

Re: Armidale Dumaresq Council Special Rate Variation Application

To whom it may concern,

I wish to voice my strong opposition to Armidale Dumaresq Council's (ADC) Special Rate Variation application. I lodge the following reasons for my opposition.

1. I understand that the ADC is required to exhaust all other avenues of revenue raising/cost cutting before applying to IPART for an SVR. I don't believe this has happened. In its application to IPART, the ADC identifies a couple of minimal changes already implemented, and another area that could be implemented in the future, to the value of around \$609,000. It is my understanding that cost-cutting measures should actually be implemented **prior to** the SRV submission.
2. Figures suggest that the ADC is over-staffed compared to other councils, but no offer has been made to cut back by natural attrition. Given ADC's purported wage bill of over \$17 million compared to income streams of around \$20 million, the bureaucracy seems to be top-heavy. For example, it employs only 5 fewer staff than the Tamworth council, even though Tamworth council is responsible for a population twice the size that the ADC administers. A walk through the IPART submission will quickly show the proliferation of new officer roles which I believe we could easily do without, particularly in hard times. This objection is not only about ratepayer affordability, but about the need for council to be more efficient and less wasteful.
3. Many instances of wastage and inefficiency have been put forward by concerned residents e.g.
 - an unnecessary WiFi planned for the mall,
 - consultancy after consultancy over landfill arrangements. The dismissed General Manager stated in the Armidale Independent (Wed 26th Feb) that "millions of dollars had been wasted by delays, with potentially additional costs to come" and also "Council is being frustrated by some councillors representing the interests of a small amount of people at the expense of the broader community".
 - bad investments (Lehman) and purchases (Yarrandoo, where rural real estate was purchased and subsequently sold for substantially less than the purchase value),
 - sacking of general managers before term expiry, costing ratepayers many hundreds of thousands of dollars,
 - expensive paid-parking installations when parking was not a problem.
 - The out-sourcing of IT processes, such as using a call centre to field council's calls. Cannot one of the 235 staff answer a phone?
 - Time spent on seemingly trivial matters when there is so much more at stake – see Appendix 1 at end
4. It was anticipated that the ADC would actually review the data garnered through an online survey it conducted between 16th December 2013 and 10th January 2014 to determine what services were considered non-essential by ratepayers and act to cut these in order to reduce expenditure prior to making an SRV application. However, at a public meeting held on 8th February 2014, the only alternative offered by the ADC was a reduction in services.
5. I am very concerned that the ADC has mis-represented information fed to ratepayers:
 - In a letter sent to all ratepayers by the ADC general manager, it was stated that surveys indicated that a majority of residents supported a 20% increase in rates for a period of 7 years. This is not correct. Although one telephone survey, that was carried out very early in the community consultation process (and that indicated only 39% of those contacted were actually aware of intention of ADC to apply for a special rates variation), of 300 people, indicated a 56% approval of a 20% increase, two other online surveys (with 300 and 181 responses) showed that 70% and 77% were opposed to ANY rate increase.

- An SVR fact sheet sent to ADC residents said that \$7M would be spent on roads and bridges over 7 years. Yet, looking at page 25 of the IPART submission, the total to be allocated to this area is \$5,133,756. Where will the remaining almost \$2M be spent? Are there other anomalies?
 - According to the Comparative Information on NSW Local Government Report, published in October 2013, asset maintenance expenditure for the ADC in the period 2010-2012 increased significantly, with a jump of around \$6M in the 2011/2012 financial year. This appears to be at odds with the cost-cutting initiatives claimed in the ADC's SVR Fact Sheet.
6. I don't think the ADC is listening to its ratepayers. Although conceding a reduction in the increase sought from 20% to 10%, it is still ignoring 2 surveys which showed an overwhelming majority vote for no increase. It is also ignoring the input from February 8 community meeting of around 350 people, where only ONE person voted for a rate rise of any sort. The community has made it very clear – it does not want any rate increase. This has been followed up by the establishment of a Ratepayers Action Group, shortly to become the Armidale Dumaresq Ratepayers Association, determined to fight the increase. As a member of this group, I did a door-knock of 12 residents in my street (a very average middle-class suburb), and not one supported an increase. The overwhelming feeling is that we have had wasteful councils and the ADC needs to get its own house in order before asking for further ratepayer handouts. Although a very small sample, I believe this response would be very indicative of a much larger door-knock, where people have the time to understand the implications of what is being proposed, and express their own views, not simply answer a multiple choice question.

