



# Assessment of Ability to Pay

Armidale Regional Council

April 2019



**Document status**

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## Executive Summary

Armidale Regional Council is required to harmonise two rating structures that it currently has in place in accordance with the Local Government Amendment (Rates-Merged Council Areas) Bill 2017, on 30th of June 2020. The new rating system chosen by Council will take into account a number of factors including equity, efficiency and capacity to pay. This report puts due emphasis on the Capacity to Pay principle; given that some ratepayers have more ability to pay rates than others.

This report provides an analysis and evaluation of relative wealth and financial capacity; it looks at the financial vulnerability and exposure of different community groups within the Local Government Area (LGA). The key findings are summarised in Table 1.

**Table 1 Regional Summary**

Areas of Advantage	
Non - Urban and Rural Regions	<ul style="list-style-type: none"> <li>There was a wealth and advantage bias towards the rural communities within council's LGA</li> </ul>
Former Armidale Dumaresq Shire	<ul style="list-style-type: none"> <li>There was a wealth and advantage bias towards areas from the former Armidale and Dumaresq Shire within the same category</li> </ul>
Areas of Advantage	<ul style="list-style-type: none"> <li>Rural Armidale</li> <li>NEGS</li> <li>Rural East</li> <li>North Hill</li> </ul>
Areas of Disadvantage	
Common Characteristics	<ul style="list-style-type: none"> <li>Regions of significant disadvantage had very low household's incomes, high unemployment, a younger demographic profile, high levels of housing stress and a significant proportion of lone individual households</li> </ul>
Areas of Disadvantage	<ul style="list-style-type: none"> <li>Central Armidale</li> <li>South Hill</li> <li>University</li> <li>Guyra</li> <li>Rural North West</li> </ul>

## Introduction

The Council Amalgamations Proclamation prescribed the responsibility of the first elected council to review its rating structure within the first council term, with one new rating structure to be applied across all ratepayers on 1 July 2020.

During the first four years of amalgamation, from 1 July 2016 to 30 June 2020, the Government amended the Local Government Act to achieve its policy that there will “be no change to the existing rate paths for newly merged councils for four years”. This decision has meant that disparity in the current rating structures was retained, and transition to a new rating structure will occur on 1 July 2020, when all ratepayers will be impacted by the change.

Council must harmonise the two rating structures that are currently in place, establishing a new, equitable rating structure across the LGA. This is balanced with the priority to minimise the number of assessments that experience large and sudden changes as a result of harmonising the current rating structures.

The new rating system chosen by Council will take into account a number of factors including equity, efficiency and capacity to pay. This report puts due emphasis on the capacity to pay principle; given that some ratepayers have more ability to pay rates than others.

This report provides an analysis and evaluation of relative wealth and financial capacity; it looks at the financial vulnerability and exposure of different community groups within the Local Government Area (LGA).

Key considerations include:

- regions of social disadvantage
- particularly vulnerable groups of individuals
- future trends in household expenditure.

These findings will then be compared to proposed changes in rates to identify whether there are any groups or individuals that are being particularly impacted and or marginalised.

Data for this review was obtained from the following sources:

- Australian Bureau of statistics 2016 Census Data - Data by Regions.
- Profile ID – Armidale Regional Council Community/Social/Economic Profiles.
- February 2016 – Housing and Homelessness Policy Consortium. (ACT Shelter, ACTCOSS, Women’s Centre for Health Matters, Youth Coalition of Act) - Snapshot: Housing stress and its effects.

## Background

Our analysis of Armidale Regional Council has been undertaken on an area level by dividing the regions within Council into 2 different categories. This includes:

**Urban:** Central Armidale, NEGS, North Hill, South Hill, and University

**Rural:** Guyra, Rural Armidale, Rural East and Rural North West

Council is looking to ensure that equity is maintained within the LGA throughout the rates harmonisation processes. A basic summary of the regions is provided in Table 2 and Figure 1 and 2 below.

**Table 2 ARC - Area Summary**

Region	Population (17)	Population Density
<b>ARC</b>	<b>30,594</b>	<b>0.04</b>
<b>Urban</b>	<b>19,891</b>	
Central Armidale	4,064	5.90
NEGS area	2,049	2.48
North Hill	7,055	3.81
South Hill	4,811	9.08
University	1,912	2.65
<b>Rural</b>	<b>8,897</b>	
Guyra	2,391	0.08
Rural Armidale	2,555	0.11
Rural East	1,828	-
Rural North West	2,123	0.01

