incomes below \$650 per week. For some of these people, the SRV may well be unaffordable. Low-income households generally spend a higher proportion of their income on unavoidable spending, which is rising at the much higher rate of 18.5% in NSW (as explained, ABC News, 10 Jan 2023), making it even harder to make ends meet when benefits and wages arent keeping up with the official rate of inflation. Councils Hardship Support Page says: Once Council receives a hardship request either by phone or email, our Revenue Officer will be in contact to discuss options and provide you with a payment arrangement form for signing. Please note that there are minimum amounts dependent on the total outstanding. Residents who cant afford the SRV will end up in an increasing cycle of debt.

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay. The vast majority of responses to the public consultation indicate that the community is not willing to pay the full SRV and many were annoyed at the false dichotomy of either the full SRV or managed decline. Some happy medium is much more desirable, whereby ARC is allowed to levy the amount needed to serve the community, while at the same time undertaking to reduce the rate by the additional amounts awarded in grant funding over and above the projections in the long-term financial plan.

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

As noted in the answer to Question 1 (Criterion 3): Councils Hardship Support Page says: Once Council receives a hardship request either by phone or email, our Revenue Officer will be in contact to discuss options and provide you with a payment arrangement form for signing. Please note that there are minimum amounts dependent on the total outstanding. Residents who cant afford the SRV will end up in an increasing cycle of debt.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

Yes

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

ARCs claimed improvements in efficiency are not obvious to the average person. In fact, the repetition in the Asset Management Plans, frequent inability to access information including plans for Development Applications on Notification, a Report-it system for problems and maintenance issues that doesnt store information on what actions are taken (and doesnt allow other residents to see if issues have already been reported) suggest that many simple low-cost improvements in efficiency are possible. For example, a 'Report-it' system that allows residents to view the issues that have already been reported could help avoid duplication of effort and save staff time by providing automatic feedback and record-keeping. Knowing that these issues are being attended to would encourage residents to report issues and allow maintenance crews to identify and prioritize problems where 'a stitch in time saves nine'. Even if ARC cant afford a new computer system, other simple actions could increase efficiency. For example, residents often encounter a time-out screen for items that dont need a log-in and suggestions to make the system more user-friendly have not yet been implemented.

From: [REDACTED]
Sent: Friday, 3 March 2023 11:45 AM
To: [REDACTED]
Subject: Armidale Regional Council...SRV

Dear [REDACTED]

I find your "Have Your Say" submission form to be time-consuming...so I make the following submission "in my own words" ...

[I am writing in support of the Armidale Regional Council's SRV application.](#)

- * I moved inland to the Armidale locality 15 years ago;
- * I am a retired aged Pensioner (after 50 years as a conveyancing/legal clerk and financial Credit Union employee).
- * Before moving to Armidale, I lived in the old Guyra Shire and the Uralla Shire Council areas - and owned residential property in both Shires;
- * I own my current residence in the Armidale Regional Council area;

During the last 12-15 years (and indeed, earlier whilst living in the adjoining Councils), I became aware that the previous Armidale Dumaresq Council (it's predecessors and successors), Management and most Councillors were not very knowledgeable/transparent or forward-thinking in their aspirations of conducting business or taking the Council area into a strong future. In fact, some Councillors and management were known to be **very obstructive** when new businesses/developers applied to Council for assistance in starting or moving new businesses into the Armidale area...hence, these prospective businesses went elsewhere. Funds were misspent/mismanaged and many facilities have greatly deteriorated. (Audits carried out by the previously appointed Administrators found that funds weren't "missing"). Residents have become disheartened; many have moved away and the City has 'lost it's spirit and pride" and, unfortunately of late, negativity abounds !!!

We now have a very experienced General Manager who has gradually built up a very efficient and knowledgeable Executive and staff - and I believe the atmosphere has improved immensely (I recently spoke with 2 staff members who have returned to work with the current Management because the working atmosphere is now SO much better)..

Funds are **desperately** needed to enable our Council to build and revamp the City's facilities, roads, water and sewerage, waste, parks and the many other services normally provided .. and expected by the landowners and residents....

Fortunately, **some** of our current Councillors are younger people with a career background in the Corporate world (many with overseas experience) who can see what can, and needs, to be done to bring Armidale back to some of its former glory....but the depleted funds from previous Councils are just NOT there to help carry out these aspirations.

Council carried out comprehensive advertising of a proposed SRV and held many public meetings in the area (I attended several). Unfortunately, most of the small attendances heard only one thing "Council wants to increase our rates by 50%" !!! ...and this has been the main message loudly circulated by the objectors...but Council's surveys clearly show that they still expect all services to be provided.

I believe that the residents need to “take some pain to make the gain” needed to grow and uplift our lovely area...but we have to do it ourselves (Federal and State Governments just can’t provide Grants everlasting - although many residents expect same). Even as a pensioner, my calculations show that I can, and will, budget and afford the SRV increases. Many years ago as a single mother raising two children, I took advantage of the “Hardship Program” provided by Councils and I believe that if the families (who say they will find the increases “impossible”) take advantage of Council’s hardship program, they will gain a better lifestyle of regional living and they will succeed in meeting the increases.

I wish I could type on but time is limited so I must close.

Thank you for the opportunity to provide my “2 cents worth” in favour of Armidale Council’s very necessary SRV proposal..

Regards,

A solid black rectangular box used to redact the signature of the sender.

Author name: Name suppressed

Date of submission: Thursday, 9 February 2023

Please provide any other comments on the council's application that you would like to make here.

I am extremely concerned around the proposed rate increase . It is far above average pegging . Council increased our water rates only a few years ago to one of the highest in the state yet we have ample water compared to 99% of the state . This move caused fin stress to many . I know this from working in social services . It was cash grab. They are now doing the same with land rates. The fact they are requesting this to be perm shows they have no plan for the future as far as growth or industry or other means to create extra income. They will blow this money and then in another 3 years there will be another request. The fact that the past few councils have gone into administration should be proof enough that there is larger issues at play. People in the community are very scared to stand up to this as they fear there voice will not be heard and the decision is already a done deal. Given the current stress on leaving in Australia it is poor timing and certainly not a favor to the community it is a quick fix ! If it was a temp solution maybe ? However 50% ??? Doesn't pass a pub test anywhere . The citizens shouldnt be held to account for councils failures and poor money management . This increase will impact many especially those on old age pensions . It will also see increases in rents for tenants . Which are going up anyway . I ask that some common sense be applied to this proposal. A small perm increase yes in line with annual pegging or a temp higher one. Please understand that the bulk of the community feels this is a done deal and that just because they are not all protesting is not a reflection . The room is certainly not being read .

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay.

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

Author name: Name suppressed

Date of submission: Monday, 13 February 2023

Please provide any other comments on the council's application that you would like to make here.

The population in Armidale has stayed steady for years without a significant growth while towns such as Tamworth & Inverell are thriving. This is a direct result of the council & their mismanagement. Now they are expecting the rate payers to reach further into their pockets to bail them out. Are they blind as the town is dying & a rate rise will not help this but only make things worse. In 2017 a special variation was approved to increase councillors and the mayor's wages so I am guessing their wages will be a little higher once this special variation is approved.

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

Yes

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

No

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

Yes, but the explanation is too confusing for the general public.

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

Yes, but the explanation is too confusing for the general public.

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

The council are not even listening to what the ratepayers have to say. They do not really care.

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

It is not reasonable at all and I would understand if it was a rise to keep in line with inflation but it is a lot more than that. Such a rise is not appropriate and should not be allowed. This will affect my family considerably as we are struggling to afford the current cost of living. The council also has to stop and think that the money they take in the rate rise will be money that I am not able to spend in the community. Shops in town will suffer as a result. The cost of a house rental will also increase as this rise will be passed on to the tenant.

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay.

The council obviously have no consideration for the community's capacity and willingness to pay.

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

Have not seen the plan in regards to hardship, but knowing the council's history it will only be a bandaid option.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

Yes, but the explanation is too confusing for the general public.

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

Yes, but the explanation is too confusing for the general public.

Author name: Name suppressed

Date of submission: Thursday, 23 February 2023

Please provide any other comments on the council's application that you would like to make here.

The council is already charging more fees for the services we get in return. This rate rise is unfair and puts pressure on its residents already under pressure from inflation and RBA Rate rises.

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay.

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

Author name: Name suppressed

Date of submission: Sunday, 26 February 2023

Please provide any other comments on the council's application that you would like to make here.

It is understood that some increase in council rates may be required. However, the magnitude of the increase in rates sought by Port Stephens Council is large. Inflation has already created significant cost-of-living pressures on households. In this context, it is appropriate to limit the scale of the increase to one that will be more affordable to ratepayers. This may mean that some services, beyond essential council and environmental services, should be reviewed.

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay.

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

Author name: Name suppressed

Date of submission: Tuesday, 28 February 2023

Please provide any other comments on the council's application that you would like to make here.

There is no proper Impact assessment analysis presented with the SRV application? Yet this is highly relevant and necessary. According to the Community Engagement Report, concern was expressed that the increases will be unaffordable at a time when other expenses are also rising. This is a real concern today when the grocery and utility process as well as price of fuel and mortgage interest rates are rising. No attempt has been made to soften the impact on the community by ARC even when it knows about the hard realities faced by residents and ratepayers. This shows the hard-nosed economic perspective adopted by the council instead of a socially just balanced perspective. Similarly, a risk analysis is also required including an analysis of what will happen if the proposed productivity gains are not realised? Also, what it will do with the extra funds to be generated after 2026? A key concern is that the Council appears to have not thoroughly considered further options to run its business more efficiently in its pursuit of a growth agenda in a short period inflicting hardship to the residents and rate payers. how much pain should be inflicted on current ratepayers to achieve a growth agenda? A key strategy for tourism is to construct a rail trail (bike track) on the Northern railway corridor by uprooting existing rail tracks. A better approach would bto support current plans by Northern Railway Company to run tourism trains. It can appeal to a broader demographic compared to cyclists with able bodies. My support is only for a 20- 25% rate rise for the duration of current councils term. Rest should be decided by a future council. I support the managed decline option because I believe it balances the growth agenda with community pain.

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

ARC has not shown with evidence the need for higher increase in charges. A key argument is that there is an asset maintenance backlog. Council needs extra funds through a SRV of 58% to maintain existing assets and renew others. However, the council has not produced a list of such assets, why it cannot maintain and/renew each asset with available funds, how much extra is required for each? Council has produced a list of assets under it instead. This is a gross failure. One question is that if the council requires extra funds to maintain and renew existing assets as claimed, why is it planning to undertake new infrastructure projects like the rail trail from Armidale to ben Lomond? Operational and maintenance costs of this project for its lifetime will be costly. It is widely believed that the council spends large amount of funds in its possession on external consultants and machine hire. Internal accounting system is also due for upgrading. Currently it is believed there is a lot of duplication and waste. Our rates are already higher than some Sydney suburbs e.g. North Sydney, Parramatta, Campbelltown. If the requested SRV is approved, existing residents will be compelled to leave the area.it will be difficult to attract new residents as well. ARC spends about 30% of its income for employee benefits. This is not sustainable. Community engagement summary states that the Council clearly communicated what the SRV would fund? (p.6) This was described at a high level for the purpose of asset maintenance and renewal, and the breakdown into asset classes and service levels within each asset ARC Proposed SRV 2023-2026 (Community Engagement Report 7 IPART criterion to assess whether consultation is effective? ARC gives some examples. Among them is increase in resealing roads, replacing 5 timber bridges, relining storm water drainage, Maintenance and renewal of community buildings, sporting and swimming facilities (p. 23). What is not told is why some of these activities cannot be accomplished with annual government grants or special grants. I am aware that the council gets funds for roads maintenance and renewal. Recently NSW government announced a \$300 million package to replace timber bridges (Deputy Premier in the recent Armidale Forum)? As I said before, what is not presented to the residents is also a more detailed list of assets that needs to be maintained or renewed with the new funding?

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

A key concern is that the Council appears to have not thoroughly considered further options to run its business more efficiently in its pursuit of a growth agenda coupled with its intention to pay off the debt in a short period inflicting hardship to the residents and rate payers. A related question is how much pain can be or should be inflicted on current ratepayers to achieve a growth agenda? How much of the additional funds generated by SRV are for growth and how much is for closing the deficit is also not clear. If a proper updated audit is conducted, the Council will find certain assets that do not need to be maintained at high cost. Or those current levels of maintenance are quite sufficient. Support for community facilities may be reduced with community consent in place of a 58% rate rise. It is not that the Council lacks staff to undertake such an audit. It is the lack of will both on the part of elected council and the key staff responsible. If such an audit is performed, I believe that such a high rate rise will not be required. Ultimately, it should be the elected council and the Mayor that should be functioning as ears and eyes of the council plans, visions, ways to raise funding, and weeding out unnecessary assets maintenance. I now wonder what is going on? The way ARC presented Managed decline option to save 2 million must have frightened residents and ratepayers. It listed a series of cuts to various services as part of this option including cuts to moving parks and reductions in toilet cleaning, closing some sporting fields and parks, increasing fees, ceasing the community grants program, reducing hrs in libraries, swimming pools, reducing economic development. (Information Pack for Community Feedback). In actual fact, to save 2 million, the council does not need to do all these things. Yet it listed a series of things that it will do as if the steps in full list have to be undertaken. It is clearly an overshoot. Many residents/rate payers may not have selected this option due to this.

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in

percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

Yes it did. According to the information provided, average residential rate in 2023 is \$1095. It will rise to 1740 in 2026 and stay permanent. Increase due to SRV will be \$560. Total increase including rate peg will be \$ 644 (Community Engagement Report p.40). This is a substantial addition to my own rate notice and along with all other commitments an unbearable one. Given that my total bill at present is \$2,676 and it will rise to \$3,320 by 2026, you can understand the impost on my household budget with the SRV and rate peg. My quarterly rate will increase from \$699.00 now to \$830.00 by 2026.

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

Yes. But the concern is how far the council took community feedback seriously and incorporated to alter the draft plans? My view is that it did not alter draft plans after community feedback was received. I recognise that the council conducted various community consultation events and procedures by engaging a costly consultant. I was also a panel member in a community consultation event held at the airport conference room. Council spent enormous amount of money to produce materials in colour. This is all good marketing techniques but the range and volume of documents presented to the public was so much that the message was lost in the process. It was very difficult for a professional like me with decades of experience in a tertiary institution to comprehend. What about the average rate payer? There was information overload. So my view is that the community is confused about the actual rate rise sought by the council and its reasoning.

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

None. Community feedback was totally ignored. According to the Community Survey 66% were against the SRV. Only 28% supported it (p. 11 Community Engagement Report). Overwhelming majority of 66% preferred managed decline and only 29% supported the SRV. Thus there is clear evidence to show there is no community support for the 50% SRV but the ARC ignored such community sentiment. It is pushing ahead with its corporate approach to running the council as if it is a private corporation not a public institution where the top management and the Mayor has to listen to the community. Secondly, ARC promoted the SRV by saying it is spread over 3 years. It did not highlight the fact that it will be permanent after. As a result many residents believe that the SRV is only for 3 years. This misunderstanding has to be rectified.

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

There is no proper Impact assessment analysis presented with the SRV application? Yet this is highly relevant and necessary. According to the Community Engagement Report, concern was expressed by those who responded to the survey etc. that the increases will be unaffordable at a time when other expenses are also rising. This is a real concern today when the grocery and utility process as well as price of fuel and mortgage interest rates are rising. No attempt has been made to soften the impact on the community by ARC even when it knows about the hard realities faced by residents and ratepayers. This shows the hard-nosed economic perspective adopted by the council instead of a socially just balanced perspective. Assistance to be provided to those who cannot afford the SRV is also not satisfactory i.e. extends the payment period. The way ARC presented Managed decline option to save 2 million must have frightened residents and ratepayers. It listed a series of cuts to various services as part of this option including cuts to moving parks and reductions in toilet cleaning, closing some sporting fields and parks, increasing fees, ceasing the community grants program, reducing hrs in libraries, swimming pools, reducing economic development. (Information Pack for Community Feedback). In actual fact, to save 2 million, the council does not need to do all these things. Yet it listed a series of things that it will do as if the steps in full list have to be undertaken. It is clearly an overshoot. Many residents/rate payers may not have selected this option due to this. According to the information provided, average residential rate in 2023 is \$1095. It will rise to 1740 in 2026 and stay permanent. Increase due to SRV will be \$560. Total increase including rate peg will be \$ 644 (Community Engagement Report p.40). This is a substantial addition to my own rate notice and along with all other commitments an unbearable one. Given that my total bill at present is \$2,676 and it will rise to \$3,320 by 2026, you can understand the impost on my household budget with the SRV and rate peg. My quarterly rate will increase from \$699.00 now to \$830.00 by 2026.