The ADC has given greatest credibility to its first survey, conducted by Jetty Research from 25th-28th November 2013, before anyone had any real information to hand from the ADC and was in no position to make an informed decision. Look at the results of that survey, available in Jetty Research's final report:

- Only 39% of respondents were aware that council was applying for a rate variation
- Only 28% claimed to have read about the SVR in the media
- Only 14%-19% were aware of the specific programs to be funded by the SVR
- 41% didn't accept any of council's SVR options
- Only 10% supported council's preferred option of 20%

The Delivery Program from the ADC strongly negates the impact of its online surveys and written submissions (of which I have made 2, with zero replies to date), stating that "only 0.0003% of ratepayers responding and understandably dominated by people against". If the ADC seeks input, it must be prepared to use the results, positive or negative. They should not be ignored, as the ADC has sought to do.

7. In conceding the reduction from a sought 20% to 10% increase, the ADC has had to make changes to its published Delivery Program (an integral part of the Integrated Planning and Reporting documentation that must be submitted to IPART) prior to making its submission to you on the 24th February for an SRV. My advice is that the ADC must place the revised Delivery Program on public display for public feedback. The ADC has clearly contravened this guideline, as we have not been provided with an opportunity to feed back our response to the adjustment passed by the ADC on 20th February 2014, and tendered to you as part of its IPR documentation.
8. IPART guidelines for community consultation with regard to an SRV also state that "Councils must be able to show that they have **fully** disclosed all relevant information to the community and **clearly** identified the impact of the proposed rates increases on ratepayers". Armidale residents have only been advised of **estimates** of their increases, and **only for year 1**, whereas IPART clearly advises that such information must show the "full cumulative impact on rates if the special variation is for 2 years or more".
9. One would have to question the sincerity of the ADC's attempts at community consultation. Some were by-invitation-only breakfast forums, the online surveys excluded elderly ratepayers and those without the technology or expertise, there was confusion over the date and time for the advertised SVR public forum.
10. We know from the collapse of the Lehman investment, that the ADC invested in excess of \$20M. Apart from the obviously bad investment, how did the ADC have a surplus of \$20M, and why was it not being used instead to service the infrastructure backlog?

11. Although other rural councils are applying for SVRs, no others come near the increase requested by the ADC. If other councils can get by with less, why not the ADC?
12. Armidale desperately needs more people to help share the rates load. I believe a large rate increase will be detrimental to that cause, for both existing and potential businesses and residents. Extra rates directly hit the hip-pocket, which directs spending from local businesses to the council. Most businesses are finding the going very tough in Armidale, with many many empty shops. Rate rises to landlords will flow through to tenants, possibly causing further business closures. This can very quickly lead to a downward spiral, dropping both business and consumer confidence. **Now is not the right time for a rates increase. Now is the time for the ADC to work within its means.**
13. The SRV submission to IPART has been signed by the newly appointed acting General Manager. Given that there were only a few days between the dismissal of the incumbent General Manager and the submission of the SRV, I question the suitability of the acting General Manager to make the submission.
14. Petitions objecting to the proposed rate rise and made available in coffee shops, newsagents etc over the last week attracted over 1654 signatures in a very short time. Some of the petitions had been mysteriously 'already picked up' when a recollection was attempted. These would undoubtedly have added many signatures.
15. I have added another file in addition to this document. In view of the projected need for an additional \$2.15m per annum plus a backlog of \$11.7m, and the fact that ADC has tended to favour 'services' other than roads/bridges and infrastructure, that file is submitted for IPART's consideration.

Appendix 1

From the most recent council meeting at the time of writing. Is this efficient use of ratepayers' monies?

That the Minutes of the Public Art Advisory Committee meeting held on 5 February 2014 be noted and the following recommendations be endorsed:

- (a) That the Public Art Advisory Panel supports the Community Labyrinth proposal for Civic Park.
- (b) That the Public Art Advisory Panel advises Council that the Community Labyrinth proposal fits within Council's Public Art Policy.
- (c) That the Public Art Advisory Panel recommends that the project management for the Community Labyrinth proposal for Civic Park is referred to the Council's Civic & Recreation Services and thanks them for the work already provided on this project.
- (d) That the Public Art Advisory Panel is updated regularly on progress of the Community Labyrinth by the project manager appointed by Civic & Recreation Services.

I look forward to your response.

Yours Sincerely,

Dale Curtis

A ‘relook at the ADC Proposal for a SRV to raise additional funds for Road Expenditure.

In projecting an SRV of 20%, the ADC proposed to raise **\$2.15m** additional funds to sustain current infrastructure. Of these funds, approximately **\$1m** was to be spent on roads/bridges.

The ADC also claimed a backlog of close to **\$11.7m** in maintaining infrastructure. Of this amount, we assume close to **50%** or **\$5.85m** could be road/bridge related.