Figure 1 Rural Region Breakdown

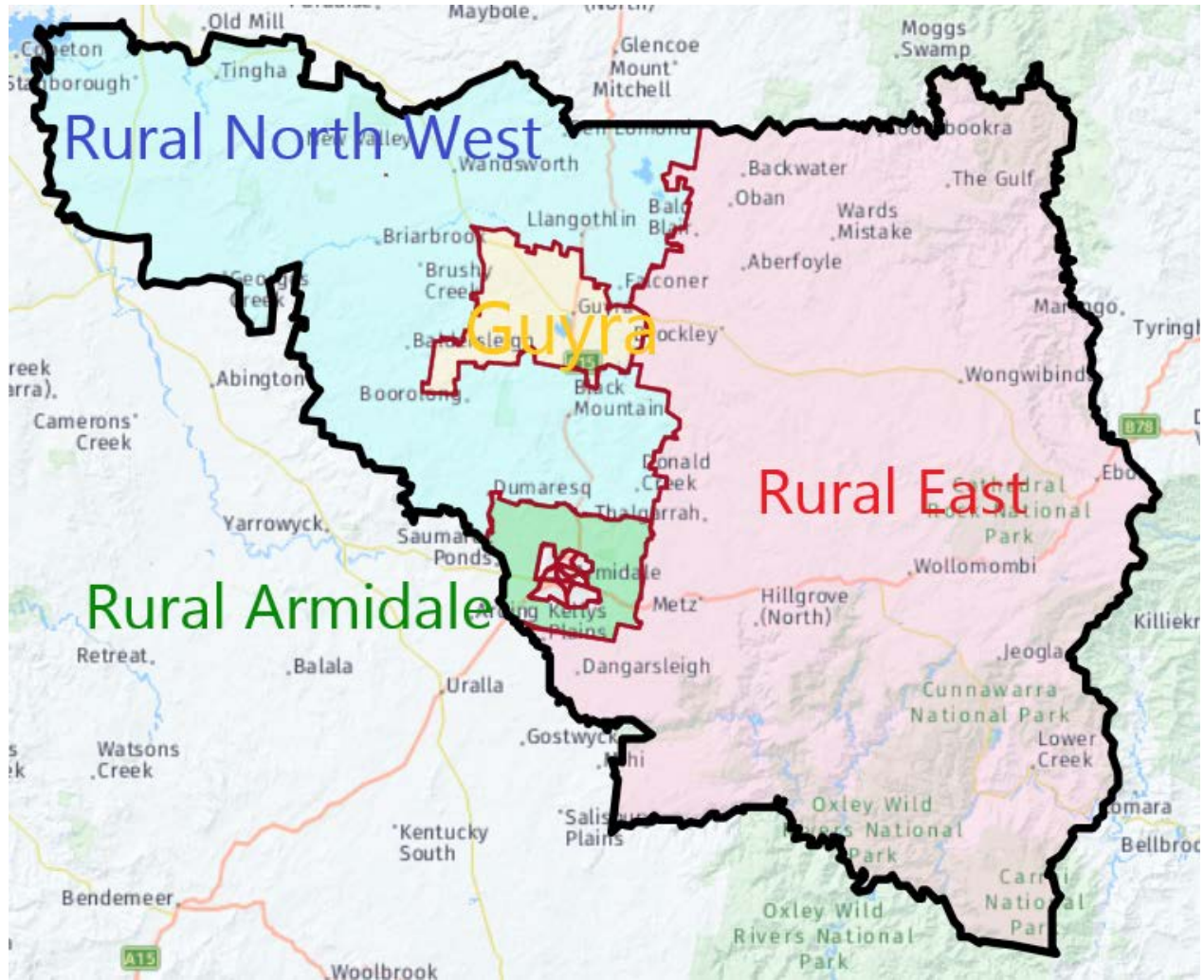
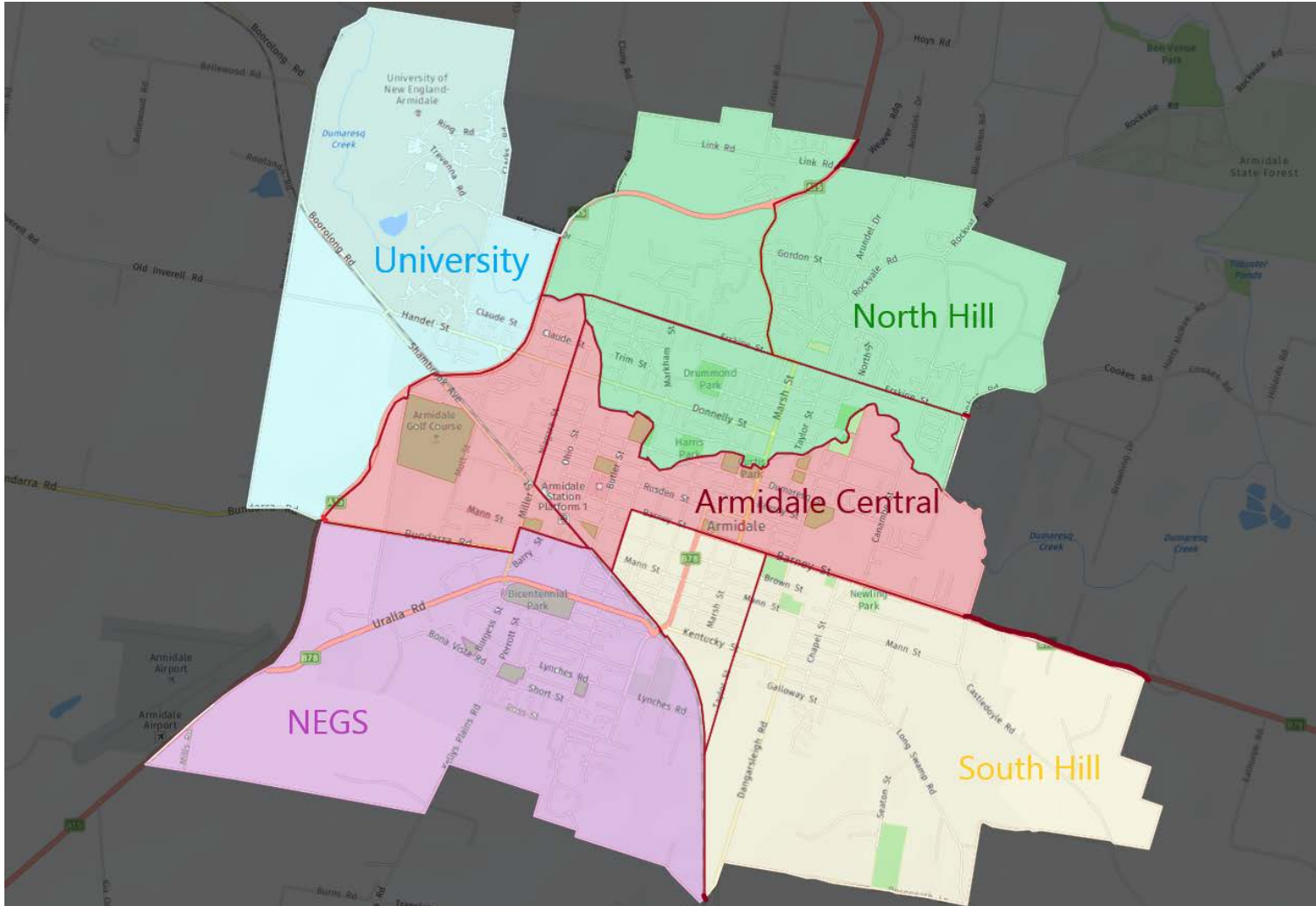




Figure 2 Urban Region Breakdown



## Methodology

Our methodology in examining the relative wealth between the different areas focuses on the following:

- **Regions of social disadvantage**

We will first look into the different characteristics and make up of each area to determine whether there are any particular areas of social disadvantage. This will include an investigation into:

- the age structure of each region
- the typical make up of each household
- household income, including the effect of dependants
- SEIFA rankings

- **Particularly vulnerable groups of individuals**

We will then look into whether there are any particular groups within each area that, despite the overall wealth of the area, would be particularly vulnerable and affected by a change in rates. These include:

- property owners
- persons who have need for core assistance
- individuals who are currently unemployed
- households currently under housing stress
- pensioners

- **Future trends in household expenditure**

We will then look into trends in household expenditure and what future impacts they may have on an individual's ability to pay.

We will then compare these findings to the proposed rating changes to determine whether there are any particular groups or individuals that would be significantly impacted.