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay.

I do not believe that the council has analysed the community's capacity and willingness to pay at all! I did not see any information in the documents or in various forums. For example, it should have looked into the capacity of existing rate payers to afford the SRV on a permanent basis by using data from the previous census or available household surveys. It could ask the consultant to look into this aspect. The fact that it did not attend to this shows its bias toward economically rationalist managerial approach rather than a social justice approach. In terms of willingness, I have outlined elsewhere that a large majority opted for the managed decline of services option and only 29% supported SRV.

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

Hardship plan is only to allow extension of time to pay. No any other option. Whatever the vision and mission of the council i.e. growth agenda while paying off deficit we should not be imposing extra burden on most vulnerable sections of the community. As I said elsewhere, this council is not concerned about such aspects. It is driven by ideology of growth at any cost. IPART

should be asking the council to look into hardship policy in a more informed way after analysing relevant data. For example, if a majority of rate payers belong to low Socio economic background, then imposing a 58% rate rise cannot be justified. My view is that in an area like ours, a high percentage of residents/rate payers can come from elderly, disabled, single parent, isolate, unemployed, Aboriginal or other disadvantaged backgrounds.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?
I believe so.

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

The Council proposes to adopt various steps to be more efficient. For example, better asset management, improved customer service, more efficient systems and processes, finding cost savings (see p. 24 Community Engagement Report). I take these as "a wish list" rather than already accomplished measures. As ratepayers we cannot rely on a wish list for a SRV of the magnitude sought by the council. We need evidence of savings made so far and productivity improvements by following these measures before we can agree to a SRV. Looking at the draft delivery program Income statement, only increase is noted in rates and annual charges. Grants for capital purposes are to decline. User charges and fees also will decline. Income avenues such as grants and contributions for operating purposes, interest and investment revenue etc. will remain stagnant. If the council is so efficient with new blood, these items should be increasing rather than declining or being stagnant. It is worth noting that 59% of those surveyed say that the Council did not spend money wisely. Only 17% were satisfied. On a 5-point scale, 2.43 were satisfied. This is less than half satisfaction. (Community Satisfaction Survey N=400). This shows that the community has no trust in the present councils capacity to implement productivity improvements and cost containment strategies. If the first two years are devoted to Restore and the next two years to thrive, and financial viability is so important, service improvements could have been delayed until the council reaches the thrive stage.

Author name: Name suppressed

Date of submission: Tuesday, 28 February 2023

Please provide any other comments on the council's application that you would like to make here.

Please reject this application until the council can prove to be sound economic managers, capable of delivering projects on budget (and that all projects are actually budgeted).

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

No. The my have run a scaremongering campaign where business as usual is managed decline. The Mayor, [REDACTED] with overly ambitious targets to grow the population by tens of thousands and make the current residents pay for all the new infrastructure that will require. This is merely to service his own political ambitions and not the interest of the constituents.

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

Not in any detail, just that the current council is not capable of spending within their current budget. All the previous rate rises and amalgamations were supposed to address this but their poor economic management continues without the requires changes needed to operate efficiently.

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

No. By introducing it as 50% over three years it was made to seem temporary. In reality is will be permanently 58% higher after three years.

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

No. Plenty of infographics and covid-unsafe meetings but delays in making their actual budget issues transparent.

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

Completely ignored all negative feedback, merely a box ticking exercise. They were doing this no matter what.

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

Very unreasonable. Where is the money coming from? Real wages are falling and 58% extra (on the two largest line items) will be over \$1000 increase annually on my rates.

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay.

Ignored. They dont care, the Mayor is forging ahead with his grand scheme of expansion that no one else is asking for.

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

They have a hardship policy for reducing rates in exceptional circumstances but that provides no guarantees.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

Yes.

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

No. The council refuses to reduce outgoings and continues to invest in new assets without proper budgeting. Such as the purchase of the damaged Oaky Dam site recently which went ahead without costings for maintenance or rebuilding - estimates were between \$100-200 million but no studies quantified this prior to the purchase. They bought the heritage listed courthouse for \$1, yet another dead asset that requires enormous upkeep with no returns. The council is pushing ahead with a rail trail which will be another dead asset on their books; huge maintenance bills and no returns. The council is highly unproductive and their only strategy is to spend big and increase rates and the burden on ratepayers. We now pay almost double for water what Sydney pays and if this latest rate rise goes through we will be in the top 5 highest rated council in the state.

ARRA's

(Armidale Regional Ratepayers Association)

**Submission
to**

IPART

(Independent Pricing and Regulatory Tribunal)

On proposed Armidale Regional Council SRV 2023- 2036

Part 1

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FOREWARD

Firstly, Armidale Regional Ratepayers Association would like to congratulate the new Armidale Regional Council, under the leadership of our General Manager James Roncon, along with our Mayor, Deputy Mayor and with the support of fellow councillors, in their vision to undertake the hard yards for Armidale's road to recovery program

Decades of neglect, mismanagement and poor maintenance of infrastructure by previous councils /councillors have created a major problem today, resulting now in major upgrade costs.

Unfortunately, with council as custodians of ratepayers/councils assets, the duty of care was not carried out and a correct maintenance program was not followed.

Overspending by the previous councils in all areas of their budget has to be addressed now, to reign in the deficit that exists today. This deficit was created by a lack of management and the culture within both the indoor and outdoor staff. Armidale is not alone with this culture as this culture does exist in most councils in NSW.

The amalgamation

In 2011, the government of the day required a report card on all regional councils/shires (some 128 of them) as to their right to be able to govern in their own right, many did not pass the pub test, and in particular Armidale Dumaresq Council and Guyra Shire Council (annexure a & b)

During the next four years, councillors and the council executive could not work together for the betterment of the community/ratepayers, as disruptive council meetings were the order of the day.

In 2015 the Minister for Local Government Shelley Hancock advised both councils of an impending decision for the amalgamation of both councils. It became evident that both councils were not fit to govern in their own right and the decision to amalgamate was carried out on the 12th May, 2016. (annexure c)

This decision was confirmed by the NSW Boundaries Commission findings that proposed the merger of Armidale and Guyra Shire councils, April, 2016. (annexure d)

Dr Ian Tiley (see report Wallace & Dollery pages 358 - 362).

Dr Ian Tiley was appointed as Administrator for a tenure of two years, 2016/2017 to oversee the amalgamation progress of both councils. The new council was to be named the Armidale Regional Council. (annexure e)

The role of Administrator was about inaugurating a 'fresh start' for the newly-amalgamated ARC by providing unchallenged 'guided' leadership that would ensure that the ARC was indeed 'fit for the future'.

The role of an Administrator was described by (then) Premier Mike Baird as having a 'Get out there and make things happen in the community' priority.

New elections held in September, 2017 saw Dr. Ian Tiley appointed Mayor with Debra O'Brien the Deputy Mayor (annexure f).

Armidale Regional Council was again suspended after months of infighting in June, 2021, with the state government acting when it was clear the issues could not be resolved internally.

Viv May was appointed Administrator in June for a period of three months. He requested a further three months extension due to serious and disturbing problems in Council and this was granted (annexure g)

New elections were called in December, 2021 with a change in new councillors being appointed to take office in January, 2022.

Armidale Regional Council 2022

The majority of the newly appointed councillors have a professional background and business acumen to take control of council affairs for the 'Fit for the Future' program.

The 'Fit for the Future' program was altered under the guidance and leadership of James Roncon for 'one of vision'.

James Roncon presented to councillors his vision for Armidale's 'Road to Recovery' reflecting on his time as the General Manager of Broken Hill Council, turning that council around to be able to govern in its own right.

The 3 year strategic plan sought by our new Council has great merit to cover the years 2023 - 2026, but, they must take into account that expenditure over income is their main priority and this requires Council to make sure that every dollar paid by our ratepayers is spent wisely.

Council announced that they would be applying for an SRV of 50% on everyone's rates - this sent shock waves to ratepayers and residents, as the average residential rates in total were \$2600.

With this being an increase of \$1300 over the next three years, and not being sustainable, council then had to explain that the rate rise was only on the residential portion of ratepayers' rates.

This SRV would not include the service portion of the rates when taking the 50% into account, the 50% increase became $\$990 \times 50\% = \495 , divided over three years equally being \$165 p.a. which amounted to an increase of \$3.17 per week.

The day and night meetings throughout the region, arranged by Council and their management team, to outline their three year strategic plan, had little impact on the ratepayer's understanding as some meetings had large numbers and others had very few attending. The information given at these meetings was quite complicated to most ratepayers who attended, with maps, finance and details of Council's three year plan. For most, it was too much information to digest, and it was not explained well with the majority of ratepayers leaving meetings being none the wiser.

Productivity improvements and costs program were also never mentioned at the Council and their management team's day and night meetings.

Within our region we have low, middle and high income earners. Those on the lower scale (and this is increasing) will find it difficult to keep pace with the inflation on house payments, food, rent, electricity and gas just to name a few necessities that bear these increases.

The increase must be fair to all concerned. ARRA knows that there are State and Federal agencies for those struggling to live with these rising costs of living with subsidies etc, but in some cases it will still not be enough to keep their heads above water.

Yes, ARRA believes there should be a rate rise, there is a need for a rate rise.

But, how much can the ratepayers and residents afford ?

ARRA conducted surveys, meetings and discussion nights with our members, as well as scrutinising Council's financial documents, and formulated our recommended SRV from these findings. Our recommendation looked closely at the operations of Council, both internal and external, and also requested Council improving their business focus and procedures to contribute to our way forward, as every ratepayer will be doing.

No consideration was given by council to an alternate scenario presented to them that would address the present financial concerns immediately, whilst allowing for a more realistic projection of the region's future needs with a re-assessment in 3 year's time. This would then determine what's needed moving forward without unfairly burdening the ratepayers longer than necessary.

The impact of a positive outcome from the rate pegging review was not factored into their projections, nor was a possible increase in population to share the rate burden, nor the recent road maintenance funding received, all of which would be factored into a reassessment in 3 years' time .

ARRA submitted their recommendation to ARC. (see ARRA submission to ARC - annexure g)

Budget – Balance Sheet 2022 – 2023

The following information on Armidale Regional Council's Budget/Balance Sheet has been taken from Council's finance officers' report of their Strategic 3 year plan & Draft Operational Plan & Budget 2022 - 2023.

The balance sheet, as presented in the above documents, covered the total revenue (income) against the total expenditure (costs) showing a deficit budget figure of \$3,193,317 from the general fund for the year (see page 75 Financial results).

The balance sheet as presented, did not identify any departments to scrutinise the costings of areas of concern for waste or over spending by Council.

ARRA reviewed the balance sheet documents in depth to identify where the costs' areas of concern were as to wasteful mismanagement and costs for and on behalf of the ratepayers/residents. Areas of concern were to the Council's gross waste of ratepayers money and the sheer neglect by the failure of the purchasing staff to quantify each and every purchase item against work related jobs. We believe that Council has now instigated a new approach to this area with competent staff, to quantify each and every purchase, thus saving on double ups and overrunning costs.

The following report sheet is ARRA's breakup of those departments & details of the breakup of the operational budget pages 12-71 (ARRA's budget document annexure j)

Councils are known as Service Providers - no more, no less, (they do not supply any product), they are labour intensive and plant dependant.

Service is the key word, that is what they supply service!

Regarding management, the Council needs strong leadership from the Council Executive members and councillors, to carry out their duties of better management for all ratepayers/residents.

To gain the support of the community they must be committed to the following four areas:

1. Transparency.
2. Accountability
3. Trust
4. Performance

Operational Budget 2022 - 2023

Page	Department	Revenue	Expenditure	Deficit	Other	Comments
12/13	Executive office		3,104,971	3,104,971.	35,000.	Capital surplus ? Details of expenditure ?
14/15	People/culture	4613	2,611,782	2,607,168.		Look at S2.1.5. 100k. S2.1.7, 200k Employment program Savings on program ?
16/18	Communication/ engagement		630,922	630,922		transparent/accountability
19/20	Airport	2,317,079	2,853,530	536,451	1,078,638	airport costs corporate o/h Business park costs ? Need more details /income.
21/23	Community services	354,795.	828,633.	468,838. (473,838)		Youth, disability home supp.
24/25	Customer services		795,083.	795,083		look at service to ratepayers How many employees (council)to Be involved in this project ?
26/27	Finance procurement S2.3.1. c1.1.2	25,416,560.	3,096,051		7,885,941. 2,872,306.	\$1,550,690 SRV funding Corporate overheads On cost recovery ? +\$22,320,509

28/30 Governance strategy & risk. S2.1.2		2,143,691	2,143,691		look at costs risk management
31/32 Information technology S1.1.4. s2.1.1		3,379,164	3,379,164.	106,000	costs of \$251,500 balance \$3,127,664 ?
33/34 33/34 Libraries/museums Visitor centre E2.1.1. t2.1.3	263,800	2,259,054	1,995,254	225,000	look at costs per operation visitor centre
35. preschool services E1.1.3	833,274.	928,626	95,352		seek funding for new early childcare centre not council
36/37 Property management		305,000	305,000		assets disposal \$305,000 ? How many inspectors to view Assets are they qualified ?
38/39 Tourism events	112,000	744,083	632,083		purchase portable stage \$200,000 ? Who pays where and when Need review on centre costs.
41/42 Assets management		1,053,538	1,053,538		100k transfer from reserves look at Projects costs \$340,000. This falls under property management 36/37
43/44 Investigation/design. S2.2.3 f1.2.1 l1.2.3	8,713	817,858	809,145	1,045,000.	Loan repayment \$336,164 gas works remediation water/sewerage design
45/46 Plant fleet	943,400	2,623,828	2,369,429		sale of assets \$909,619 capital

& facilities		1, 680,428			Expenditure \$3,032,607 ?
<hr/>					
47/48 Major projects & Management		191,948	191,948	66,001,608.	Grant money bridges etc ? when required ?
49/51 Parks/recreation	767,836	5,607,554	4,840,018		l1.2.1 \$2.5 mil costs? Guyra pool \$200k, Christmas tree \$110k mowing of sports grounds road closures
L1.2.1 Creekland					
52/54 Transport & Infrastructure	17,872,766	27,700,975	9,828,209		page 53 needs to be fully Investigated as to costs and when Required in what year.
55/56 Sewerage Operations	9,589,498	6,766,647			capital surplus \$2,822,851 page 56 details + \$2,822,851 ?
57/58Waste management	12,052,424.	7,497,846	3,118,941.	1,716,365.	Corporate overhead \$1,716,365 Long swamp road &1.2mil Wollomombi/Hillgrove page 57. +\$4,554,578 ?
59/60 Water management	12,962,281.	8,738,435.	4,998,515	4,887,895.	Puddledock pumping station \$9.7mil When ? See details page 60 water Testing, water meters ? +\$4,223,846 ?
62 Certification	302,900.	407,874.	104,974		check this item in the general budget See budget figures page 89 250100 457k income 1,212k costs 250102. 302k income 407k costs
63/64 Regulatory services. E1.3.3	1,220,103.	2,930,387.	1,710,284		Why high costs check. this item 250400 companion animals (558k) 850453 animal shelter (84k)

					Council reserve 300k ?
65/67 Strategic land Services		606,450	606,450		\$270k F2.2.2 T1.3.2 \$606,450 questions? how many employees are required ?
68/69 Regional activation		254,280.	254,280		details of UNE partnerships costs.
70/71 Sustainable Development		136,198	136,198		working with environment groups who ?
12/34	28,356,847	21,702,881	14,176,957.	11,977,885	
35/51	2,665,223	11,602,435	11,238,229	67,146,608	
52/71	53,999,972	55,039,092.	20,758,851	6,604,260	

TOTAL	85,022,042.	88,344,408	46,174,037.	85,728,753	debit balance. \$3,322,366

ITEMS OF INTEREST.

MOST ITEMS

DEFICIT REVENUE OVER EXPENDITURE. (\$3,322,366)

SEE PAGE 75. 2022-2023 BUDGET 1ST PARAGRAPH. GENERAL FUND DEFICIT. (3,1933,172)

Rate Calculation Comparison between a 50% SRV and a 38.5% SRV

ARMIDALE REGIONAL COUNCILS 50% SRV.

ARC's projected average rate rise with a 50% increase for 2023 – 2026

	Presently	SRV	Increase in Total	Per Year over 3 yrs
Average residential rate.	\$990 @	50% =	\$495 x 3 =	\$165 per year
Average rural rate	\$3,500 @	50% =	\$1,750 x 3 =	\$583 per year
Average commercial rate	\$4,600 @	50% =	\$2,300 x 3 =	\$766 per year

Cumulative effect across the Region extended over three years.