The following screenshot taken from **2011/12 NSW Local Government comparative data** indicates ADC spends approximately **12%** of total expenditure on roads and bridges (shown in light brown segment at top left in Exhibit A below).

12% of total operating expenditure of **\$38m** in 2014/15 amounts to **\$4.56m**, presumably spend on roads and bridges.

An increase from **12% to 17%** of **\$38m** amounts to **\$6.46m** – providing an additional **\$1.9m**, (\$6.46m - \$4.56m) or close to twice the amount proposed to cover **\$1m** on roads/bridges, and leaving a balance of **\$0.9m** to eat into the backlog, i.e. **\$6.3m** over 7years (7 x \$0.9m).

The additional **5%** - from **12% to 17%** - can be achieved by fine-tuning the remaining segments of ADC activity, currently eating up **88%** of operating expenditure.

NB: a further 4%, making 9% in total, would more than cover the **\$2.15m** proposed for infrastructure upkeep as well as clearing the backlog..

Comparative expenditure on roads/bridges by other regional councils:

Bathurst 17%; Port Macq. 19%; Gunnedah 21%; Glenn Innes 22%; Goulburn 24%; Inverell 25%; Gwydir 31%; Coffs 32%; Ballina 33%; Gloucester 42%; Walcha 43%; Uralla, 68%;

Exhibit A. Extract from page 31, Local Government Comparative Data, 2011/12

- Search:
- Bookmarks Toolbar
 - Bookmarks Menu
 - Recently Bookmarked
 - Faulkner fireworks ...
 - IMG Scots Paper P...
 - HOW-TO
 - Telstra NavAssist
 - http://www.comp...
 - BigPond Broadban...
 - Compose Mail - cl...
 - TARI® SaaS
 - INBOX | Kerio Con...
 - 131965
 - Recent Tags
 - Mozilla Firefox
 - Search results - clea...
 - https://publish.apr...
 - 131965
 - INBOX | Kerio Conne...
 - http://www.comput...
 - 131965
 - HOW-TO
 - INBOX | Kerio Conne...
 - http://www.comput...
 - 131965
 - HOW-TO
 - Unsorted Bookmarks
 - Australian Taxation ...
 - DdsDocument.axd (a...
 - TARI® SaaS
 - Compose Mail - cl...
 - BigPond Broadband ...
 - Telstra NavAssist
 - IMG Scots Paper Pub...
 - Faulkner fireworks lif...

Armistide Dumaresq Council

Armistide Dumaresq has an area of approximately 4,235.1 km² with a population of 25,270. Home to the University of New England and a regional centre located in the New England and Northern Tablelands regions. With education, retail, services and agriculture as its main industries, its annual events include the Australian Wool Fashion Awards and the New England Wool Expo.

Your Local Government Area	LGA	Group Avg	Your Council	LGA	Group Avg
Five year population change	1.8%	1.5%	Number of Councillors	10	10
Population aged <15	23.3%	26.3%	Population per Councillor	2,527	3,576
Population aged >20 -59	52.3%	49.9%	Number of Equivalent Full Time Staff	236	310
Population aged >60	19.4%	23.9%	2011/12 Revenue (\$'000)	\$46,065	\$75,132
Aboriginal & Torres Strait Islanders	6.3%	4.1%	Revenue per capita	\$1,028	\$2,071
Language Other than English	6.5%	4.5%	Expenses per capita	\$1,630	\$1,956
Socio-Economic Index Ranking (1 lowest)	103	N/A	Population Density (Residents per km ²)	5.97	85.24

Your Local Economy	LGA	Group Avg	Your Public Facilities & Social Factors	LGA	Group Avg
Unemployment Rate	7.4%	6.3%	Number of Public Swimming Pools	1	3
Average Taxable Income (\$)	\$38,598	\$39,851	Number of Public Halls	6	12
Average Household Family Size	3.0	2.9	Number of Public Libraries	1	3
Largest Industry Employer	Education and training		Open Public Space (ha)	1,972	1,006
Value of DAs determined (\$'000)	\$64,159	\$82,333	% Pensioner Rebates	16.3%	21.4%
Tourist Accommodation Establishments	16	17	Access to Internet at Home	71.50%	68.16%

Your Council's Rates and Spending

Average Residential General Rates Trend Over 3 Years

Expenditure of Services

Your Council's Waste Services

Reducing Waste

Infrastructure Maintenance Expenditure

TCorp has assessed your Council's current Financial Sustainability Rating as Moderate with a Neutral outlook.
The Infrastructure Audit assessed Council's infrastructure management to be Moderate.