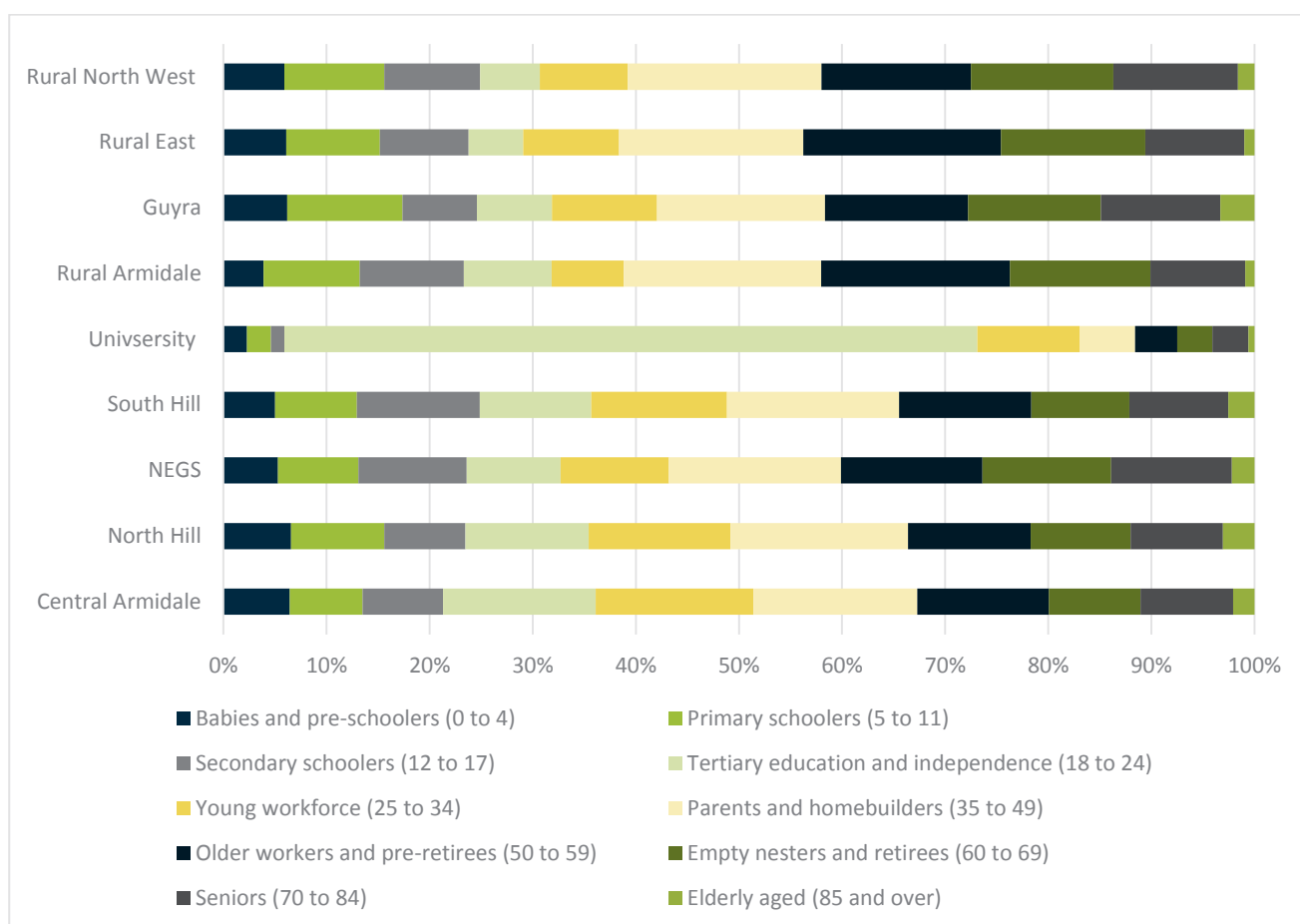
## Regions of Social Disadvantage

Each region has differing demographic characteristics, and we first want to identify ‘who are the people’ that make up each area, ‘what do they do’ and ‘how do they live’?

### Service Age Groups

Age profiles are used to understand the demand for aged-based services as well as the income earning status of the population. Data has been broken into groups which are reflective of typical life stages. This provides insight into the number of dependants, size of the workforce and number of retirees in each region.

**Figure 3 Urban Service Age Groups**



Grouping these results in terms of the following categories (dependants, workforce, and retirees) and ranking them in terms of proportion of population (with 1 representing the largest proportion) generates the following results.

**Table 3 Service Age Rankings**

Category	Central Armidale	North Hill	NEGS	South Hill	University	Rural Armidale	Guyra	Rural East	Rural North West
Dependants	2	4	5	3	1	7	6	9	8
Working Age	3	4	7	5	9	2	8	1	6
Retirees	8	6	3	7	9	5	1	4	2

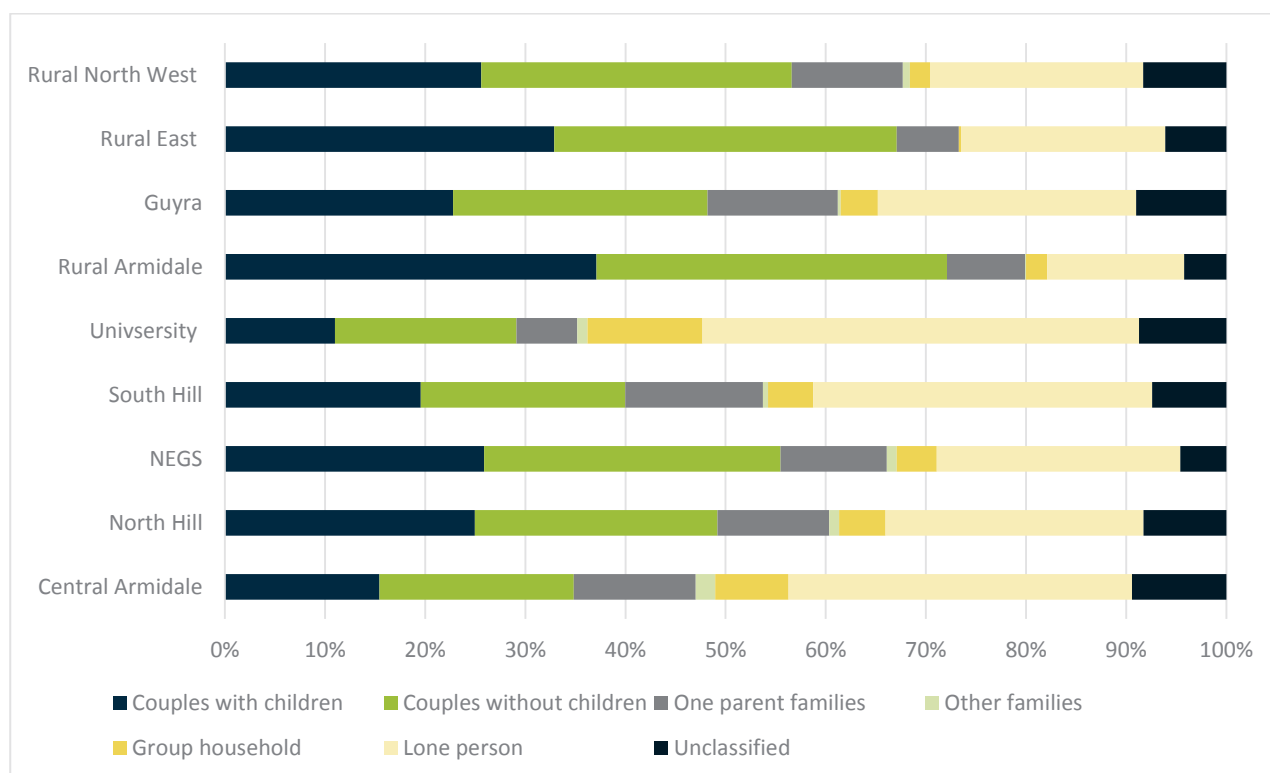
The population pyramids paint an interesting picture of each region.

The Urban regions have a distinctly younger population profile than that of the rural regions, particularly the areas of University, Central Armidale and South Hill. It was also interesting to note that the rural regions had a very low young work force (25-34 year olds) in particular.

## Household Types

Alongside the age structure of each region, it is important to determine the typical trends in the make-up of households. This provides a more complete picture of the people, families and communities in each area. A summary of household type is provided in the figure below.

**Figure 4 Household types**



A key observation is the distinct difference in the family compositions between Rural and Urban Households. Rural households have significantly biased towards family orientated households whereas we observe significantly higher levels of lone individuals and shared housing in the Urban regions particularly in Central Armidale, University and the South Hill areas.

## Housing Tenure

By observing housing tenure levels in the community we are able to identify which regions would be most impacted by a change in council rates i.e. the direct impact of a change in rates will be felt by home owners whereas renters may experience an indirect increase/decrease dependant on their lease agreement / decisions of their landlord. Furthermore, individuals in social housing are unlikely to be impacted by a change in rates.