No within region	Increase per year	Total increase to Council funds
10,758 residents	x \$165 per resident	= \$1,775,070 per year increase in funds
1,488 rural.	x. \$583 per rural	= \$867,504 per year increase in funds
720 commercial.	x \$766 per commercial	= \$551,520 per year increase in funds
Total increase in funds from ratepayers	\$3,193.317 per year	

ARMIDALE REGIONAL RATEPAYERS ASSOCIATION 38.5% SRV.

ARRA's projected average rate rise with a 38.5% increase for 2023 – 2026

	Presently	SRV	Increase in Total	Per Year over 3 yrs
Average residential rate	\$990 @	38.5% =	\$381 x 3 =	\$127 per year
Average rural rate	\$3,500 @	38.5% =	\$1,347x3 =	\$449 per year
Average commercial	\$4,600 @	38.5% =	\$1,771x3 =	\$590 per year

Cumulative effect across the Region extended over three years.

No. within region	Increase per year	Total increase to Council funds
10758 residents	X \$127 per resident	= \$1,366,266 per year increase in funds
1488 rural.	X \$449 per rural	= \$668,112 per year increase in funds
720 commercial.	X \$590 per commercial	= \$424,899 per year increase in funds
Total increase in funds from ratepayers	\$2,459,211 per year	

COMPARISON OVER 3 YEARS

Projections over three years	Per year	Total funds raised for Council
50% SRV over three years	\$3,193,317 X 3	= \$9,579,951
38.5% SRV over three years	\$2,459,211 X 3	= \$7,377,633

ARMIDALE REGIONAL COUNCIL'S BUDGET FIGURES (BALANCE SHEET) 2022 - 2023

TOTAL INCOME	\$85,022,042
TOTAL EXPENDITURE	\$88,344,408
DEFICIT (over run in spending)	\$ 3,322,366

In a statement last year (2022) Armidale Mayor Sam Copeland said *'the region needed a rate increase to fund the \$7.8million shortfall to improve declining assets and infrastructure'* (reported again in Armidale Express, 3 February 2023 p1 & 3)

Summary

We the members of the Executive of the Armidale Regional Ratepayers Association, and with the approval of our members, herewith submit our recommended rate rise to be objectively examined and considered regarding cost over runs.

The rate rise must not have a major impact on the ratepayers in these hard times ahead, but must instead be beneficial to all those concerned residents within our region.

We appreciate there needs to be a rate rise.

Council has inherited this deficit from the previous councils as explained in this report.

Armidale ratepayers/residents did not create this deficit and must not be held entirely responsible to carry the full burden of a \$9/10 million shortfall in the budget 2023 - 2026.

We believe that Armidale Regional Council must look at savings within their own departments for productivity gains & cost savings as stated by Administrators (Dr Ian Tiley & Viv May) where they found mismanagement & wasteful spending of ratepayer's funds was paramount. To date, this information has not been forthcoming.

Armidale Regional Council in October 2022 engaged the services of a professional consultant in 'people and work related management practices', to oversee in what areas council could improve their performance. We believe that Council has adopted the consultant's findings in principle and implemented some of those measures today.

ARRA must look to the new Council to be transparent, accountable and trustworthy in their approach (vision-three year strategic plan) for a better run council and to contain the overruns in their spending of ratepayer's money.

Better management and financial control will gain the confidence of all ratepayers which has been lacking over the last 10 years and before.

Items to address:

- Contain the debt year one 2023 - 2024
- Consolidate the debt year two 2024 - 2025
- Move forward to a better council (debt recovered) 2025 - 2026

Conclusion.

Do we need a rate riseyes

Is 50% too highyes

Our submission38.5%

██████████ I would like to thank IPART for allowing our Association the opportunity to submit this report on ARC's application for a SRV of 50% rate rise.

Our Association I believe has collated all the facts as submitted against this rate rise, and answered all the criteria as requested.

██████████
██████████

Armidale Regional Ratepayers Association

ARRA's

(Armidale Regional Ratepayers Association)

**Submission
to**

IPART

(Independent Pricing and Regulatory Tribunal)

**On proposed Armidale Regional
Council SRV 2023- 2036**

Part 2

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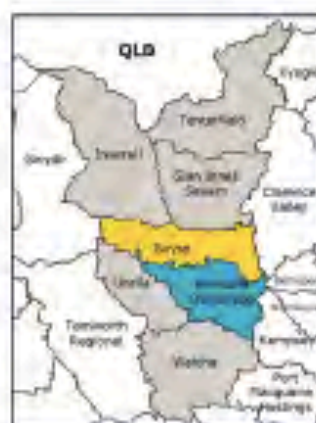
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19	Annexure b	Guyra 'Fit For The Future' Report
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28 - 29	Annexure f	Armidale's New Mayor Ian Tiley
30 – 32	Annexure g	Viv May appointed Administrator

ARMIDALE DUMARESQ COUNCIL – CIP

NOT FIT

Area (km ²)	4,212	Population 2011	25,150
OLG Group	4	(2031)	31,650
ILGRP Group	E	Merger 2011	29,650
		(2031)	36,500
Operating revenue (2013-14)	\$31.4m	TCorp assessment	Moderate FSR Neutral outlook
ILGRP options (preference in bold)	Merge with Guyra (yellow) or council in New England JO (all shaded).		
Assessment summary	Scale and capacity	Does not satisfy	
	Financial criteria:	Does not satisfy overall	
	• Sustainability	Does not satisfy	
	• Infrastructure and service management	Satisfies	
	• Efficiency	Satisfies	



Fit for the Future – NOT FIT

- The council does not satisfy the scale and capacity criterion.
- Scale and capacity is a threshold criterion which councils must meet to be Fit for the Future (FTFF), therefore the council is not fit.
- The council does not satisfy the financial criteria overall. Although it satisfies the infrastructure and service management and efficiency criteria, it does not satisfy the sustainability criterion.
- The council does not satisfy the sustainability criterion based on its forecast for a negative operating performance ratio by 2019-20.
- We consider a council's operating performance ratio is a key measure of financial sustainability that all Fit for the Future (FTFF) councils must meet, therefore the council is not fit.

Scale and capacity – does not satisfy

- The council's proposal to stand alone does not meet or only partially meets the elements of scale and capacity.
- The council did not demonstrate that its proposal to stand alone would be as good as or better than the ILGRP preferred merger. The efficiency improvements in the council's proposal can be realised under the merger option. In addition the merger option would provide significant further benefits.
- Our analysis is consistent with the ILGRP's preferred option for Armidale to merge.

Sustainability – does not satisfy

- The council does not satisfy the criterion for sustainability based on its forecast for an operating performance ratio of -0.8% by 2019-20, which is below the benchmark.
- The council's forecast is based on depreciation declining and then remaining constant in nominal terms. We do not consider this is a reasonable assumption as it implies the asset base declines over time. Without this, the council's operating performance ratio would be worse.
- The council forecast it will meet the benchmark for the own source revenue ratio by 2019-20.
- The council has forecast the building and infrastructure asset renewal ratio will be 58.2% by 2019-20 which is below the benchmark.
- The council indicates it will apply for a permanent special variation from 2022-23 of 12.5% cumulative (10% above the rate peg). However, this is outside of the outlook period.

Infrastructure and service management - satellites

- The council satisfies the criterion for infrastructure and service management based on its forecast to meet the benchmark for the debt service ratio by 2019-20.
- The council has forecast the asset maintenance ratio will be 97.1% by 2019-20, which is close to the benchmark. Similarly, the council has forecast the infrastructure backlog will be 3.1% in 2019-20, which is close to the benchmark. We consider the council's forecast performance on these ratios to be reasonable in the context of the council's performance against the other ratios.

Emolency - catclat

- * The council meets the criterion for efficiency based on a forecast decline in real opex per capita by 2019-20.

Other relevant factors

Social and community context	The LGA's community of interest would centre on Armidale. The presence of the University of New England makes the LGA somewhat distinct from other LGAs.
Community consultation	The council did not provide evidence of consultation about its proposal.
Water and/or sewer	The council has not provided evidence that its water and sewer businesses pay, or would be able to pay dividends. Consequently, the existence of these businesses only affect the council's scale and capacity insofar as they enable the council to hire staff with a wider range of skills.
Submissions	Two submissions were received in relation to the council's proposal. One supports the council standing alone. The other is from Guyra Shire Council's General Manager. It refers to a resolution by Armidale Dumaresq council that the council submit an attachment to its proposal about merging with Uralla and Guyra councils. We note that Guyra Shire Council's General Manager requested that IPART should not consider the submission because stakeholders have not been given the opportunity to respond.

GUYRA SHIRE COUNCIL – RURAL COUNCIL PROPOSAL

NOT FIT				
Area (km ²)	4,521	Population	2011	4,500
OLG Group	9		(2031)	4,850
ILGRP Group	E	Merger	2011	29,650
			(2031)	36,600
Operating revenue (2013-14)	\$8.4m	TCorp assessment	Moderate FSR Negative Outlook	
ILGRP options (preference in bold)	Merge with Armidale (yellow) or council in New England JO (all shaded).			
Assessment summary	Scale and capacity		Does not satisfy	
	Financial criteria:		Does not satisfy overall	
	• Sustainability		Does not satisfy	
	• Infrastructure and service management		Satisfies	
	• Efficiency		Does not satisfy	

**Fit for the Future – NOT FIT**

- The council does not satisfy the scale and capacity criterion.
- Scale and capacity is a threshold criterion which councils must meet to be Fit for the Future (FTFF), therefore the council is not fit.
- The council does not satisfy the financial criteria overall. Although the council satisfies the criterion for infrastructure and service management, it does not satisfy the criteria for sustainability or efficiency.
- The council does not satisfy the sustainability criterion because its forecast to meet the operating performance ratio benchmark includes the assumed approval of a large proposed special variation which may be unreasonable.
- We consider the operating performance ratio benchmark is a key measure of financial sustainability that all Fit for the Future (FTFF) councils should meet, therefore the council is not fit.

Scale and capacity – does not satisfy

- The council was required to consider the ILGRP preferred option and demonstrate its proposal is at least as good to achieve the scale and capacity objectives for the region.
- The Rural Council Proposal is not as good as the ILGRP's preferred option to merge with Armidale. When compared to the merger, the council's small and static population of 4,850 in 2031 means it is unlikely to cost-effectively provide services to the local communities.

Sustainability – does not satisfy

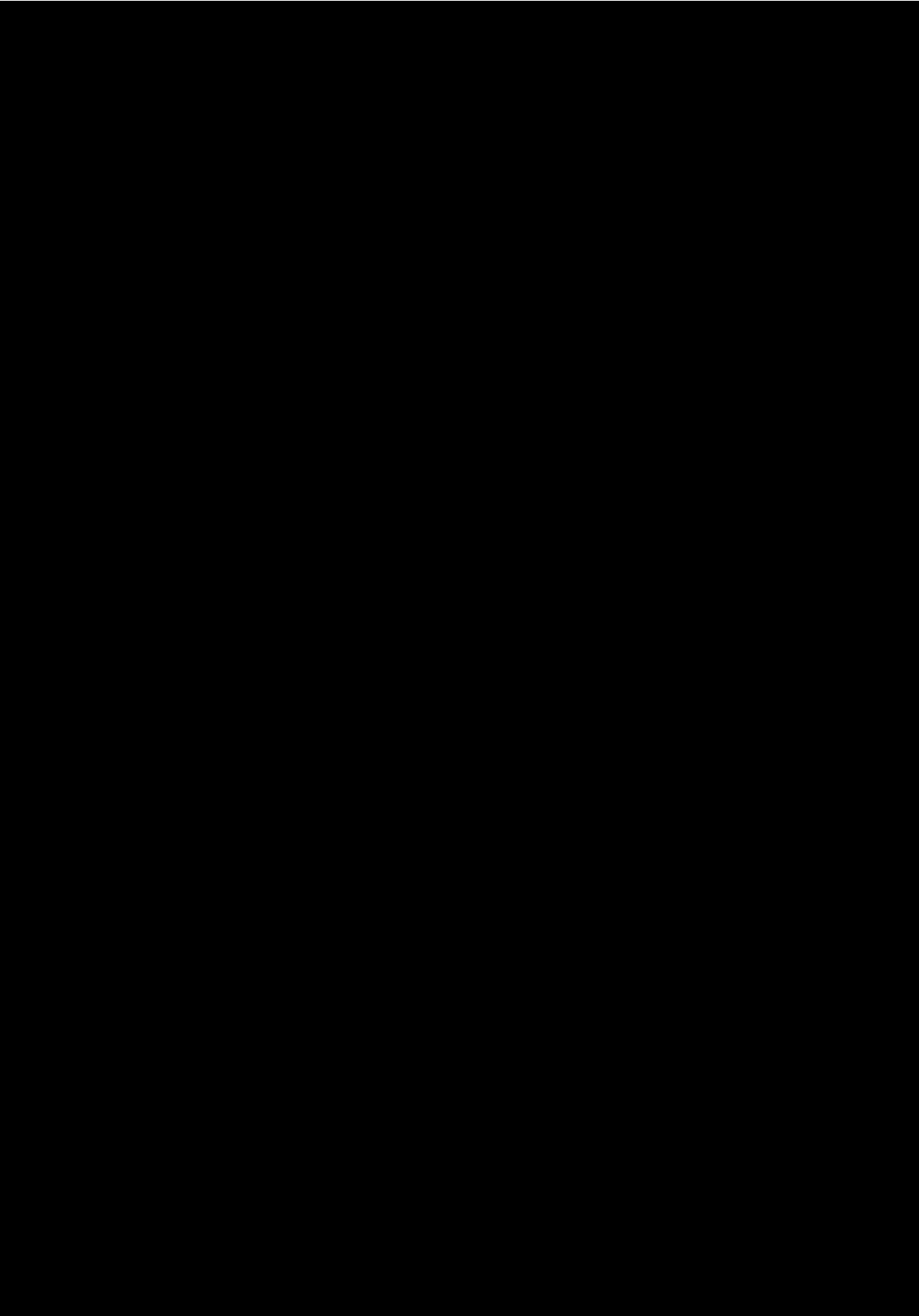
- The council does not satisfy the criterion for sustainability. The operating performance ratio was -20% in 2014-15 and is forecast to be 0% by 2024-25. However, our analysis indicates the assumptions for the improvement in operating performance ratio may be unreasonable. These are:
 - the successful application for and adoption of a permanent special variation in 2016-17 of 30% cumulative (27.5% above the rate peg), and
 - successive falls in depreciation totalling 15% and depreciation then remaining constant in nominal terms from 2015-16 onwards. This assumption suggests the council's asset base gradually decreases over time.
- The council forecasts its own source revenue and building and infrastructure asset renewal ratios will be above the benchmark by 2019-20.

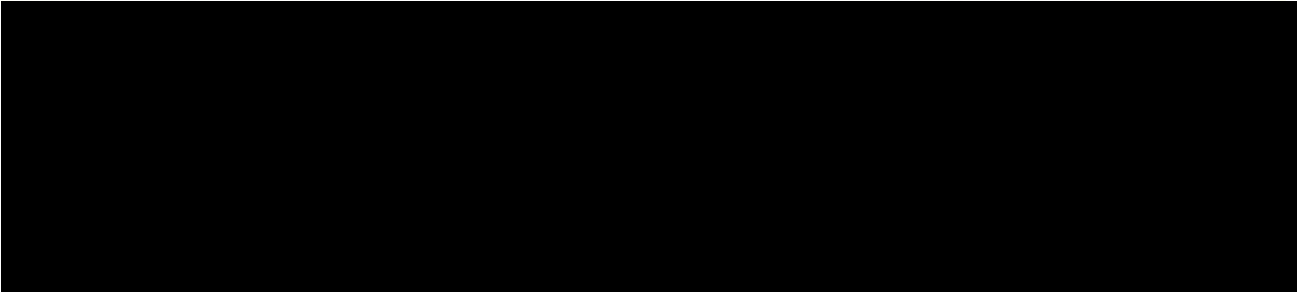
Infrastructure and service management - satisfies

- The council satisfies the infrastructure and service management criterion. It is forecast to meet the benchmark for the infrastructure backlog, asset maintenance and debt service ratios over the outlook period to 2019-20.

Efficiency – does not satisfy

- The council does not meet the criterion for efficiency. Real opex per capita was \$1,977 in 2014-15 and is forecast to be \$2,157 in 2019-20.







Local Government Boundaries Commission
GPO Box 5341
Sydney NSW 2001

The Hon Paul Toole MP
Minister for Local Government
Level 17 NE
52 Martin Place, SYDNEY NSW 2000

Dear Minister

Proposed merger of Armidale Dumaresq and Guyra Shire councils

The Local Government Boundaries Commission provides its comments on the Delegate's Report into the above merger proposal under section 218F(6) of the *Local Government Act 1993*.