**Table 4 Armidale Regional Council Housing Tenure**

	Central Armidale	North Hill	NEGS	South Hill	University	Guyra	Rural Armidale	Rural East	Rural North West
<b>Tenure type</b>									
Ownership - Fully owned	20%	27%	44%	29%	17%	26%	45%	46%	42%
Ownership - Mortgage	18%	27%	26%	22%	8%	27%	36%	22%	24%
<b>Ownership - Total</b>	<b>38%</b>	<b>55%</b>	<b>70%</b>	<b>51%</b>	<b>25%</b>	<b>53%</b>	<b>81%</b>	<b>68%</b>	<b>66%</b>
Renting - Social housing	13%	6%	2%	7%	3%	1%	0%	0%	2%
Renting - Private	36%	30%	22%	33%	61%	25%	13%	20%	17%
<b>Renting - Total</b>	<b>49%</b>	<b>36%</b>	<b>24%</b>	<b>40%</b>	<b>64%</b>	<b>26%</b>	<b>13%</b>	<b>20%</b>	<b>20%</b>
<b>Total households</b>	<b>1,728</b>	<b>2,959</b>	<b>1,334</b>	<b>1,437</b>	<b>288</b>	<b>918</b>	<b>842</b>	<b>700</b>	<b>787</b>

Table 4 above shows that rural areas display significantly higher levels of homeownership than that in the urban centres with Rural Armidale, Rural East and Rural North West having ownership rates of 81%, 68% and 66% respectively. A noteworthy urban exception however is the NEGS area which has a total ownership rate of 70%.

## Equivalent Household Income

Equivalent household income can be viewed as an indicator of the economic resources available to a standardised household. It is calculated by dividing total household income by an equivalence factor. The factor is calculated in the following way:

- First adult = 1
- Each additional adult + child over 15 = + 0.5
- Each child under 15 = + 0.3

By dividing by the equivalence factor, household income becomes comparable to that of a lone individual thereby making households with dependants and multiple occupants comparable to those without. By factoring in dependants into household income, we are provided with a better indicator of the resources available to a household.

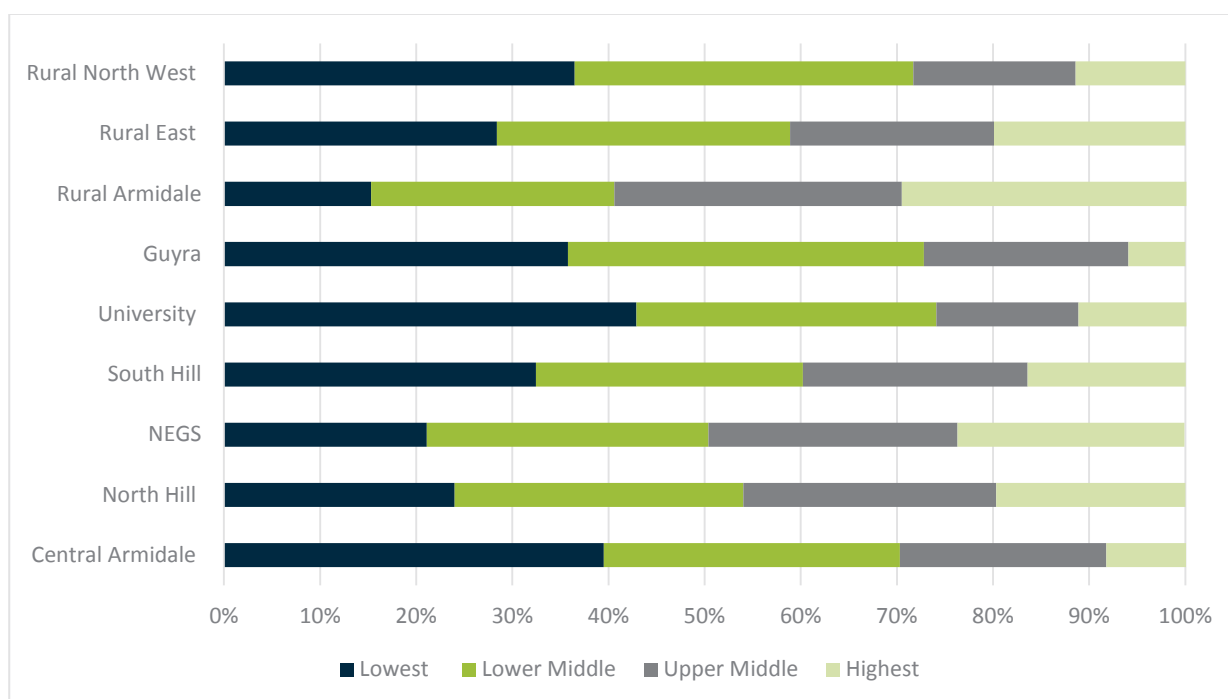
As this is a relative comparison, data has been presented in quartiles; regions of disadvantage will have a high proportion of households in the bottom two quartiles than those of greater wealth and advantage. These quartiles were determined by reviewing the distribution of household incomes within NSW and then dividing them into four equal groups or quartiles.

The data has been presented in ranges for the following equivalised income levels:

- Lowest: \$0 - \$497
- Medium Lowest: \$498 - \$891
- Medium Highest: \$892 - \$1,464
- Highest: \$1,465 and over

The Figure 5 summarises the Equivalised Household Income ranges for each area.

**Figure 5 Equivalised Household Income**



We can make the following observations from the data:

- Of the Rural regions, Rural Armidale and Rural East region have the greatest proportion of advantaged households.
- In the Urban regions, the areas of Central Armidale and University have the greatest disadvantage whereas NEGS and North Hill are of the greatest advantage and have the highest proportion of households in the upper brackets.
- Ranking areas in terms of disadvantage:
  - University, Guyra, Rural North West, Central Armidale, South Hill, Rural East, North Hill, NEGS, Rural Armidale.
- Rankings areas in terms of greatest middle class:
  - Guyra, North Hill, NEGS, Rural Armidale, Central Armidale, Rural North West, Rural East, South Hill, University.

- Ranking areas in terms of greatest advantage:
  - Rural Armidale, NEGS, North Hill, Rural East, South Hill, Central Armidale, Rural North West, Guyra, University.

## Socio Economic Index for Areas

The Socio-Economic Index for Areas (SEIFA) is an economic tool developed by the ABS to rank areas in Australia according to their relative socio-economic advantage and disadvantage. It takes into consideration a broad range of variables such as income, education, employment, occupation, housing etc. and is standardised such that the average Australian represents a score of 1000.

In our research we explored two of the indexes published by the ABS:

- **Index of Relative Socio-Economic Disadvantage (IRSD)**  
 This index ranks areas from most disadvantaged to least disadvantaged i.e. a lower score will have a greater proportion of relatively disadvantaged people in the area.  
 From this score however you cannot conclude whether a high ranking area will have a large portion of relatively advantaged people just that it has a low proportion of disadvantage.
  
- **Index of Relative Socio-Economic Advantage and Disadvantage (IRSAD)**  
 This index considers variables of both advantage and disadvantage and, as such, scores and ranks areas from most disadvantaged to most advantage.

A regional summary including national percentiles is provided in the table below.

**Table 5 Regional SEIFA Scores and Percentiles**

	SEIFA - IRSD	%	SEIFA - IRSAD	%
Armidale Regional Council	980.0	34	976.0	41
Regional NSW	971.0	29	959.0	32
New South Wales	1001.0	45	1011.0	62
Australia	1001.9	46	1003.1	57

In reviewing both the IRSD and IRSAD indexes we observe that Armidale Regional Council has lower disadvantage and greater advantage than that of regional NSW, however it is well below the NSW averages. It is interesting to note that when considering advantage there is a greater percentile shift for Armidale Regional Council than that of Regional NSW indicating that there are significant levels of wealth inequality within the LGA.

**Table 6 Area SEIFA Rankings**

IRSD	2016 index	Percentile	IRSAD	2016 index	Percentile
Rural Armidale	1100.0	97	Rural Armidale	1089.9	94
NEGS	1049.0	75	NEGS	1036.7	75
North Hill - Duval	1042.4	72	Rural East	1034.1	74
Rural East	1039.9	70	North Hill - Duval	1031.7	73
North Hill - Ben Venue	1018.4	56	North Hill - Ben Venue	1007.0	59
South Hill	988.8	39	South Hill	1003.1	57
North Hill	975.5	32	North Hill	970.9	38
Rural North West	941.9	19	Rural North West	941.4	24
Guyra	933.9	17	University	930.7	20
Central Armidale	903.6	10	Guyra	909.9	13
University	899.0	9	Central Armidale	905.8	13
South Hill - Newling - Acacia Park	873.3	7	South Hill - Newling - Acacia Park	882.6	8
Central Armidale - West Armidale	834.0	4	Central Armidale - West Armidale	851.5	5

By reviewing the SEIFA rankings at an area level we see that there is significant inequality within the LGA itself. The top 4 areas when considering advantage and disadvantage are:

- Rural Armidale – 94%
- NEGS – 75%
- Rural East – 74%
- North Hill – Duval – 73%

Whereas the bottom 4 are:

- Central Armidale – West Armidale – 5%
- South Hill - Newling – Acacia Park – 8%
- Armidale Central – 13%
- Guyra – 13%

It is interesting to observe that only for the area of South Hill is there a significant shift between the IRSD and IRSAD national percentiles indicating that there is a high level of wealth inequality within the region.



## Vulnerable Groups or Individuals

This section of the report considers whether there are any spatial patterns of individuals or groups who either need additional community services or are more sensitive to a change in rates.

### Workforce Status

The levels of full or part-time employment and unemployment are indicative of the strength of the local economy and social characteristics of the population.

**Table 7 Community Workforce Status**

Employment status	Central Armidale	North Hill	NEGS	South Hill	University	Guyra	Rural Armidale	Rural North West	Rural East
<b>Employed</b>	<b>89%</b>	<b>94%</b>	<b>95%</b>	<b>89%</b>	<b>77%</b>	<b>95%</b>	<b>97%</b>	<b>94%</b>	<b>96%</b>
Employed full-time	48%	56%	56%	51%	21%	57%	58%	58%	62%
Employed part-time	39%	37%	38%	35%	51%	36%	37%	35%	33%
<b>Hours worked not stated</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>3%</b>	<b>5%</b>	<b>2%</b>	<b>1%</b>	<b>2%</b>	<b>2%</b>
<b>Unemployed (Unemployment rate)</b>	<b>11%</b>	<b>6%</b>	<b>6%</b>	<b>11%</b>	<b>23%</b>	<b>5%</b>	<b>3%</b>	<b>6%</b>	<b>4%</b>
Looking for full-time work	6%	4%	3%	5%	5%	3%	2%	5%	1%
Looking for part-time work	6%	2%	3%	6%	18%	2%	2%	2%	3%
<b>Total Labour Force</b>	<b>1,618</b>	<b>3,657</b>	<b>1,636</b>	<b>1,636</b>	<b>552</b>	<b>998</b>	<b>1,319</b>	<b>909</b>	<b>987</b>

From the Table 7 above we can see that there is significant unemployment in the following areas:

- University – 23%
- Central Armidale – 11%
- South Hill – 11%

Whereas the lowest levels of unemployment can be found in the following areas:

- Rural Armidale – 3%
- Rural East – 4%
- Guyra – 5%

It is interesting to note the Rural and Non-Urban areas had significantly lower levels of unemployment than that of Urban Armidale. Of particular concern is the significant levels of unemployment in University creating concerns regarding youth unemployment in the LGA.

## Pensioners

To be classified as a pensioner an individual needs to be on the Age Pension, or have partial capacity to work such as having a disability, being a carer or being a low income parent. These individuals have reduced income streams and can be vulnerable to financial shocks and price rises.

**Table 8 Pensioner Assessments per Region**

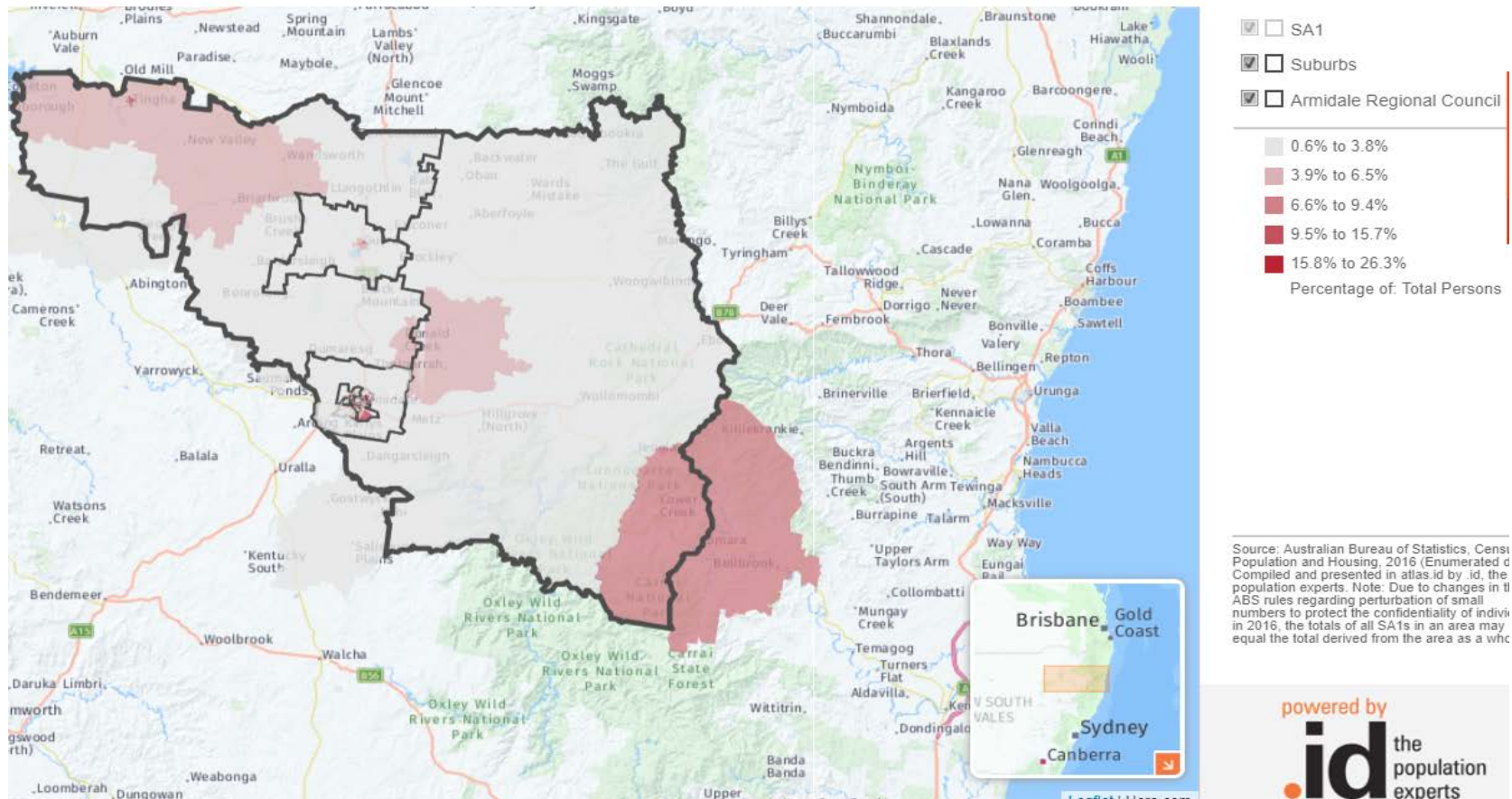
Area	Number of Assessments	Count of pensioners	Percent %
Urban / Town	9,771	1,457	14.9%
Village	283	38	13.4%
Rural	2757	185	6.7%
<b>Total</b>	<b>12,811</b>	<b>1,680</b>	<b>13.1%</b>

From the data we can see there is a significantly higher proportion of pensioners in the Town Centres and Villages than that on Rural properties. This can be primarily attributed to the availability and locality of services in the LGA.