Yours sincerely



Chairperson
26 April 2016

conducted with Dr Ian Tiley, who agreed to participate and be named in this study. Appointed Administrator of the newly-merged ARC on 12 May 2016, we asked Dr Tiley what the role of Administrator discharged, what were the main challenges of the role, what—if any—were the NSW Office of Local Government's Terms of Reference for an Administrator and what did he consider were his greatest achievements during his tenure as Administrator.

Role of an Administrator?

The role of Administrator was about inaugurating a 'fresh start' for the newly-amalgamated ARC by providing unchallenged, 'guided' leadership that would ensure that the ARC was indeed 'Fit for the Future'. This was through long-term planning and goal-setting for the ARC which provided clarified objectives of the new ARC, in a multitude of areas, which in turn motivated staff and gained the community's trust by reducing the uncertainty of change associated with a forced amalgamation. This was tackled initially by promptly dismissing all of the former ADC's advisory committees, thereby removing a 'belligerent element' that had 'hindered progress'.

Whereas some of the role of providing 'guided leadership' involved removing the 'belligerent' element that that plagued the former ADC and hindered its progress, 'guided leadership' was also about helping the community articulate its preferences and help institute these preferences. Administrator Tiley practiced an 'open door' policy to both the community and the media to help communicate with the region.

There was a duality in the role since the Administrator—at least in the case of the ARC—replaced nine elected representatives and two general managers. To successfully inaugurate this process, Administrator Tiley had to be 'transparent in the decision-making process' and communicate with both local residents and the NSW Government, such as the Office of Local Government and the Department of Premier and Cabinet, to ensure obligations and preferences were met through his policies and administrative directives.

Administrator Tiley stressed that the appointment of an Administrator to a newly-merged council increased the new councils' capacity for a fresh start and good governance. It clearly outlined the parameters that the new council would be operating under.

The role of an Administrator was described by (then) Premier Mike Baird as to "get out there and make things happen in the community". Administrators had to take immediate action to initiate the newly-merged

council's 'fresh start', put council 'rehabilitation' into motion and communicate with the council's constituents in order that policy preferences were fully articulated at the end of the Administrator's tenure, prior to the first council elections in September 2017.

Main Challenges

Prior to its amalgamation, the ADC had a reputation for 'infighting and conflict' amongst its councillors. The ADC was 'dysfunctional'—a sentiment shared by Kibble (2010) and former Armidale Dumaresq Council Mayor Herman Beyerdorf in 2014 (see ABC, 2014) and noted by Wright (2016) during public consultations—and the 'infighting' negated constructive policy implementation by the ADC. For example, the ADC had earlier decided to construct a new domestic waste facility in 2012. Funding had been secured by the ADC, but planning had not commenced by 2016! Administrator Tiley thus realised change for the ARC was imperative if the ARC was to regain the respect of its constituent community.

The infrastructure backlog of the two former councils of the ARC was substantial. While estimates differed, Administrator Tiley felt \$27 million was accurate. It was thus a major challenge to focus on both decreasing the existing infrastructure backlog whilst simultaneously planning for a more viable ARC future within the requisite period.

The increased political and strategic capacities of an Administrator enabled Dr Tiley to work through the ARC's infrastructure backlog without it incurring additional financial imposts. The \$15 million transition grant from the NSW Government, supplemented by additional funds from the NSW Government and the Australian Government, culminated in many older timber bridges replaced, road improvements, money-saving solar panels installed in all ARC buildings and a main street upgrade for Guyra.

The budgetary plight of both the ADC and the GSC that the ARC inherited required a great deal of political 'networking' with the NSW Government and the Commonwealth Government to achieve any kind of resolution. Administrator Tiley felt that this was a prime example of a larger council being able to implement 'strategic capacity' through the development of intergovernmental relationships and ensuring that higher tiers of government were more responsive to the local region's requirements.

The management structure of the former ADC was 'too heavy and expensive' to merge unchanged into the ARC. It was—in Dr Tiley's view—'patriarchal' and relied on 'patronage'. It was thus 'removed'. Moreover, 'qualified women' were encouraged to advance their careers.

Establishing, promoting and encouraging economic growth in the region was a major challenge for Administrator Tiley. He had to establish processes that would minimise the uncertainties for both industry and producers. Given the established horticulture in the region—tomatoes and berries—required water, Dr Tiley initiated the planning of a water pipeline from Armidale to Guyra that would enable industry to develop further in addition to increasing water security in Guyra. In tandem with the proposed regional water security, the expansion of the Armidale Airport was initiated to boost regional development. In his view, the major advantage of this approach to regional economic planning was that he was in close proximity "to the action" and could easily identify "what resources existed and what were required".

Former councillors of the ADC were publicly vocal about these developments. Indeed, to Administrator Tiley, their various attempts to influence the community on the wisdom of the amalgamation transition process proved most vexatious.

NSW Government's Terms of Reference

Administrator Tiley observed that a plan of action for the ARC amalgamation was prepared in light of the 2016 Proclamation. Several elements are noteworthy. Firstly, it required the harmonisation of each constituent councils' codes, plans, strategies, policies and organisational structure—as best as practicably possible—to reflect a composite of each merged council. Secondly, the new council was required to create a Strategic Plan by 1 August 2016, finalised and audited financial reports for both the ADC and GSC by 31 December 2016 and the first ARC annual report by 30 June 2017.

Administrator Tiley was obliged to appoint a Local Government Representation Advisory Committee which consisted of several former councillors of the ADC. This in itself was a cause of many problems due to the ire of some of the ex-councillors. Administrators were kept on a 'tight rein', given that most had not acquired a great deal of experience in local government management which Dr Tiley had accrued. Support from the Department of Premier and Cabinet's Local Government Reform Unit included fortnightly teleconferences, group meetings in Sydney and general advice on how to achieve change.

The Government's Terms of Reference were germane enough to affect change and create a 'fresh start for the new ARC', but were flexible enough to shape change and its wider effects. However, in the case of the former ADC, the Terms of Reference could have been better, particularly as the sixteen-month transition period was not long enough to both solve the problems of the former ADC and strategically plan for a fresh start and sound future.

Main Achievements as Administrator

Dr Tiley noted that the 'rehousing' of the Armidale Library had long been an ongoing and acrimonious community debate since 2001. In essence, it was held that the Library had outgrown its premises, and the only solution proffered by the Civic Advisory Committee was to spend more than \$15 million on a building he likened to the 'Taj Mahal'. Administrator Tiley felt that the most practical least-cost solution to the problem was to purchase and refit a former commercial property in Armidale. This would not require any borrowing and would provide "a far superior library than what had existed in the past".

The expansion of the existing Armidale Airport was considered by Dr Tiley as his "pinnacle achievement" as an Administrator, most notably because it involved developing intergovernmental relationships to secure considerable amounts of funding. The extension of the airport would stimulate economic development in the region. Moreover, it did not represent a substantial financial impost on ARC ratepayers.

Administrator Tiley's achievements during his tenure were viewed by the Armidale Regional community as both positive and constructive. In the first post-merger council elections, Dr Tiley was the highest polling candidate (Armidale Express, 2017).

5. CONCLUSION

This paper has sought to address a gap in the Australian literature on forced local government amalgamation by examining the challenges posed in the creation of a new council from two compulsorily merged municipalities through the perceptual lens of its former Administrator Ian Tiley. Several salient features emerge from the analysis.

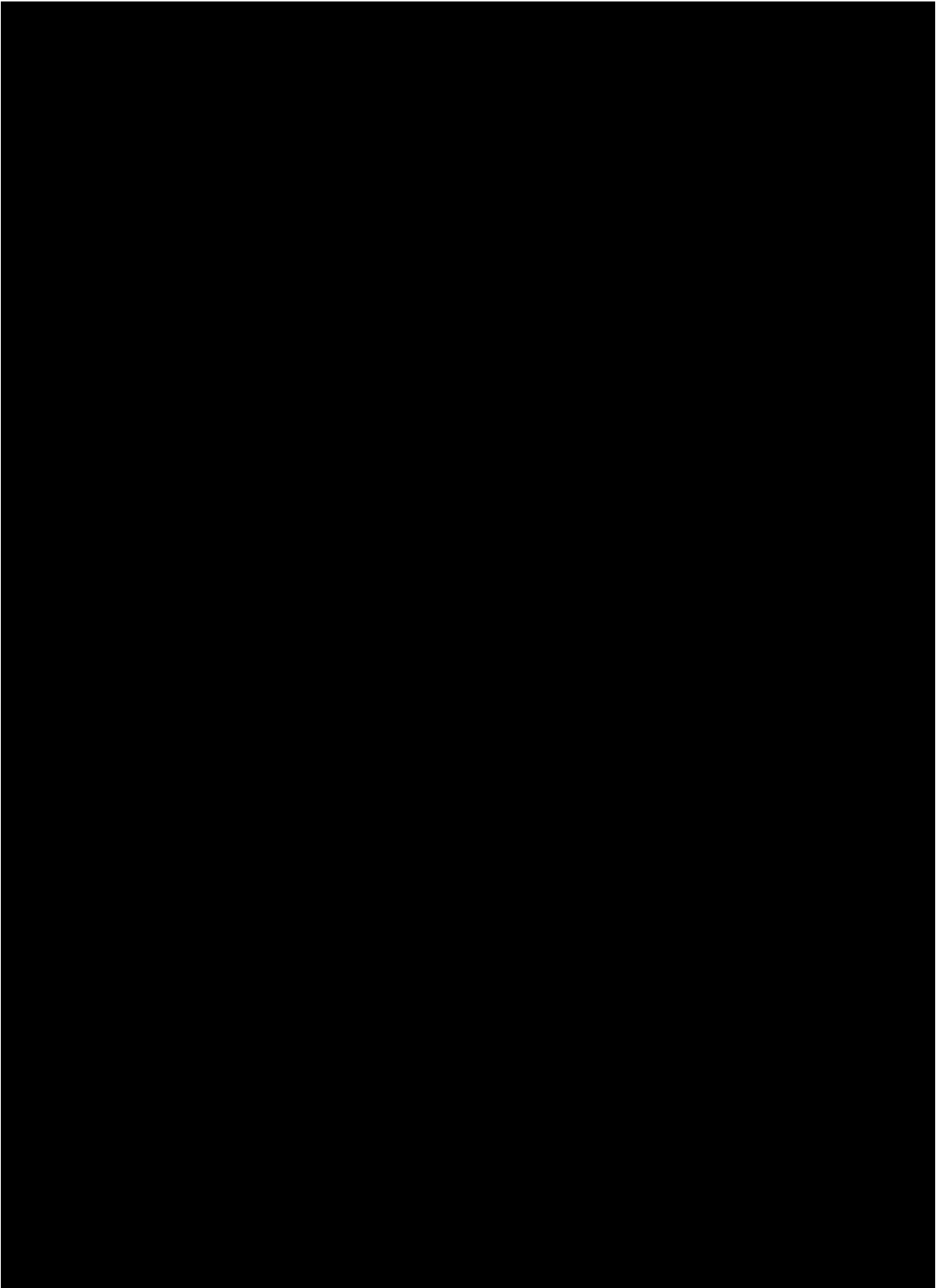
Firstly, the full financial cost of the forced merger of the ADC and the GSC is not yet determined. Indeed, the 'true' financial cost of the amalgamation will be difficult to quantify, particularly as the transition

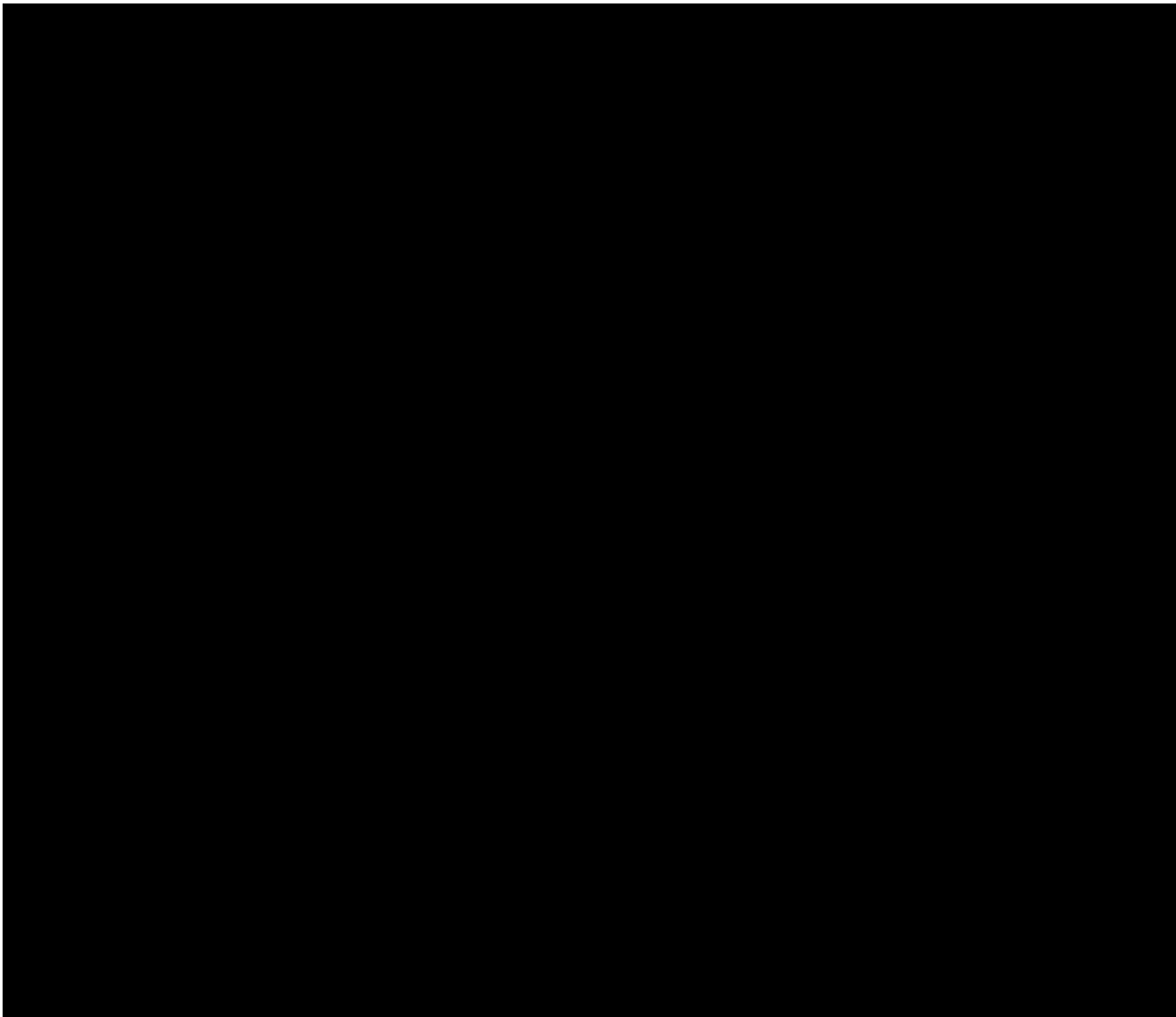
grant of \$15 million was spent in part reducing the existing infrastructure backlog. Moreover, there are intrinsic difficulties in data collection following any merger, further complicating the computation of the costs involved. Following Administrator Tiley's comments, it may be safely assumed that the true ongoing financial impost of the amalgamation will be borne out by the ARC for several more years. In sum, the anticipated cost savings attendant upon the merger will not translate into reduced property rates for ratepayers or cheaper council service provision.