## Core Assistance

The following map highlights the regions within the LGA that have higher concentrations of people who need assistance in their day to day lives with self-care, body movements or communication – because of a disability, long-term health condition or old age.

Figure 6 Core Assistance Density Map



**Table 9 Number of People Requiring Core Assistance**

Assistance Required	Central Armidale	North Hill	NEGS	South Hill	University	Guyra	Rural Armidale	Rural North West	Rural East
Number	242	481	143	227	35	142	53	111	58
Total population	4,049	7647	3359	3880	2454	2300	2330	2047	1738
Percent %	5.98%	6.29%	4.26%	5.85%	1.43%	6.17%	2.27%	5.42%	3.34%

We observe there are significantly lower levels of core assistance required in University, Rural Armidale and Rural East however all other regions have similar percentage differentials (plus/minus 1%)

## Housing Stress

The National Centre for Social and Economic Modelling (NATSEM) defines households experiencing “Housing Stress” as those that satisfy both of the following criteria:

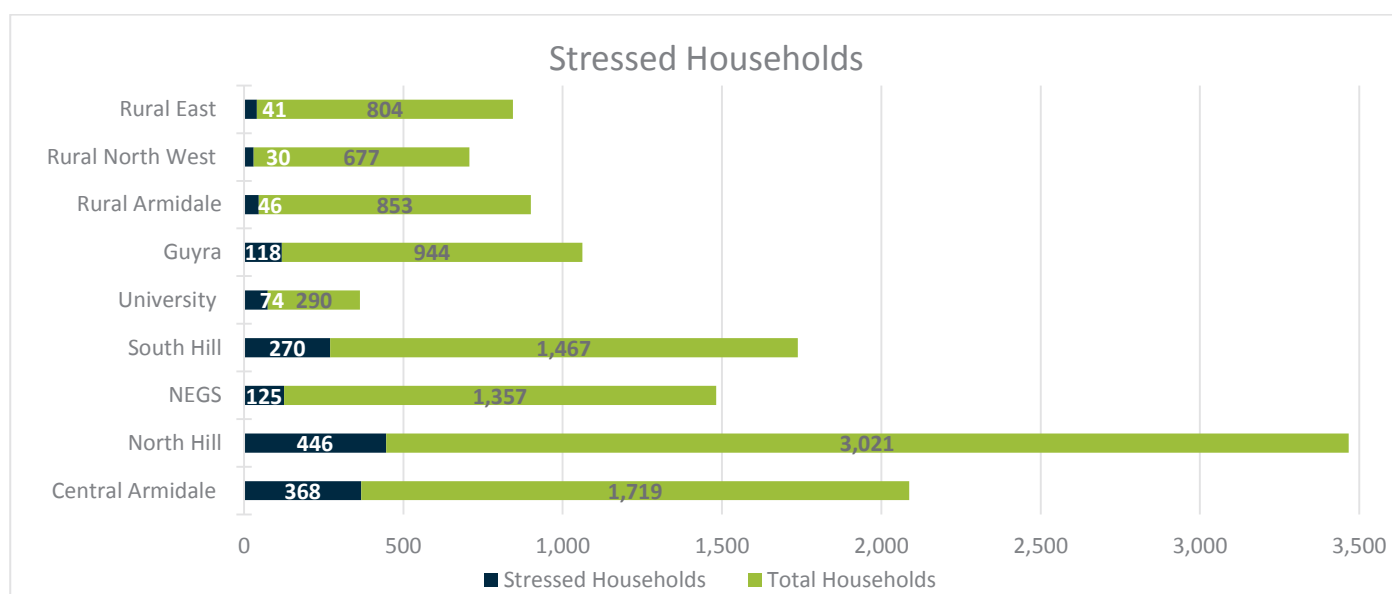
- Equivalised household income is within the lowest 40% of the State’s income distribution
- Housing costs (i.e. mortgage and/or rent repayments) are greater than 30% of household income.

Research funded by the ACT Government on housing and homelessness issues in the ACT found that, due to financial pressures

- 19% of households facing housing stress compromised a lot on their grocery spend over a 12 month period
- 24% of households facing housing stress found rent/mortgage repayments quite/very difficult in the last three months.

As such, households facing housing stress are highly likely to also be in significant financial stress and vulnerable to sudden increases in council rates. A comparison of the levels of housing stress currently experienced in each area is provided in Table 10, summarised at the area level.

**Figure 7 Housing Stress Area Comparison**



**Table 10 Percentage Breakdown of Housing Stress in Areas**

Region	Central Armidale	North Hill	NEGS	South Hill	University	Guyra	Rural Armidale	Rural North West	Rural East	Regional NSW
Stressed Households	368	446	125	270	74	118	46	30	41	120,464
Total Households	1,719	3,021	1,357	1,467	290	944	853	677	804	1,055,202
Percent %	21.40%	14.75%	9.22%	18.43%	25.66%	12.50%	5.43%	4.46%	5.05%	11.40%

We can make the following observations from the data:

- Most Rural areas levels of housing stress are well below the Regional NSW average of 11.4%
- The areas with housing stress levels greater than the NSW Regional average are:
  - University – 25.66%
  - Central Armidale – 21.4%
  - South Hill – 18.43%
  - North Hill – 14.75%
  - Guyra – 12.5%
- The only Urban area with a housing stress level below that of the NSW regional average is NEGS.

## Future Trends in Cost of Living

The cost of living can best be described as the cost of maintaining a certain standard of living. Identifying trends in future costs, particularly with regards to discretionary and non-discretionary income. The following table presents the changes in typical household expenditure throughout the Armidale LGA over a five year period.

**Table 11 Five Year Comparison of Cost of Living in Armidale Regional Council LGA**

Armidale Regional Council Expenditure Item	2017/18		2012/2013		Δ Change	
	\$ per Household	% of expenditure	\$ per Household	% of expenditure	\$ per Household	% of expenditure
Food	\$9,533.00	9.30	\$7,974.00	9.10	\$1,559.00	0.20
Alcoholic Beverages and Tobacco	\$4,236.00	4.10	\$4,027.00	4.60	\$209.00	-0.50
Clothing and Footwear	\$5,039.00	4.90	\$3,116.00	3.60	\$1,923.00	1.30
Furnishings and Equipment	\$5,875.00	5.70	\$3,817.00	4.40	\$2,058.00	1.30
Health	\$6,366.00	6.20	\$4,843.00	5.60	\$1,523.00	0.60
Transport	\$11,834.00	11.50	\$11,474.00	13.20	\$360.00	-1.70
Communications	\$2,891.00	2.80	\$1,557.00	1.80	\$1,334.00	1.00
Recreation and Culture	\$13,818.00	13.50	\$10,207.00	11.70	\$3,611.00	1.80
Education	\$4,592.00	4.50	\$4,013.00	4.60	\$579.00	-0.10
Hotels, Cafes and Restaurants	\$8,426.00	8.20	\$6,932.00	7.90	\$1,494.00	0.30
Miscellaneous Goods and Services	\$17,673.00	17.20	\$13,602.00	15.60	\$4,071.00	1.60
Housing	\$9,114.00	8.90	\$12,683.00	14.50	-\$3,569.00	-5.60
Utilities	\$3,293.00	3.20	\$2,992.00	3.40	\$301.00	-0.20
<b>Total Expenditure</b>	<b>\$102,689.00</b>		<b>\$87,236.00</b>		<b>\$15,453.00</b>	<b>-</b>
Non-Discretionary*	\$48,070.00	46.81%	\$44,639.00	51.17%	\$3,431.00	-4.36
Discretionary	\$54,620.00	53.19%	\$42,598.00	48.83%	\$12,022.00	4.36
Net Savings	\$7,979.00	7.20	\$16,252.00	15.70	-\$8,273.00	-8.50
Expenditure	\$102,689.00		\$87,236.00		\$15,453.00	-
<b>Total Disposable Income</b>	<b>\$110,669.00</b>		<b>\$103,488.00</b>		<b>\$7,181.00</b>	