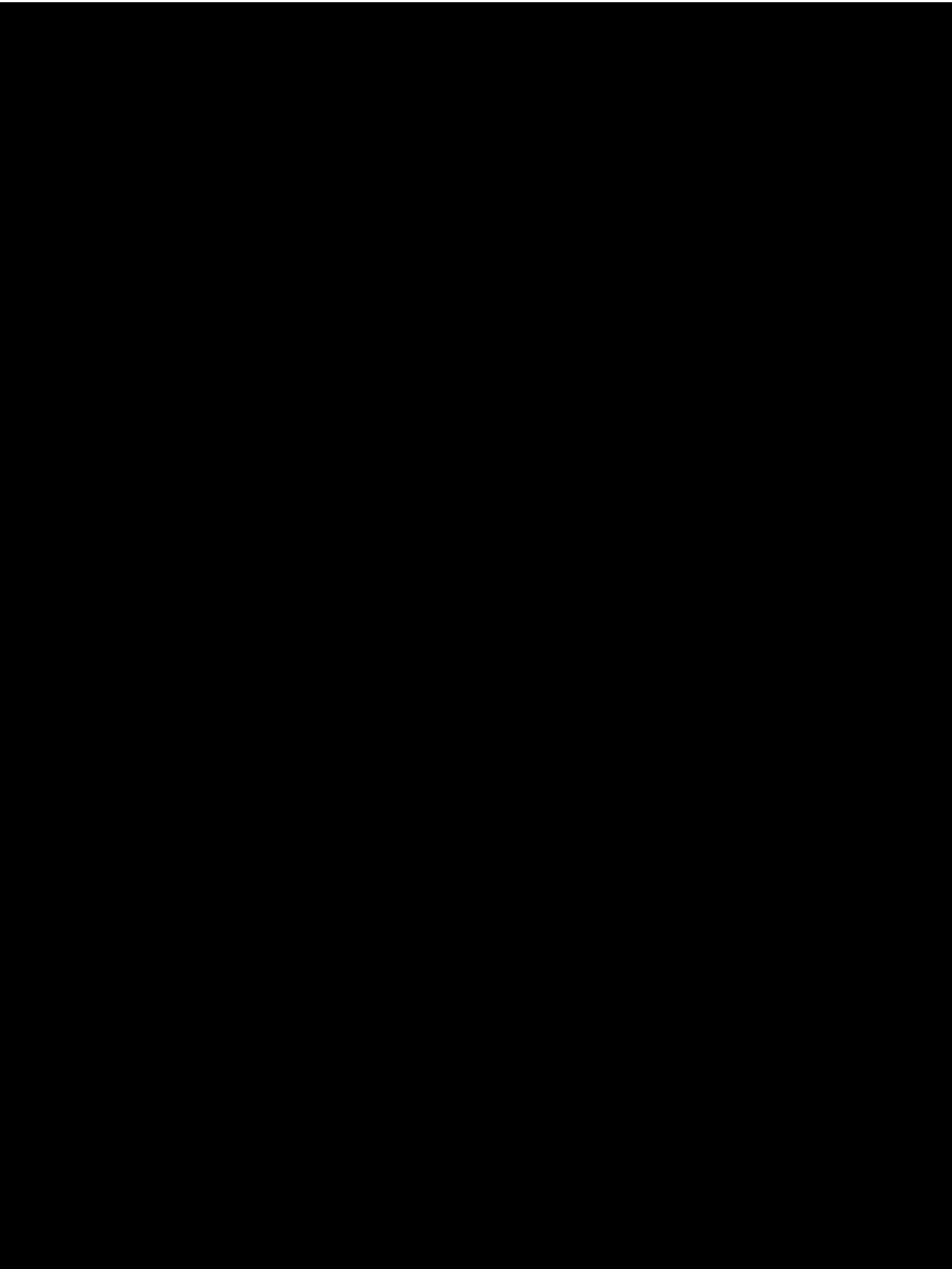
The problems facing the former ADC were substantial. These problems, combined with recalcitrant ex-councillors and a demoralised local constituency, made achieving change and a 'fresh start' problematic, especially in the truncated sixteen-month time frame given to Administrators to implement new strategic direction for newly merged councils.

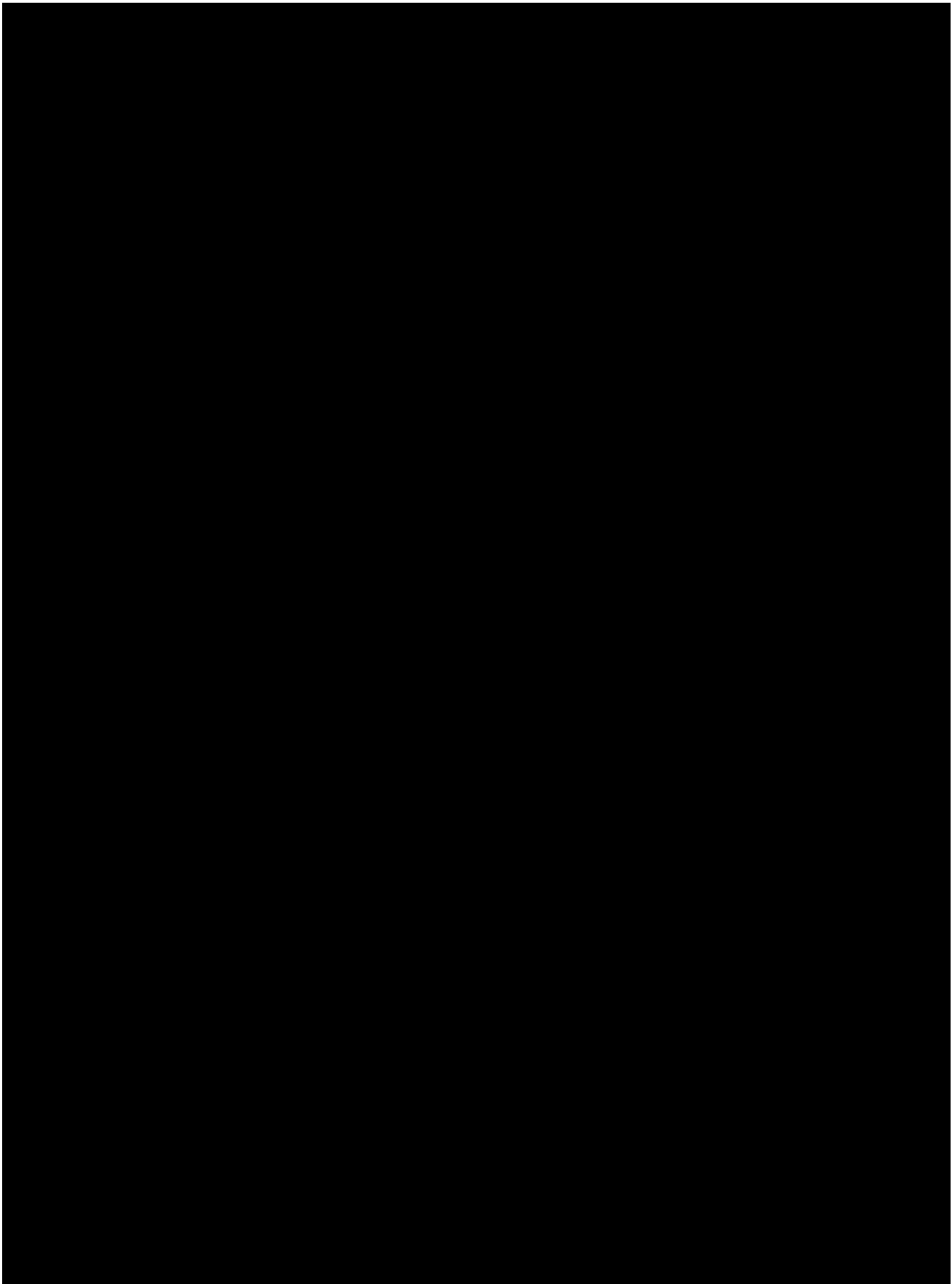
Our study of the challenges posed in creating a new council concur with the studies conducted by Halligan (1983), Newnham and Winston (1997), and Marshall (1998), in that a newly merged council requires a leader who is able to make decisions quickly and with little interference; but it also highlights how crucial it is that an Administrator is able to gauge the requirements and zeitgeist of the community in order to avoid a 'top down' approach to local government administration.

While our paper has shed light on the problems confronting Administrators in establishing new local government entities, the generality of our findings is obviously limited by the fact that we considered only the circumstances and views of a single Administrator. Given the preliminary nature of our paper, further research could profitably develop a survey instrument to secure the views of all or at least most Administrators involved in the NSW *Fit for the Future* forced amalgamation program. In addition, future work in the area could profitably include case studies drawn from metropolitan municipal mergers to ascertain if there are any observed differences for Administrators obliged to merge metropolitan councils.













Armidale Regional Ratepayers / Residents Association Inc.

22 February, 2023

Dear Members,

ARRA's Submission to IPART (Independent Pricing and Regulatory Tribunal)

The Executive met on Monday and discussed a submission prepared by a sub-committee (Don Carruthers, Lou Forsythe, Richard Makim) and is now sending the draft submission to you for your comments.

Decades of neglect, mismanagement and poor maintenance of infrastructure by previous councils have created an infrastructure maintenance backlog that the current council has to address if service levels are to be maintained to the satisfaction of the community. We hope that Armidale Regional Council's future vision, community plan and the road to recovery program, coupled with the delivery program have the potential to bring us out of the current difficulties. The draft submission outlines how we came to this situation, what outcomes are to be achieved, and a recommended rate rise of 38.5% over the 3 year period.

The Armidale Regional Council 2022-2023 budget shows a deficit budget figure of \$3,193,317 from the general fund (p.75). In a statement in 2022, Armidale Regional Council's Mayor Sam Copeland said 'the region needed a rate increase to fund the \$7.8 million shortfall to improve declining assets and infrastructure (Armidale Express, 3 February 2023). Armidale ratepayers/residents did not create the deficit and should not be held entirely responsible to carry the full burden of a \$9/10 million shortfall in the 2023-2026 budget. Nonetheless, we believe that there needs to be a rate rise to meet the current shortfall in operational funds.

The draft submission includes a comparison of projected revenue to be achieved by a 50% rate rise and a 38.5% rate rise between 2023-2026. According to the former, the total increase in funds from ratepayers will be \$3,193,317 per year. According to the latter, the total increase in funds from ratepayers will be \$2,459,211 per year. Over three years a 50% rate rise will generate \$9,579,951 whereas a 38.5% rate rise will generate \$7,377,633. The latter is about \$2.2 million less approximately.

We hope that you will agree with the recommendation made by the Executive! If you do not agree with the recommendation in the attached submission, please state your reasons clearly, so that we can consider them.

Please send your feedback regarding the ARRA Executive proposal to reach us by 5pm Sunday 26th February.

Attached is a copy of the draft submission.

Author name: [REDACTED]

Date of submission: Thursday, 23 February 2023

Please provide any other comments on the council's application that you would like to make here.

We would reluctantly accept an srv if we believed it would fix our councils problems. But we do not believe the money will be well spent, so the perspective of the community is to put the council on credit watch and only provide the council with the bare minimum funds so that the financial damage is minimised.

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

The council has established that it has a moderate debt and that an SRV would help manage that debt. It has not detailed the purpose for the SRV once the debt has been paid out. I would like to point out that the previous administrator proposed a 20% srv to manage the debt. This level was modelled to pay out the debt over a number of years. A permanent srv of 50% seems in contradiction to this.

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

It has not proposed cut backs of any kind. It does not seem to have negotiated state funding to assist with the issues.

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

Yes, the council did this very well. 58% increase over 3 years, which would add about \$500 to the average rate payers bill per annum.

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

The council communicated very effectively in a variety of ways. It held public meetings and posted information by mail and published on their website.

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

The overwhelming feedback from the community about 80% of responses) was that we still have grave concerns about the councils ability to manage funds, and particularly plug leaks in a budget. Perhaps 20% begrudgingly hoped that the srv would finally stop our councils financial problems.

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

Armidale regional council has the largest gap between rich and poor in the north west of NSW. This makes sense acknowledging the UNE as a major employer of the area, but also the large numbers of socially disadvantaged people in the area. The higher income earners would have capacity to pay for this increase. However the lower income earners and pensioners would struggle.

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay.

I cannot find evidence that the council has considered the communities willingness to pay. It has received feedback, however simple changes in rating structure would protect low income earners. For example, the council currently charges a water access charge as a flat rate. It then charges water rates at a very high rate - well over \$4 per kilolitre. This means that if poorer households attempt to cut back consumption in an effort to manage their finances, they essentially pay a higher rate per kilolitre. While heavier users of water essentially pay a lower rate per kilolitre. A simple change so that a small amount of water was provided to each household at a low rate, then bigger users would pay a higher rate, would protect low income earners. The council has been made aware of this option but has not acted.

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

Not that I am aware of. There may have been a nonspecific comment that council will deal with hardship in a case by case basis.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

Yes

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

I have been unable to find specific cost containment measures. In reading the local ratepayers asscn. Response, they have a well researched team, and they also mention that council has not detailed to them cost containment measures.

Author name: [REDACTED]

Date of submission: Tuesday, 28 February 2023

Please provide any other comments on the council's application that you would like to make here.

Please find attached a pdf copy of the information contained in this submission together with the Submission: Revised IP&R Documents, Revised Delivery Program 2022-2026 and Resourcing Strategy 2022-2026 submitted by New England Greens Armidale Tamworth (NEGAT) and an earlier submission: Delivery Program and SRV, Proposed Special Rate Variation, New England Greens, Armidale Tamworth. These documents outline the process by which we arrived at this final submission to IPART. NEGAT is grateful for the opportunity to participate in this important discussion.

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

No. ARC's financial projections appear to substantially under-estimate capital grants and contribution which could reasonably be expected from governments and this means they a clear need for a 58% rates rise is not established. The NE Greens Armidale Tamworth submission (NEGAT_Sep22) to ARC states: Capital Grants & Contributions are predicted to fall to \$1.6 million in FY2023-24 ... compared to \$70.9 million (2022-23), \$18.5 million (2021-22), \$11.5 million (2020-21) and \$19.3 million (2019-20)? ARC has not yet explained this- see question asked in the online forum (on the SRV). The online forum has now been removed from ARC's website. However, if grant-funded work to upgrade the Creeklands and the recreational area at Dumaresq Dam (totalling perhaps \$6-8 million) continue into the next financial year, the predicted decline in capital funding seems unlikely to occur. Additional funding of about \$4 million for road repairs was also announced in January 2023, again suggesting that external funding will be higher than in the projections submitted to IPART.

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

Yes. An online survey (375 respondents) asked what reductions in services the community would be prepared to accept. In total, 70% were at least 'somewhat supportive' of disposing of property and public assets and 69% were at least 'somewhat supportive' of accepting worsening road conditions. A majority (66% of respondents to the survey) chose managed decline, rather than the proposed SRV. Regional and rural councils have many more kilometres of roads than their city counterparts, so are now at a disadvantage because of the increased costs of maintaining roads in the face of increasingly frequent extreme weather events. IPART's requirements are for councils to provide a business-as-usual model. But cost shifting from other levels of government, extreme weather events and inadequate allowance in the rate peg for inflation, especially in relation to road maintenance, make the business-as-usual model unviable. IPART should therefore include total length of roads and the reduced funding contributions from other levels of government in the calculation of the rate peg, so councils do not need to apply for an SRV to cover these expenses. Most new infrastructure, and upgrades to existing infrastructure is funded by grants from other levels of government. Further investigation is required into ARC's argument in the Information Pack for Community Feedback that \$14.5 million is needed every year to renew infrastructure assets, and that this should be funded wholly from rates income. We therefore recommend that IPART should require councils to reduce their rates every year by the amounts of grant funding for infrastructure renewal over and above the amounts forecast in the long term financial plan. In addition, if no external grant funding is available to renew a particular asset, whether or not it is renewed should depend on the cost of renewal and its value to the community. Residents who can't afford to maintain their homes to an acceptable standard should not be asked to fund gold-plated renewals.

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

A qualified yes: a range of engagement methods were engaged; the framing of the debate as a false dichotomy ('managed decline' OR 'full SRV' unhelpfully constrained responses and discussion.

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

Minimal action has been taken in response to feedback from the community consultation. In fact, information provided to councillors in the business paper to the January 2023 extraordinary council meeting contradicts feedback from the community. For example, the business paper states: when asked how supportive respondents would be to reducing services - such as refusing government grants due to lack of matched funding, reducing park mowing and maintenance, and reducing economic development activities - more than 50% of people were very unsupportive of each of these cuts. The table below shows that at least 50% of respondents were at least somewhat supportive of all cuts except Reduced mowing, maintenance, and toilet cleaning in parks and Refusing state and federal government grants for new assets due to lack of matching funds or funds for ongoing maintenance. Disposing of property and public assets 70% Worsening road conditions 69% Increasing commercial and community lease fees 67% Ceasing the community grants program 66% Decommissioning community buildings and facilities 66% Reduced activity in tourism marketing and events 62% Increasing fees for the preschool, airport, home support service

60% Reducing hours at the libraries, swimming pools, customer service counter and museum 57% Closing some sporting fields and parks 51% Reducing economic development 50% Reduced mowing, maintenance, and toilet cleaning in parks 48% Refusing state and federal government grants for new assets due to lack of matching funds or funds for ongoing maintenance 41% It is understood that council staff were alerted to the incorrect information in the business paper, so the failure to issue a correction, could diminish trust from residents about the need for the full SRV.

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

The rate increase is in addition to all the other fixed charges and levies described in the table below for an Armidale resident in 2022-23, which total \$2023. Fixed Charges Levied on all urban Armidale Ratepayers, FY 2022-23 Residential - Armidale Base Amount \$ 470 Residential - Sewerage Access Charge \$ 525 Water Access Charge \$ 315 Domestic Waste Service \$ 436 Regional Landfill Levy \$ 155 Regional Landfill Operation Charge \$ 72 Armidale Drainage Charge \$ 50 Total Fixed Charges \$ 2023 Adding in the ad valorem component, water usage charges, plus another \$500 for the SRV, even modest households will pay over \$3,200 per year. In the 2021 census, 21.1% of households in Armidale had incomes below \$650 per week. For some of these people, the SRV may well be unaffordable. Low-income households generally spend a higher proportion of their income on unavoidable spending that is rising at the much higher rate of 18.5% in NSW (as explained, ABC News, 10 Jan 2023), making it even harder to make ends meet when benefits and wages aren't keeping up with the official rate of inflation. Councils Hardship Support Page says: Once Council receives a hardship request either by phone or email, our Revenue Officer will be in contact to discuss options and provide you with a payment arrangement form for signing. Please note that there are minimum amounts dependent on the total outstanding. Residents who can't afford the SRV will end up in an increasing cycle of debt. Please refer to the attached pdf copy of the submission p. 4 for the table of household spending by State which did not copy across.

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay. The vast majority of responses to the public consultation indicate that the community is not willing to pay the full SRV.

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

As noted in the answer to Question 1 (Criterion 3): Councils Hardship Support Page says: Once Council receives a hardship request either by phone or email, our Revenue Officer will be in contact to discuss options and provide you with a payment arrangement form for signing. Please note that there are minimum amounts dependent on the total outstanding. Residents who can't afford the SRV will end up in an increasing cycle of debt.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

ARC's claimed improvements in efficiency are not obvious to the average person. In fact, the repetition in the Asset Management Plans, frequent inability to access information including plans for Development Applications on Notification, a Report-it system for problems and maintenance issues that doesn't store information on what actions are taken (and doesn't allow other residents to see if issues have already been reported) suggest that many simple low-cost improvements in efficiency are possible. Even if ARC can't afford a new computer system, many simple actions could increase efficiency. For example, residents often encounter a time-out screen for items that don't need a log-in, are confused by having a sign-up but not a sign-in box for e-notices, with the sign-in box at the top of the e-notices page actually for signing in to a different electronic system. Suggestions to make the system more user-friendly seem to fall on deaf ears.

New England Greens Armidale Tamworth (NEGAT) Submission to IPART on Armidale Regional Council's Application for a Special Rate Variation

Have your say by filling out IPART's form at https://www.ipart.nsw.gov.au/Home/Reviews/Lodge-a-submission?openforms_id=c6010f5a-8bb0-4791-8ccd-485c552235ab&timeline_id=15609&cta_type=have_your_say

The last section includes an option to attach additional files, e.g. the submissions ARC received during the consultation on the SRV.

IPART's form is shown below, with their comments and questions in blue headings
NEGAT's draft responses (provided for some, but not all questions) have green headings

IPART Submission Form - Special Variations and Minimum Rates 2023-24

Please choose the relevant council in the above dropdown before completing this form. Please review the council's application form, particularly the application form part B which contains the council's responses to the assessment criteria. IPART will assess the council's application against the assessment criteria, and it is most effective if you can address the assessment criteria in your submission. We have provided a series of targeted questions that address these criteria here, and there will be space for free form responses and attachments at the end of the form. Please clearly name any attachments and refer to those documents by name in the answers to specific questions if they contain further evidence about your responses to a specific criterion.

When writing your submission please be aware that an SV does **not** impact the charges you pay for:

- Water supply
- Sewerage services
- Domestic waste management
- Stormwater management

A full list of exclusions is available [here](#).

Review

Special Variat

Council

Armidale Regi

Application Type

Special Variat

Special Variations Criteria

Criterion 1, SV Guidelines:

The need for, and purpose of, a different revenue path for the council's General Fund (as requested through the special variation) is clearly articulated and identified in the council's IP&R documents, in particular its Delivery Program, Long Term Financial Plan and Asset Management Plan where appropriate. In establishing need for the special variation, the relevant IP&R documents should canvass alternatives to the rate rise. In demonstrating this need councils must indicate the financial impact in their Long Term Financial Plan applying the following two scenarios:

- Baseline scenario – General Fund revenue and expenditure forecasts which reflect the business-as-usual model, and exclude the special variation, and
- Special variation scenario – the result of implementing the special variation in full is shown and reflected in the General Fund revenue forecast with the additional expenditure levels intended to be funded by the special variation.

The IP&R documents and the council's application should provide evidence to establish this criterion. This could include evidence of community need/desire for service levels/projects and limited council resourcing alternatives. Evidence could also include the analysis of the council's financial sustainability conducted by Government agencies.

Q 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

NO

Navigation buttons: back, forward, search, and other controls.

ARC's financial projections appear to substantially under-estimate capital grants and contribution which could reasonably be expected from governments and this means they cannot establish a clear need for a 58% rates rise.

The NE Greens Armidale Tamworth submission (NEGAT_Sep22) to ARC states:

"Capital Grants & Contributions are predicted to fall to \$1.6 million in FY2023-24 ... compared to \$70.9 million (2022-23), \$18.5 million (2021-22), \$11.5 million (2020-21) and \$19.3 million (2019-20)? ARC has not yet explained this- see question [asked in the online forum](#) (on the SRV)."

The online forum has now been removed from ARC's website. However, if grant-funded work to upgrade the Creeklands and the recreational area at Dumaresq Dam (totalling perhaps \$6-8 million) continue into the next financial year, the predicted decline in capital funding seems unlikely to occur. Additional funding of about \$4 million for road repairs was also announced in January 2023, again suggesting that external funding will be higher than in the projections submitted to IPART.

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?



Yes. An online survey (375 respondents) asked what reductions in services the community would be prepared to accept. In total, 70% were at least 'somewhat supportive' of disposing of property and public assets and 69% were at least 'somewhat supportive' of accepting worsening road conditions. A majority (66% of respondents to the survey) chose managed decline, rather than the proposed SRV.

Regional and rural councils have many more kilometres of roads than their city counterparts, so are now at a disadvantage because of the increased costs of maintaining roads in the face of increasingly frequent extreme weather events.

IPART's requirements are for councils to provide a business-as-usual model. But cost shifting from other levels of government, extreme weather events and inadequate allowance in the rate peg for inflation especially in relation to road maintenance make the business-as-usual model unviable. IPART should therefore include total length of roads and the reduced funding contributions from other levels of government in the calculation of the rate peg, so councils do not need to apply for an SRV to cover these expenses.

Most new infrastructure, and upgrades to existing infrastructure is funded by grants from other levels of government. Further investigation is required into ARC's argument in the 'Information Pack for Community Feedback' that \$14.5 million is needed every year to renew infrastructure assets, and that this should be funded wholly from rates income.

We therefore recommend that IPART should require councils to reduce their rates every year by the amounts of grant funding for infrastructure renewal over and above the amounts forecast in the long term financial plan.

In addition, if no external grant funding is available to renew a particular asset, whether or not it is renewed should depend on the cost of renewal and its value to the community. Residents who can't afford to maintain their homes to an acceptable standard should not be asked to fund gold-plated renewals.

Criterion 2, SV Guidelines:

Evidence that the community is aware of the need for and extent of a rate rise. The Delivery Program and Long Term Financial Plan should clearly set out the extent of the General Fund rate rise under the special variation. In particular, councils need to communicate the full cumulative increase of the proposed special variation in percentage terms, and the total increase in dollar terms for the average ratepayer, by rating category. Council should include an overview of its ongoing efficiency measures and briefly discuss its progress against these measures, in its explanation of the need for the proposed SV. The council's community engagement strategy for the special variation must demonstrate an

appropriate variety of engagement methods to ensure community awareness and input occur. The IPART fact sheet includes guidance to councils on the community awareness and engagement criterion for special variations. Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

Q 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

Yes.

Q 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

Minimal action has been taken in response to feedback from the community consultation. In fact, information provided to councillors in the business paper to the January 2023 extraordinary council meeting contradicts feedback from the community. For example, the business paper states:

“when asked how supportive respondents would be to reducing services - such as refusing government grants due to lack of matched funding, reducing park mowing and maintenance, and reducing economic development activities - more than 50% of people were ‘very unsupportive’ of each of these cuts.

The table below shows that at least 50% of respondents were at least somewhat supportive of all cuts except “Reduced mowing, maintenance, and toilet cleaning in parks” and ‘Refusing state and federal government grants for new assets due to lack of matching funds or funds for ongoing maintenance’.

Disposing of property and public assets	70%
Worsening road conditions	69%
Increasing commercial and community lease fees	67%
Ceasing the community grants program	66%
Decommissioning community buildings and facilities	66%
Reduced activity in tourism marketing and events	62%
Increasing fees for the preschool, airport, home support service	60%
Reducing hours at the libraries, swimming pools, customer service counter and museum	57%
Closing some sporting fields and parks	51%
Reducing economic development	50%
Reduced mowing, maintenance, and toilet cleaning in parks	48%
Refusing state and federal government grants for new assets due to lack of matching funds or funds for ongoing maintenance	41%

It is understood that council staff were alerted to the incorrect information in the business paper, so the failure to issue a correction, could diminish trust from residents about the need for the full SRV.

Criterion 3,SV Guidelines:

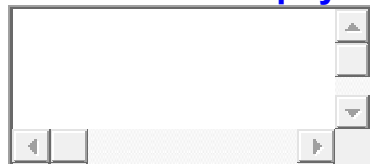
The impact on affected ratepayers must be reasonable, having regard to both the current rate levels, existing ratepayer base and the proposed purpose of the variation. The Delivery Program and Long Term Financial Plan should:

- clearly show the impact of any rate rises upon the community
- demonstrate the council's consideration of the community's capacity and willingness to pay rates, and
- establish that the proposed rate increases are affordable having regard to the community's capacity to pay.

In assessing the impact, IPART may also consider:

- Socio-Economic Indexes for Areas (SEIFA) data for the council area: and
- Whether and to what extent a council has decided not to apply the full percentage increases available to it in one or more previous years under section 511 of the Local Government Act.

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.



The rate increase is in addition to all the other fixed charges and levies described in the table below for an Armidale resident in 2022-23, which total \$2023.

Fixed Charges Levied on all urban Armidale Ratepayers, FY 2022-23	
Residential - Armidale Base Amount	\$ 470
Residential - Sewerage Access Charge	\$ 525
Water Access Charge	\$ 315
Domestic Waste Service	\$ 436
Regional Landfill Levy	\$ 155
Regional Landfill Operation Charge	\$ 72
Armidale Drainage Charge	\$ 50
Total Fixed Charges	\$ 2023

Adding in the ad valorem component, water usage charges, plus another \$500 for the SRV, even modest households will pay over \$3,200 per year. In the 2021 census, 21.1% of households in Armidale had incomes below \$650 per week. For some of these people, the SRV may well be unaffordable.

Low-income households generally spend a higher proportion of their income on unavoidable spending that is rising at the much higher rate of 18.5% in NSW (as explained, ABC News, 10 Jan 2023), making it even harder to make ends meet when benefits and wages aren't keeping up with the official rate of inflation.

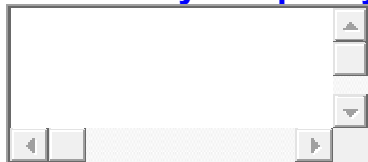
HOUSEHOLD SPENDING		
Unavoidable costs rising, year on year		
	DISCRETIONARY	% UNAVOIDABLE
NSW	5.5	18.5
Vic	4.9	18.4
Qld	9.8	14.9
SA	9.0	15.5
WA	6.4	16.7
Tas	6.3	16.8
NT	12.8	19.6
ACT	2.0	13.9

Source: ABS

Council's Hardship Support Page says:

"Once Council receives a hardship request either by phone or email, our Revenue Officer will be in contact to discuss options and provide you with a payment arrangement form for signing. Please note that there are minimum amounts dependent on the total outstanding." Residents who can't afford the SRV will end up in an increasing cycle of debt.

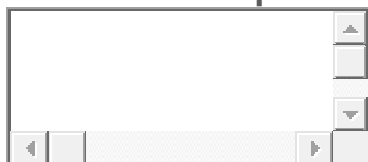
Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay.



The vast majority of responses to the public consultation indicate that the community is not willing to pay the full SRV.

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

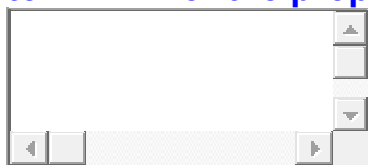
As noted in the answer to Question 1 (Criterion 3): Council's Hardship Support Page says: *"Once Council receives a hardship request either by phone or email, our Revenue Officer will be in contact to discuss options and provide you with a payment arrangement form for signing. Please note that there are minimum amounts dependent on the total outstanding."* Residents who can't afford the SRV will end up in an increasing cycle of debt.



Criterion 4, SV Guidelines:

The relevant IP&R documents must be exhibited (where required), approved and adopted by the council before the council applies to IPART for a special variation to its general income. It is expected that councils will hold an extraordinary meeting if required to adopt the relevant IP&R documents before the deadline for special variation applications.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?



Criterion 5, SV Guidelines:

The IP&R documents or the council's application must explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period.

Councils should present their productivity improvements and cost containment strategies in the context of ongoing efficiency measures, and indicate if the estimated financial impact of the ongoing efficiency measures has been incorporated in the council's Long Term Financial Plan.

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

ARC's claimed improvements in efficiency are not obvious to the average person. In fact, the repetition in the Asset Management Plans, frequent inability to access information including plans for Development Applications on Notification, a 'Report-it' system for problems and maintenance issues that doesn't store information on what actions are taken (and doesn't allow other residents to see if issues have already been reported) suggest that many simple low-cost improvements in efficiency are possible. Even if ARC can't afford a new computer system, many simple actions could increase efficiency. For example, residents often encounter a time-out screen for items that don't need a log-in, are confused by having a 'sign-up' but not a 'sign-in' box for e-notices, with the sign-in box at the top of the e-notices page actually for signing in to a different electronic system. Suggestions to make the system more user-friendly seem to fall on deaf ears.

Other Comments and Attachments

Please provide any other comments on the council's application that you would like to make here.

Maximum 2000 characters (2000 remaining)

If you have attachments you would like to include with your feedback, please attach them below.

Select file

Max file size: 10 MB: Max number of files: 5 files

Accepted file types: .pdf, .doc, .docx, .xls, .xlsx, .jpg, .png

Submitter's Details

Are you an individual or organisation? **Required**

☒

I am making a submission on my own behalf

☐

I am making a submission on behalf of an organisation

Would you like your submission to remain confidential? **Required**

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Not confidential - The submission can be published on IPART's website

☐

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Submission: Revised IP&R Documents

Revised Delivery Program 2022-2026 and Resourcing Strategy 2022-2026

New England Greens Armidale Tamworth (NEGAT)

All points in our previous submission still apply

To ensure our previous comments are not overlooked, the original submission is included as an Appendix.

Additional relevant points

1. Costings remain unclear. Many lay people will find it difficult or impossible to understand the details and costings currently presented in the Asset Management Plans. The first step should be a list of assets, the cost of maintenance, their value to the community and whether or not they should be replaced at the end of their useful life.

Until this information is provided, it is impossible to tell whether or not a 58% SRV is justified.

2. Repetition obscures important information. The Asset Management Plans are very repetitive, making it unnecessarily difficult to read and to identify any important information. All the general information (e.g. organisational structure for service delivery from infrastructure assets, Goals and Objectives of Asset Ownership, road map for preparing an AMP) should be hived off to a separate document.

3. Using the SRV to fund the Airport is inappropriate. The airport serves the regional community, not just Armidale Regional Ratepayers. As in the past, it should be funded by grants and passenger charges, not by an SRV on Armidale Regional Ratepayers.

4. ARC should commit to reducing the rates every year by additional amounts received in grant funding. For example, the NSW Government has announced additional road repair funding for which ARC should qualify for at least \$3.5 million, based on the information provided in the Delivery Program: Sealed roads 651km, Unsealed roads 1,077km, Regional roads, 122km.

This money is 'windfall' money that will offset some of the proposed expenditure in the delivery program. Rather than unnecessarily increasing reserves, Council should return at least some of this money to ratepayers.

5. Hardship policy should address hardship, not defer payment. The Delivery program states: "Council recognises that circumstances of financial hardship can arise requiring respect and compassion. In cases of genuine hardship, Council will work with people to put affordable payment plans in place that are generally in line with the existing minimum payment arrangement criteria. For further information please refer to the Hardship Support page on the Council website."