\*Non-Discretionary spending includes the following categories: (Food, Clothing & Footwear, Health, Transport, Communications, Housing and Utilities)

Table 11 shows that over the five year period, total disposable income in the LGA has increased by an average of \$7,181 per household, per annum, or 6.94%. There has been a 4.36% shift towards discretionary spending which has been primarily driven by expenditure in miscellaneous goods and services and recreation and culture. The largest savings have come from decreases in the cost of housing and the largest increase in expenses have come from miscellaneous goods and services expenditure. Interestingly there has also been a significant fall in net savings (8.5%).

## Discussion

There are several distinct differences that emerge between the Urban and Rural regions. This is most evident in the SEIFA rankings which show that apart from a few pockets of wealth there are areas of disadvantage across the LGA.

The four areas that have the highest SEIFA rankings have several similar demographic and socio economic characteristics. The areas of Rural Armidale, NEGS, Rural East and North Hill - Duval had National percentiles of 94%, 75%, 74% and 73% respectively, significantly higher than the LGA average 41%. These areas typically had a low proportion of young adults (18 – 35), very high home ownership rates (60% - 80.6%) and very low proportion of households within the bottom 2 quartiles of equivalised household income.

Although there were pockets of advantage within the LGA, there was also significant widespread disadvantage. The four areas with the lowest IRSD index percentile (West Armidale, South Hill - Newling – Acacia Park, University and Armidale Central) were within the top 10% of levels of disadvantage nationally.

These regions were characterised by large proportions of households within the lowest equivalised income quartiles (Central Armidale, South Hill and University had over 30% of households in the bottom quartile) as well as high numbers of vulnerable individuals and households. This included high proportions of individuals living alone (44%, 34% and 34% for University, Central Armidale and South Hill respectively), high unemployment (particularly high urban unemployment with University, Armidale Central and South Hill having unemployment levels greater than 10%). It was interesting to note that there were high levels of housing stress in most of the urban areas. Also, although rural regions were overall better off than the urban areas, there was a significant disparity between the former Council areas. The Rural North West and Guyra areas are significantly disadvantaged to Rural East and Rural Armidale respectively.

From the future cost of living trends, we have observed that there has been a 6.95% increase in disposable income across the LGA. Correspondingly, there has been a significant increase in discretionary spending (28%) however this growth and increased wealth can most likely disproportionately be attributed to the top 4 ranked SEIFA regions.

## Proposed Rating Changes

For our commentary below we have utilised Option 1 from the ratepayer impact analysis<sup>1</sup>. This option keeps the proportion of business and residential rates the same and is suitable for our assessment as our review has been focused on residential households. For Option 1, the table below outlines the average land value, the average current rate and the average proposed change to each area.

**Table 12 Proposed Rating Changes by Village**

Area	Total Assessments	Pensioner Assessments	Average land value	Average Rate	Average Change \$	Average Change %
Armidale	9,382	1,363	145,429	1,124	(21)	-2%
Armidale	8,992	1,323	146,204	1,128	(32)	-3%
Black Mountain	13	1	132,525	1,067	246	26%
Castle Doyle	52	6	308,308	1,854	606	49%
Dangarsleigh	13	2	286,415	1,756	561	47%
Dumaresq	8		166,690	1,220	316	27%
Ebor	31	3	53,435	712	106	17%
Hillgrove	106	12	28,503	601	2	8%
Jeogla	9	1	26,632	592	30	4%
Kellys Plains	39	3	324,541	1,926	639	49%
Lower Creek	22	2	35,337	631	47	7%
Thalgarrah	22	3	134,961	1,077	251	27%
Wollomombi	27	5	31,051	612	33	6%
<b>Guyra</b>	<b>1,232</b>	<b>260</b>	<b>67,679</b>	<b>776</b>	<b>268</b>	<b>79%</b>
Baldersleigh	7		72,804	799	363	83%
Ben Lomond	33	7	63,558	758	355	347%
Black Mountain	65	10	96,399	905	387	88%
Ebor	46	6	46,261	680	316	146%
Falconer	16		16,598	548	314	148%
Guyra	1,006	232	68,358	779	250	60%
Llangothlin	24	4	57,563	731	335	296%
Wandsworth	9		51,184	702	331	91%
Wongwibinda	5		47,220	685	309	82%
<b>Grand Total</b>	<b>10,614</b>	<b>1,623</b>	<b>136,404</b>	<b>1,084</b>	<b>12</b>	<b>7%</b>

<sup>1</sup> Morrison Low has undertaken ratepayer impact analysis of 4 rating structure options. This has been provided to Council separately.