Council's Hardship Support Page says: "Once Council receives a hardship request either by phone or email, our Revenue Officer will be in contact to discuss options and provide you with a payment arrangement form for signing. Please note that there are minimum amounts dependent on the total outstanding." **Residents who can't afford the SRV will end up in an increasing cycle of debt.**

Fixed Charges Levied on all urban Armidale Ratepayers, FY 2022-23	
Residential - Armidale Base Amount	\$ 470
Residential - Sewerage Access Charge	\$ 525
Water Access Charge	\$ 315
Domestic Waste Service	\$ 436
Regional Landfill Levy	\$ 155
Regional Landfill Operation Charge	\$ 72
Armidale Drainage Charge	\$ 50
Total Fixed Charges	\$ 2023

The above fixed charges for an Armidale resident in 2022-23 total \$2023. Adding in the *ad valorem* component, water usage charges, plus another \$500 for the SRV, even modest households will pay over \$3,200 per year. In the 2021 census, 21.1% of households in Armidale had incomes below \$650 per week. For some of these people, the SRV may be unaffordable.

Low-income households generally spend a higher proportion of their income on unavoidable spending that is rising at the much higher rate of 18.5% in NSW (as explained, ABC News, 10 Jan 2023), making it even harder to make ends when benefits and wages aren't keeping up with the official rate of inflation.

HOUSEHOLD SPENDING		
Unavoidable costs rising, year on year		
	DISCRETIONARY %	UNAVOIDABLE
NSW	5.5	18.5
Vic	4.9	18.4
Qld	9.8	14.9
SA	9.0	15.5
WA	6.4	16.7
Tas	6.3	16.8
NT	12.8	19.6
ACT	2.0	13.9

Source: ABS

6. ARC's dismissal of community sentiment causes concern. In the previous SRV Survey, 66% supported managed decline, 70% supported some worsening of road conditions, and 75% supported some decommissioning of community buildings. If ARC does not believe these responses are representative of community sentiment, council should commission its own survey of randomly-selected residents.

Ignoring the results of the previous consultation, without evidence that it wasn't representative of community sentiment, reduces the consultation process to a tick-box exercise. It suggests to the community that it's not worth the time and trouble to respond to future consultations if they are likely to be ignored.

7. Consideration must be given to strategies for saving money and reducing the rates. The revised Delivery Program contains some items listed as feasible only with a SRV. There is no indication of costs and benefits, so it is impossible to say for sure what items are worthwhile. Quite possibly, especially if efficiency is improved, or realistic service levels are set, some savings could be achieved for several of the items listed.

For example, some of the maintenance standards, e.g. painting every 10 years, replacing cabinets and vinyl every 15 years, Gyprock every 40 years might seem like a luxury to ratepayers who can't afford to maintain their homes to the same standard.

The items below merit further consideration and perhaps deletion from the Revised Delivery Program, **unless additional grant funding is available to cover the cost, or a benefit-cost analysis is provided** for ratepayers who are currently finding it difficult to make ends meet and struggling to afford the SRV. This is especially true if commercial consultants or advertising companies are used. Advertising and promotion can be very expensive, compared the benefits that might be expected.

Provide planning and business concierge services for engine industries (T1.3.3) **\$SRV**

Deliver the ARC Tourism Strategy initiatives (T2.1.2) **\$SRV**

Attract increased visitors through promotion of our natural assets and local attractions (T2.2.1) **\$SRV**

Investigate future entertainment, attractions and lifestyle infrastructure that would enhance the region's offering (T2.3.2) **\$SRV**

Implement strategies to support the development of an inspiring organisational culture that motivates, sustains and rewards growth (S2.1.7) **\$SRV**

Maintain financial sustainability by meeting Performance Ratios and Fit For the Future Benchmarks, while ensuring sustainable cash reserves to support service levels and assets. (S2.3.2) **\$SRV**

Submission: Proposed Special Rate Variation New England Greens Armidale Tamworth (NEGAT)

ARC's residential rates are higher than average even before the SRV

ARC's residential rates averaged \$1044 in 2020-21. This is already higher than the average of \$1023 for all NSW councils ([Your Council Website](#)). The proposed SRV would increase ARC's rates by 50% to \$1556, putting ARC in the top 5% of NSW councils for residential rates. Rather than allowing the region to thrive, as well as causing potential hardship, such high rates might discourage new residents and be counter-productive.

Drastic fall to \$1.6 million Capital Grants & Contributions seems unrealistic; don't burden residents with increased rates until other sources of funding have been exhausted

Capital Grants & Contributions are predicted to fall to \$1.6 million in FY2023-24 (screenshot below, p80, ARC's resourcing strategy, adopted 20 June 2022), compared to \$70.9 million (2022-23), \$18.5 million (2021-22), \$11.5 million (2020-21) and \$19.3 million (2019-20)? ARC has not yet explained this- see question [asked in the online forum](#).

Scenario 2: SRV 50% Over 3 Years

Income Statement – General Fund

\$'000	Actual 2020-21	Revised Budget 2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Revenue								
Rates & Annual Charges	26,862	27,957	28,677	32,265	36,429	41,251	42,282	43,339
User Charges & Fees	17,000	17,286	18,868	11,902	12,194	12,492	12,798	13,111
Interest & Investment Revenue	191	159	787	568	586	590	687	818
Other Revenues	2,616	2,547	2,348	2,406	2,467	2,528	2,621	2,687
Operating Grants & Contributions	15,648	15,498	12,102	11,785	11,993	12,206	12,424	12,646
Capital Grants & Contributions	11,514	18,503	70,906	1,602	1,602	1,602	1,602	1,602
Total Revenue	73,831	81,950	133,688	60,528	65,271	70,670	72,414	74,203

ARC needs [to show IPART](#) there is:

- community awareness of their plans
- a demonstrated need for *higher increases to charges*
- *a reasonable impact on ratepayers*
- *a sustainable financing strategy*
- *a history of well-documented council productivity improvements*

In the current difficult financial circumstances, it is hard to describe a 58% rates increase as a *reasonable impact*. It represents a considerable burden to many members of our community. To comply with IPART's requirements, at the very least, ARC needs to exhaust all other sources of funding for maintaining important assets and also, in the somewhat unlikely event that grant funding will not be available, consider whether such assets need to be replaced at the end of their useful life.

For assets that are not likely to deteriorate significantly before external grant funding can be found, waiting until grant funding becomes available is a win-win strategy. In audited financial statements, the depreciation term is useful for commercial businesses, but less meaningful for local councils (because assets constructed using grant funding will most likely, as has happened in the past, be replaced with other assets constructed using grant funding).

Despite predicted fall to \$1.6 mill Capital Grants, reserves increase to \$68.5 mill

If the 58% SRV goes ahead, ARC's reserves are predicted to increase to \$68.47 million by 2031-32, comprising \$26.4 million external restrictions, \$36.6 million internal restrictions and \$5.5 million unrestricted cash. What demonstrated need is there for these relatively high reserves?

Only 3% of roads were in poor condition before extreme weather

Condition of Road Assets at 30 June 2020	1	2	3	4	5
Sealed roads	49%	35%	15%	1%	0%
Unsealed roads	46%	16%	27%	7%	4%
Bridges	35%	41%	23%	1%	0%
Footpaths	53%	20%	10%	10%	7%
Other Road Assets (including Bulk earthworks)	90%	6%	1%	1%	2%
Sub-total	63.3%	22.5%	11.2%	1.7%	1.3%

1 = Excellent, 2 = Good, 3 = Satisfactory, 4 = Poor, 5 = Very Poor.

It's unreasonable to expect local councils to pay for damage from extreme weather events. At 30 June 2020, only 3% of road assets were in poor or very poor condition (ARC annual report, 2019-20). Since then, many roads have suffered unprecedented damage coinciding with extreme weather events, including roads maintained by the NSW Government, such as Waterfall Way. The 1125 mm of rain recorded at Armidale Airport in 2021, the highest on record, could have more to do with the current state of roads disrepair than lack of maintenance. Before increasing the burden on ratepayers, ARC should therefore consider possible sources of grant funding to help our region recover from the extreme weather, to adapt to climate change and make the roads more resistant to extreme weather events in future.

Imposing speed limits on infrequently-used roads to reduce the damage seems a sensible option, especially given the community responses in the consultation on the Community Strategic Plan (CSP) to spend just 12% of funds on roads.

\$100 Challenge	
If you had \$100 of council's budget, you would spend it on:	
Community facilities	\$18
Community services	\$15
Water and waste	\$14
Roads	\$12
Economic and tourism	\$10
Regulation	\$10
Capital works	\$8
Businesses	\$6
Customer services	\$3

Current levels of service could be maintained by improved efficiency without SRV

Scenario 1: Baseline Scenario (No SRV)

Income Statement – General Fund

\$'000	Actual 2020-21	Revised Budget 2021-22	2022-23	2023-24	2024-25	2025-26
Revenue						
Rates & Annual Charges	26,862	27,957	28,677	29,394	30,129	30,882
User Charges & Fees	17,000	17,286	18,868	11,902	12,194	12,492
Interest & Investment Revenue	191	159	787	584	593	566
Other Revenues	2,616	2,547	2,348	2,406	2,467	2,528
Operating Grants & Contributions	15,648	15,498	12,102	11,785	11,993	12,206
Capital Grants & Contributions	11,514	18,503	70,906	1,602	1,602	1,602
Total Revenue	73,831	81,950	133,688	57,673	58,977	60,277
Operating Expenses						
Employee Costs	21,338	24,397	25,815	24,150	24,753	25,372
Borrowing Costs	1,249	966	845	691	536	383
Materials & Contracts	18,476	20,834	21,443	15,589	16,003	15,728

From 2018-21, ARC's employee costs averaged \$21.2 million (\$21.0, \$21.2, \$21.4 respectively in 2018-19, 2019-20 and 2020-21), with a big increase to \$24 million in 21-22. If ARC is becoming more efficient, it could be expected that current levels of services could be maintained for similar employee costs as previous years. Scenario 1, with no SRV, is based on employee costs of \$24.150 million in 23-24, but substantial cuts to services. Why, with improved efficiencies, isn't the projected \$3 million more than

employee costs for 2018-2 sufficient to maintain current service levels?

ARC should serve people

Important community services that should not be cut include caring for the environment and protecting our health. It would be unwise to plan for growth while at the same time discouraging people from moving to Armidale because of our failure to meet World Health Organisation Air Quality Standards.

Community Strategic Plan vision aims for transparency

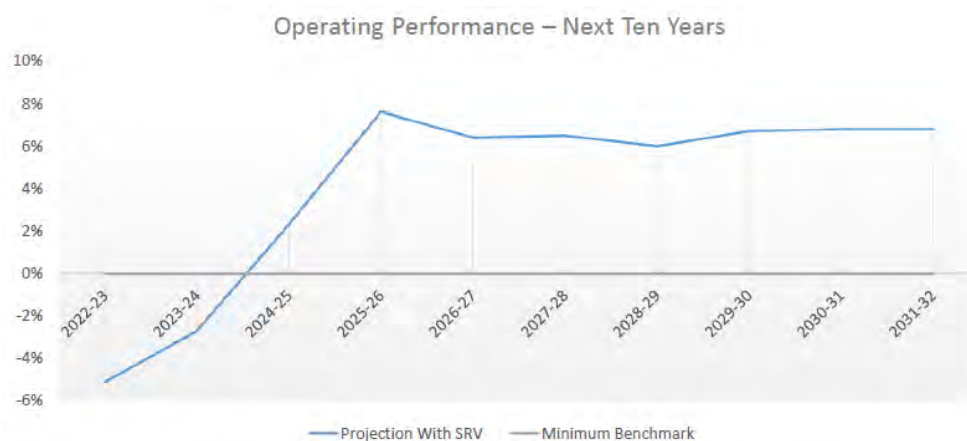
IPART's requirement of a demonstrated need for the rate rise and ARC's vision for a productive, transparent and strong community (SRV information pack, page 1) can be achieved only if ARC provides easy-to-understand financial information on capital and operational grant funding, expenditure for all operations and a register of assets showing:

- the asset's monetary value and benefit to the community,
- its current rate of use, state of repair, and maintenance costs,
- whether there is a need to replace an asset at the end of its useful life if grant funding isn't available.

Unfair to present a false dichotomy between managed decline and full SRV

The graph presented at the Town Hall and in the online video shows an 'operating performance' of 6% above the minimum bench mark for 2025-26. However, 'thriving' doesn't mean gold-plated assets, simply maintaining those that the community values to an acceptable standard. 'Thriving' also should not be measured simply in terms of population growth. Ratepayers who can't afford to maintain their own assets to an acceptable standard shouldn't be asked to maintain council's assets to a gold-plated standard. There is a third alternative: a smaller increase in rates to cover urgent repairs, while seeking grant funding to bring assets damaged by extreme weather events to an acceptable standard.

While the first instalment of the SRV might be necessary, ARC should assure the community that staff are pursuing every possible opportunity to seek additional external funding, and will not continue the rate rises if additional grant funding is obtained, or if the register of assets shows that some assets can remain functional and useful in their existing condition with routine maintenance and that only minimal additional benefits would result with additional upgrades and renovations.



Current residents shouldn't have to pay for growth that damages the environment or reduces quality of life

Growth should not come at the expense of reduced quality of life or reduced sustainability or create additional financial difficulties for residents. Potential threats to quality of life include increased traffic congestion and increased difficulty accessing vital medical or other services as well as environmental deterioration resulting from overdevelopment.

The costs of ensuring that growth is sustainable are very difficult to estimate, but include a range of requirements: from infrastructure costs (increased parking in the CBD, increased need for paved roads and footpaths) to services needed to maintain our current quality of life, including attracting GPs and other medical professionals and other service providers.

Increased population increases the total amount of rates ARC can collect – IPART's population factor

increases the rate peg by 1% for every 1% increase in population. This should be enough to fund growth and, together with improved efficiency, help maintain assets without increasing the rates by 58%.

Closing submissions on a Friday is incompatible with council policy and lacks empathy with busy residents with full-time jobs

Resolution 96/19 (May 2019) requires ARC to extend the submission date to 8:30 am on Monday, unless ARC intends to process submissions over the weekend. ARC has not stated any intention to process submissions over the weekend. Consequently, setting a closing date of Friday seems incompatible with current ARC resolutions, as well as lacking understanding of the needs of busy residents who might need more than 2 weekends to prepare a submission after attending a public forum. It also seems contrary to ARC's stated aim to always *'put the needs of our community first'* (SRV Information pack, page 1).

Summary

ARC has higher than average residential rates before the SRV, and should exhaust other sources of funding to maintain important assets before burdening residents with increased rates.

The predicted large drop to \$1.6 million in Capital Grants & Contributions suggests that some or all of the SRV would not be needed if additional grant funding could be obtained. This, together with the high level of reserves even if capital grant funding falls to \$1.6 million indicates that IPART's requirement of a demonstrated need for the 58% increase has not been satisfied.

Only 3% of roads were in poor condition before the recent extreme rains. It's unreasonable to expect local councils to pay for damage from extreme weather events. Imposing speed limits on roads to reduce the damage seems a very sensible option.

Services enjoyed by hundreds of people must be protected. Current levels of service could be maintained by improved efficiency without a SRV. Current residents shouldn't have to pay for growth, especially if that growth reduces quality of life by increased traffic congestion and increased difficulty accessing vital medical or other services, or results in environmental deterioration.

The CSP vision to be transparent and productive can be achieved only if ARC provides easy-to-understand financial information on capital and operational grant funding and expenditure for all ARC's operations and a register of assets showing:

- a) the asset's monetary value and benefit to the community,
- b) its current rate of use, state of repair, and maintenance costs,
- c) whether it is necessary to replace an asset at the end of its useful life if grant funding isn't available.

'Thriving' doesn't mean gold-plated assets and cannot be measured by simple measures such as population increase. It means maintaining those assets that the community values to an acceptable standard. A viable alternative is a smaller increase in rates to cover urgent repairs, while seeking grant funding to bring assets damaged by extreme weather events to an acceptable standard.

While the first instalment of the SRV might be necessary, ARC should assure the community that it is pursuing every possible opportunity to seek additional external funding, and will not continue the rate rises if additional grant funding is obtained, or if the register of assets shows that some assets can remain functional and useful in their existing condition with routine maintenance and that only minimal additional benefits would result from additional upgrades and renovations.

Author name: [REDACTED]

Date of submission: Sunday, 26 February 2023

Please provide any other comments on the council's application that you would like to make here.

In summary, the Guyra Branch of the NSW Farmers Association requests NSW IPART to reject the proposal of the Armidale Regional Council for a 50% rate increase. Primarily because Council has not concurrently identified productivity improvements or cost containment. The Branch also requests future proposals from Council meaningfully engage important constituencies like farmers so that financial impacts are underpinned by credible strategies. Particularly asset management programs that are critical to farmers operational efficacy and competitiveness. We also ask for meaningful analysis and consideration of the capacity for businesses to pay rate increases. This council has not got the discipline to deal with its core responsibilities. The appendix graph referred to on the variability of rural income, with respect to the Eastern Young Cattle Indicator..(EYCI) is in the file accompanying the submission

Question 1 (Criterion 1) - Has the council clearly established the need for, and purpose of a different revenue path for the council's General fund?

Armidale Regional Council has advised NSW IPART of its intention to propose a Special Rate Variation. The proposed 50% increase would be implemented over three years and compound to 58% over that period. Additionally, Council has advised it will implement rate harmonisation across the LGA that will disproportionately impact former Guyra Shire Council rural rate payers.

Question 2 (Criterion 1) - Has the council canvassed alternatives to the rate rise?

Clearly council has not committed to look at a suite of decisions that have impacted on the recurrent budget of the General Fund. While this submission will concentrate on three areas, it should be noted the members have broad ranging concerns about the efficiency of the Council; its will to meaningfully engage with residents and recent decisions that demonstrate an inability to translate its aim to improve the management of the General Fund while committing Council to spurious, expensive vanity projects. These include taking on the former Armidale Court House that is in a very poor asset condition and will require high levels of funding to restore and maintain (without plans to generate revenue); and committing to under write a Transport Museum on prime Industrial land at the Airport. A Business case for the Museum showed there are high risks with the project; there is a significant opportunity cost to ratepayers and the possibility the Council will have to restructure the enterprise in the future - see ARC meeting papers and attachments January 2021 <https://www.armidaleregional.nsw.gov.au/council/the-council-and-meetings/council-meetings> . As we discuss further embracing a root and branch analysis of council business to drive obvious efficiencies has not been embarked upon in any meaningful way.

Question 1 (Criterion 2) - Did the council communicate the full cumulative increase of the proposed special variation in percentage terms? And the total increase in dollar terms for the average ratepayer by rating category?

NSW Farmers (Guyra Branch) were concerned there was a low community awareness and understanding of the proposed Special Rate Variation. The council did put out a calculator on percentage impacts on various rate categories but the Armidale rural ratepayers calculator (an independent calculator) has been used by most of our members to determine the impact on specific ratepayers in terms of Dollar impact.

Question 2 (Criterion 2) - Has the council's community engagement strategy demonstrated an appropriate variety of engagement methods to ensure community awareness?

Our members felt intimidated by the consultation process with essentially being told that you won't get any services unless you agree to the special rate variation. The dynamic in the small meetings, which made up a significant part of the consultation process, meant that ratepayer numbers were disproportionate to staff, again making an intimidating environment. The consultation by invite only with small groups, failed to fulfil community consultation responsibilities to the wider community. It appeared the council was containing dissent by using small, almost private, by invitation, consultations. Council officers held one community meeting in Guyra; no village meetings in outlying localities. Farmers had limited opportunity to engage with Council over its proposal and much of the Have your Say period extended over the Christmas New Year period when attention is generally on personal matters.

Question 3 (Criterion 2) - Please comment on the action taken by council in response to feedback from the community on the proposed special variation.

Submissions to the council have been acknowledged, in a form letter, however it is not apparent that any notice has been taken of many of the suggestions or issues identified.

Question 1 (Criterion 3) - Please comment on the reasonableness of the impact on affected ratepayers of the proposed special variation.

Council has not properly appreciated or considered the capacity to pay this rate increase. A lot of Farms in the Guyra Area have seen significant valuation increases relative to other parts of the shire. These farms have also had to bear considerable merger harmonisation impacts as well as this special Rate Variation. Some of our members will see their rates increase by a

total of over \$50,000 per annum. A significant number of farmers will see their rates increase by totals over \$10,000 per annum. There has been a deliberate separation of these issues in councils communications, however to properly assess the capacity to pay the SRV has to be taken in context to other increases. The SRV has significant "capacity to pay" issues as a standalone increase.

Question 2 (Criterion 3) - Please comment on the council's consideration of the community's capacity and willingness to pay. In the last 2 years the terms of trade for the principal agricultural products of New England has been very favourable, however the 10 years previous has been very tough. Members have been reporting to us that this projected rate increase will impact the capacity to retain workers in a difficult employment environment. Agriculture has been reinvesting in their businesses during the drought recovery, this rate grab will compromise this investment and impact purchasing power in the local community. During the drought the fixed costs, like rates, really hurt a lot of Producers and impacted their ability to put food on the table. We feel the council has been opportunistic with this rate grab and hasn't properly considered the capacity of farmers to pay these increases over the commodity cycle. I have included (appendix A) a MLA report on the recent collapse of beef prices to give some context to this claim.

Question 3 (Criterion 3) - In its application the council outlined how it intended to address hardship caused by the proposed special variation. Please comment on the council's plan.

We are aware of some hardship provisions in the proposal. We anticipate that it will be regularly triggered by many rural enterprises at the next downturn or drought.

Question 1 (Criterion 4) - Have the relevant IP&R documents in the council's application been exhibited, approved and adopted by the council before it applied to IPART for the proposed special variation?

Yes I believe the council has complied with it's obligations here, however we would add the Branch has received feedback that the council website is not intuitive or easy to navigate.

Question 1 (Criterion 5) - In its application the council is required to explain and quantify the productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period. Please comment on the council's response here.

Council has demonstrably failed to show it can deliver productivity improvements and cost containment. Two key documents adopted by ARC Transport Management Plan (Oct 22) and its Strategic Asset Management Plan (Oct 22) do not address efficiency improvements or cost controls. These plans highlight the well-established problems, but generally allude to changes in the organisation structure and values and inability to make material changes to its work practices. The Strategic Management Plan (SMP) claims 60% of its roads are in Good asset condition. By its own admission, Council acknowledges this is unlikely to be the case and NSW Farmers Association members report Guyra roads are typically in Poor to Very Poor asset condition. Council has stated in public the level of service for its unsealed roads is to have an annual grading and twice for gravel roads that are used for school bus transport. The confusion over the Level of Service from Council officers is a weak starting position for effective asset management. The SMP makes passing reference to the industrial employment it works under and organises its road servicing. In the view of NSW Farmers Association Guyra Branch, Council has failed to address this key issue. The 9-day working fortnight and relatively short working day is a major barrier to productivity and cost containment, yet Council leadership does not consider strategies such as alternatives to rosters; greater use of contractors; service sharing with adjoining Councils; leasing of equipment to utilise highest efficiency plant and other measures to improve service delivery. Council has no record of cost containment and therefore the Branch believes increased rate revenue will simply be used to expand the present inefficient road maintenance and project practices. The Asset Plans outline processes, policies, procedures and intentions to engage consultants (p36 TMP), but do not identify productivity improvement plans executed by other Councils or civil engineering organisations. As the Plans show, Council will be spending less on road servicing this financial year (\$4.0million) relative to two years ago (\$4.2million). This is in the face of declining asset conditions and safety assessments. Most critically, nowhere in the Transport Management Plan (TMP) Improvement Plan (p44) is there a strategy to address road servicing crew work practices; utilise more efficient equipment or contract external civil construction providers. The Improvement Plan includes more assessments; more Software; ranking of assets; and most helpfully customer satisfaction surveys.

NSW Farmers Association: Guyra Branch

Submission to NSW IPART

Armidale Regional Council Proposed Rate Variation

February 2023

Armidale Regional Council has advised NSW IPART of its intention to propose a Special Rate Variation.

The proposed 50% increase would be implemented over three years and compound to 58% over that period. Additionally, Council has advised it will implement rate harmonisation across the LGA that will disproportionately impact former Guyra Shire Council rural rate payers.

The Guyra Branch of NSW Farmers Association represents farmers and landholders predominantly in 2365 postcode. The Branch has met to consider the proposal by Armidale Regional Council.

NSW IPART highlights areas that submissions should focus their concerns. While this submission will concentrate on three areas, it should be noted the members have broad ranging concerns about the efficiency of the Council; its will to meaningfully engage with residents and recent decisions that demonstrate an inability to translate its aim to improve the management of the General Fund while committing Council to spurious, expensive vanity projects. These include taking on the former Armidale Court House that is in a very poor asset condition and will require high levels of funding to restore and

maintain (without plans to generate revenue); and committing to under write a Transport Museum on prime Industrial land at the Airport. A Business case for the Museum showed there are high risks with the project; there is a significant opportunity cost to ratepayers and the possibility the Council will have to restructure the enterprise in the future - see ARC meeting papers and attachments January 2021 <https://www.armidaleregional.nsw.gov.au/council/the-council-and-meetings/council-meetings>

Branch members have three main areas of concern with the ARC rate variation proposal: -

1/ NSW Farmers (Guyra Branch) where concerned there was a low community awareness and understanding of the proposed Special Rate Variation. Farmers had limited opportunity to engage with Council over its proposal and much of the 'Have your Say' period extended over the Christmas New Year period when attention is generally on personal matters. There was concern the website was difficult to navigate and many just gave up in pursuit of understanding the impact and benefits on their rates and services. Our members felt intimidated by the consultation process with essentially being told that you won't get any services unless you agree to the special rate variation. The dynamic in the small meetings meant that ratepayer numbers were disproportionate to staff, again making an intimidating environment. The consultation by invite only, small groups, failed to fulfil community consultation responsibilities to the wider community. Council officers

held one community meeting in Guyra; no village meetings in outlying localities.

2/ Council has demonstrably failed to show it can deliver productivity improvements and cost containment. Two key documents adopted by ARC – Transport Management Plan (Oct '22) and its Strategic Asset Management Plan (Oct '22) do not address efficiency improvements or cost controls. These plans highlight the well-established problems, but generally allude to changes in the organisation structure and values and inability to make material changes to its work practices.

The **Strategic Management Plan** (SMP) claims 60% of its roads are in Good asset condition. By its own admission, Council acknowledges this is unlikely to be the case and NSW Farmers Association members report Guyra roads are typically in Poor to Very Poor asset condition. Council has stated in public the level of service for its unsealed roads is to have an annual grading and twice for gravel roads that are used for school bus transport. The confusion over the Level of Service from Council officers is a weak starting position for effective asset management.

The SMP makes passing reference to the 'industrial' employment it works under and organises its road servicing. In the view of NSW Farmers Association Guyra Branch, Council has failed to address this key issue. The 9-day working fortnight and relatively short working day is a major barrier to productivity and cost containment, yet Council leadership does not consider strategies such as alternatives to rosters; greater use of contractors; service sharing with adjoining Councils; leasing of equipment to utilise highest efficiency plant and other measures to improve service delivery.

Council has no record of cost containment and therefore the Branch believes increased rate revenue will simply be used to expand the present inefficient road maintenance and project practices. The Asset Plans outline processes, policies, procedures and intentions to 'engage consultants' (p36 TMP), but do not identify productivity improvement plans executed by other Councils or civil engineering organisations.

As the Plans show, Council will be spending less on road servicing this financial year (\$4.0million) relative to two years ago (\$4.2million). This is in the face of declining asset conditions and safety assessments.

Most critically, nowhere in the **Transport Management Plan** (TMP) 'Improvement Plan" (p44) is there a strategy to address road servicing crew work practices; utilise more efficient equipment or contract external civil construction providers. The Improvement Plan includes more assessments; more Software; ranking of assets; and most helpfully customer satisfaction surveys.

3) Council has not properly appreciated or considered the capacity to pay this rate increase. A lot of Farms in the Guyra Area have seen significant valuation increases relative to other parts of the shire. These farms have also had to bear considerable merger harmonisation impacts as well as this special Rate Variation. Some of our members will see their rates increase by a total of over \$50,000 per annum. A significant number of farmers will see their rates increase by totals over \$10,000 per annum.

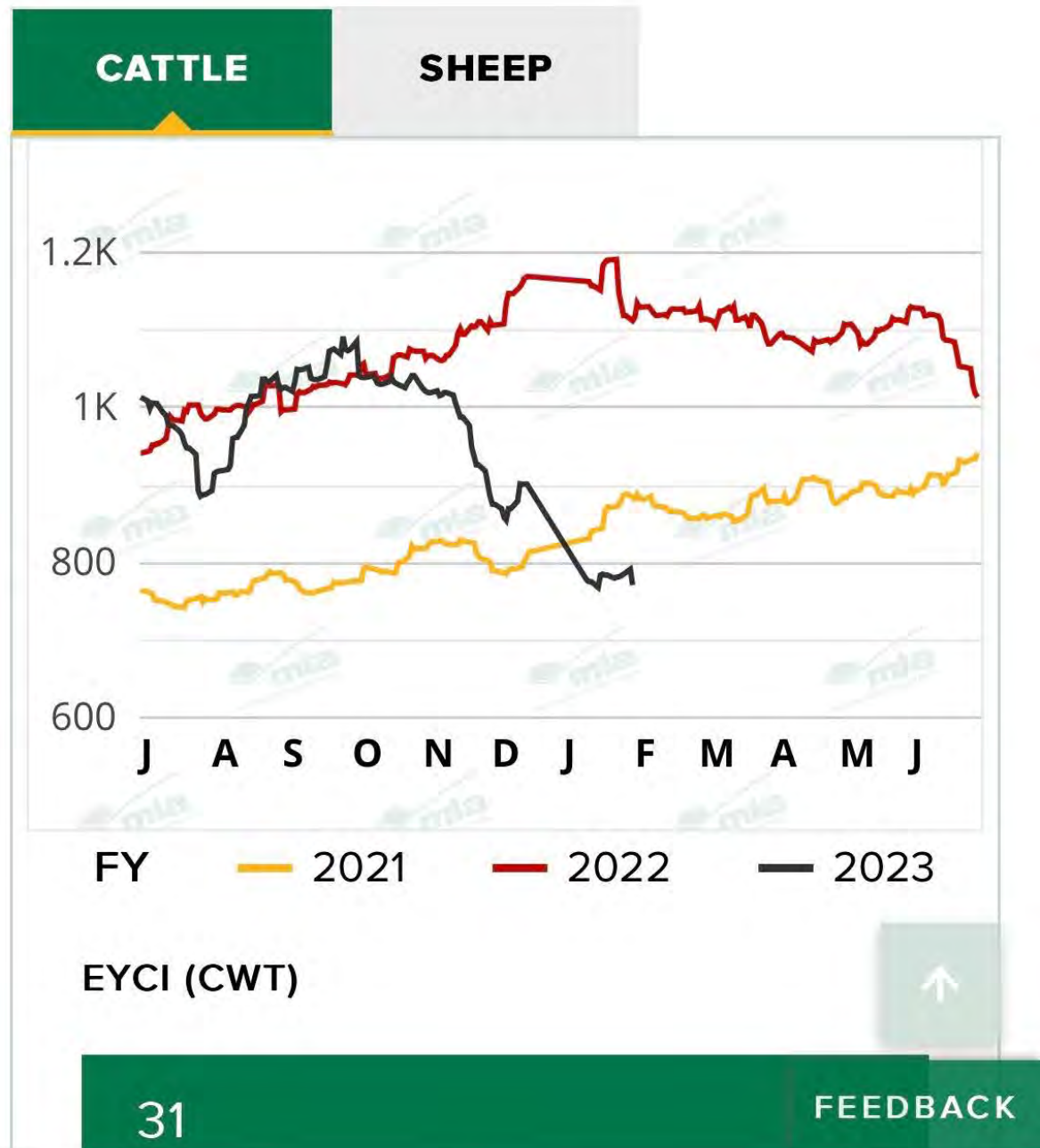
In the last 2 years the terms of trade for the principal agricultural products of New England has been very

favourable, however the 10 years previous has been very tough. Members have been reporting to us that this projected rate increase will impact the capacity to retain workers in a difficult employment environment. Agriculture has been reinvesting in their businesses during the drought recovery, this rate grab will compromise this investment and impact purchasing power in the local community. During the drought the fixed costs, like rates, really hurt a lot of Producers and impacted their ability to put food on the table. We feel the council has been opportunistic with this rate grab and hasn't properly considered the capacity of farmers to pay these increases over the commodity cycle. I have included (appendix A) a MLA report on the recent collapse of beef prices to give some context to this claim.

In summary, the Guyra Branch of the NSW Farmers Association requests NSW IPART to reject the proposal of the Armidale Regional Council for a 50% rate increase. Primarily because Council has not concurrently identified productivity improvements or cost containment. The Branch also requests future proposals from Council meaningfully engage important constituencies like farmers so that financial impacts are underpinned by credible strategies. Particularly asset management programs that are critical to famers' operational efficacy and competitiveness. We also ask for meaningful analysis and consideration of the capacity for businesses to pay rate increases.

APPENDIX A

Daily Indicators



[REDACTED]

President Guyra Branch
NSW Farmers Association.

Correspondence

[REDACTED]

Secretary Guyra Branch
NSW Farmers Association
Ph. [REDACTED]
[REDACTED]