Figure 8 Rate Assessment Localities - Armidale-Dumaresq

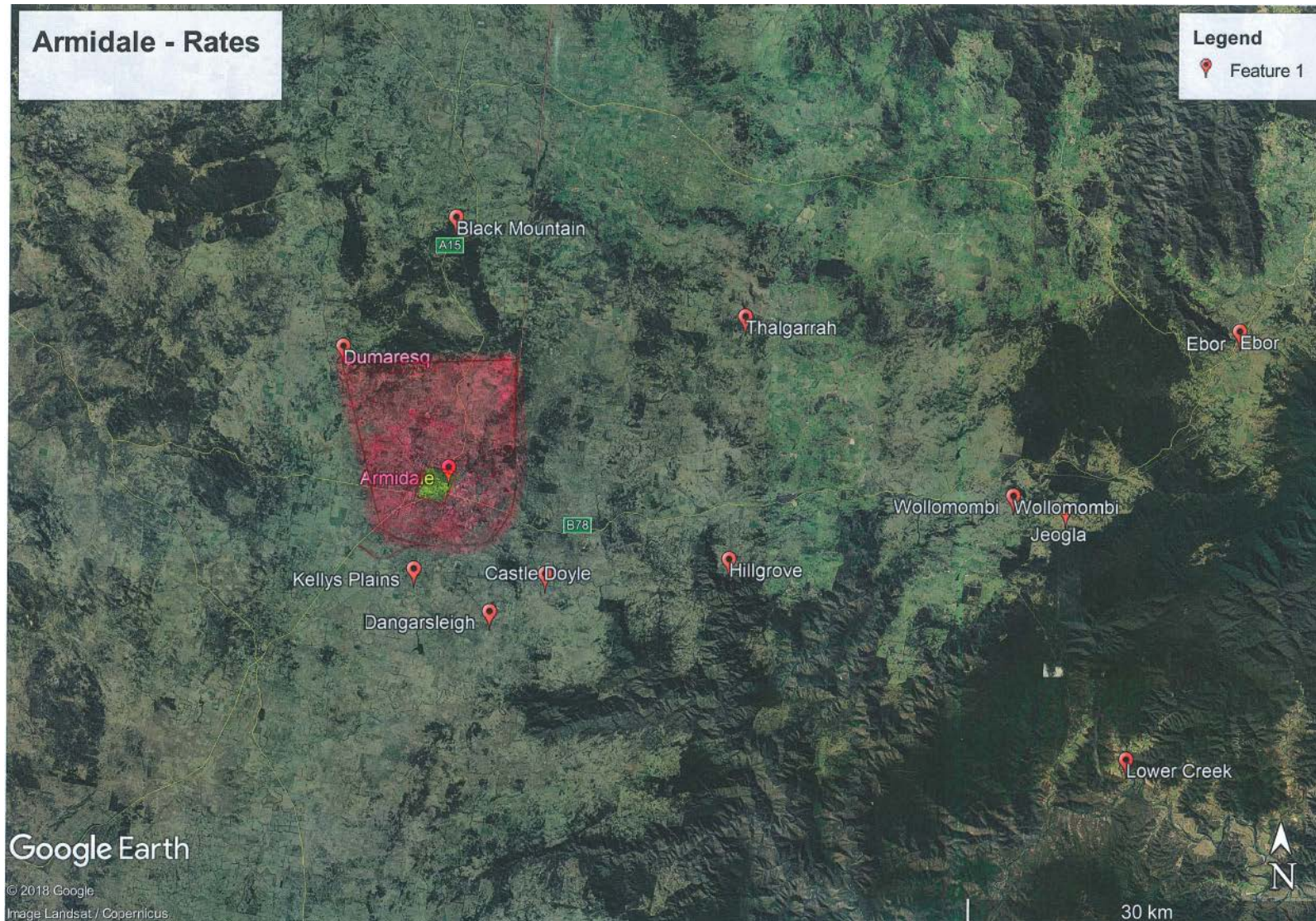
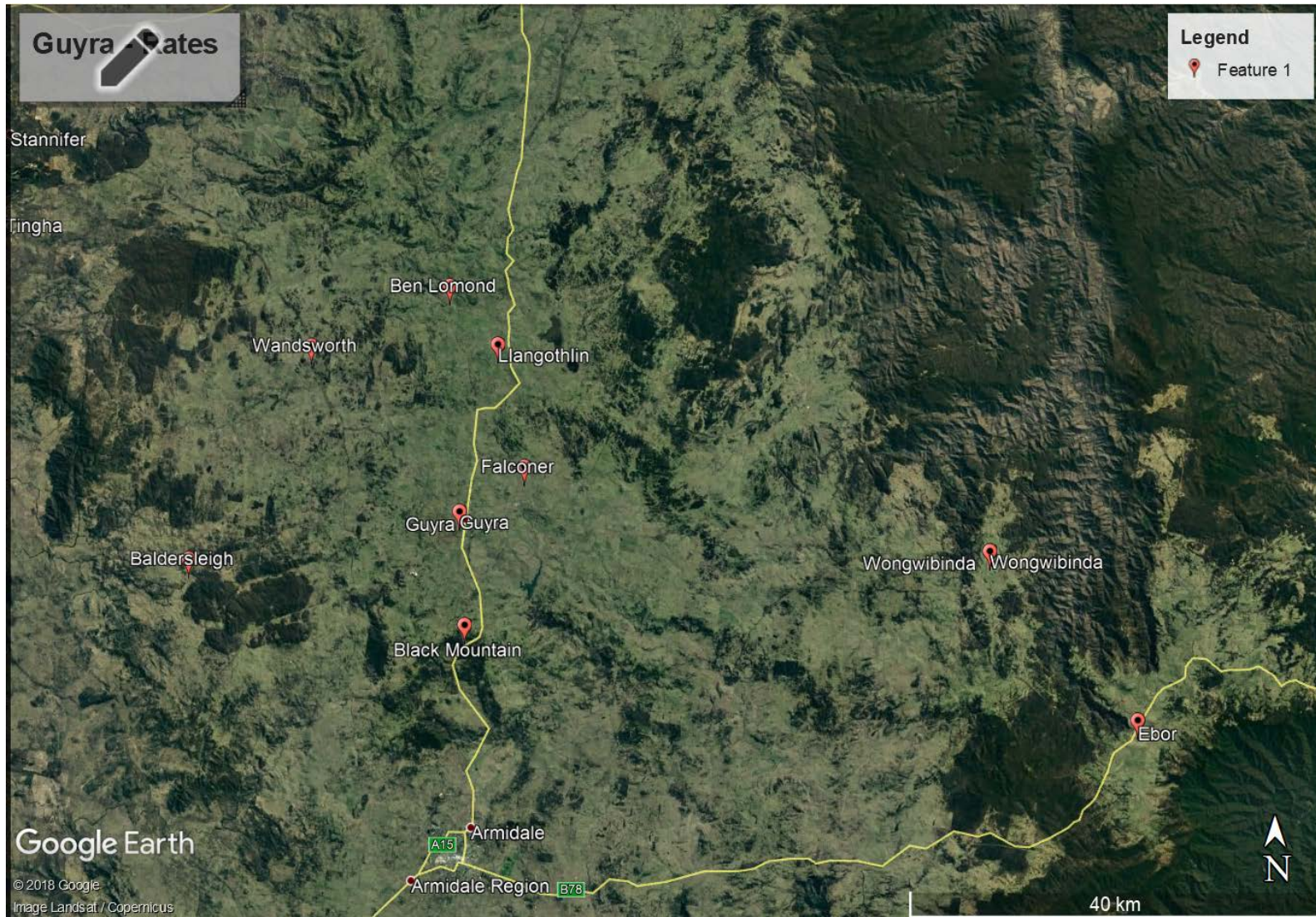




Figure 9 Rate Assessment Localities - Guyra



From Figure 8 above we can see that the greatest changes to rates from the former Armidale-Dumareq area occur relatively close to Armidale Town but just outside the limits of 'Rural Armidale'. These areas have been able to benefit from the services provided in Armidale Town while paying a smaller portion of rates. The proposed rate increases in these areas is significant with the Kellys Plains area increasing by \$640 per assessment. Residents within the Armidale Town Centre will however have their rates reduced on average by 3%. From Table 12 we see rate increases across the board for the former Guyra LGA with an average increase of \$268 per assessment. The largest of these increases are generated from the south and south west of the region approaching the Armidale Town Centre.

The net effect of the potential changes results in an average increase of 7% per assessment primarily attributable to properties outside of the Armidale Town Centre as well as from areas from the former Guyra LGA.

## Conclusion

Although there are pockets of significant wealth and advantage, there is also significant disadvantage. There is a noticeable disparity between the urban and non-urban /rural areas as well as between the former council areas.

The results of the proposed rating changes under Option 1 show that there will be a greater rate burden on non-urban and rural properties going forward, and while this appropriately targets the areas on the periphery of the Armidale Township it may adversely impact disadvantaged rural areas particularly in the former Guyra Council area. This should be taken into consideration while consolidating ratings structures to ensure that vulnerable individuals and households will not be significantly impacted by the changes.

The proposed changes will also however have a positive impact on the areas of disadvantage within the Armidale Township, particularly the areas of South Hill and Central Armidale which are within the bottom 8% of the SEIFA IRSD and IRSAD percentiles nationally. Notably, this will also benefit some of the most advantaged areas within the LGA particularly around Rural Armidale, NEGS and North Hill areas.

Our analysis has shown that Council's current rates and services are disproportionate between areas of similar advantage and disadvantage and Council's rates harmonisation should look to increase parity in this regard.