

Special Rate Variation Survey Analysis – November 2022



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Analysis of the Special Rate Variation Survey

Armidale Regional Council recently engaged with its community to seek feedback on a Special Rate Variation (SRV) proposal of 50% (58.81% cumulative) over three years, commencing 2023/24 financial year. Among other methods of seeking feedback, Council released an online survey on its website from August to September 2022. A total of 375 surveys were completed. A full report on the engagement methods and responses during this period can be found in the Centium 'Armidale Regional Council Proposed SRV 2023-2036, Community Engagement Summary Report'.

The online survey was a useful tool in testing people's appetite for the two options that were referred to as 'Managed Decline' or 'Special Rate Variation':

- Managed Decline - where operational services are cut to free up funds for renewal of ageing infrastructure assets (but the state of local assets will continue to worsen as ARC still won't have sufficient funds to keep up with renewal needs).
- Special Rate Variation (SRV) - SRV is part of the solution to restore the real cost of maintaining assets and providing services to grow and be sustainable, generate additional funds to enable ARC to bridge the \$6.9 million infrastructure renewal funding shortfall, and invest an additional \$3.2 million in improving Council's service delivery.

A third option of doing nothing was also discussed during the community engagement.

The survey sought to encourage respondents to read the information pack before completing the survey. 86% of survey respondents indicated they had read the information pack.

Using the core data from Appendix 1, Armidale Regional Council have been able to make the interpretations outlined in this report.

Key Findings

The overall finding from the survey responses was that the majority of respondents were not in favour of an SRV, and selected the Managed Decline option. A total of 66 per cent of survey participants were 'against' the proposed SRV of 50% (58.81% cumulative) rate rise over three years, with 28 per cent 'supportive' and 6 per cent 'no response'.

However, when the survey asked how supportive respondents would be to reducing services (an unavoidable outcome of the Managed Decline option) - 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. This demonstrates that although the community generally does not want to pay more in rates, they also do not want to reduce services or growth activity.

A. Which option do you support overall?

The majority of respondents indicated that they preferred the 'managed decline' option over the 'Special Rate Variation' option. This was even higher for those in the farming sector – see figures 1 and 2 below. This is an interesting outcome when considered against the weight of opinion against reduced spending if an SRV was not successful – refer figure 3 below.

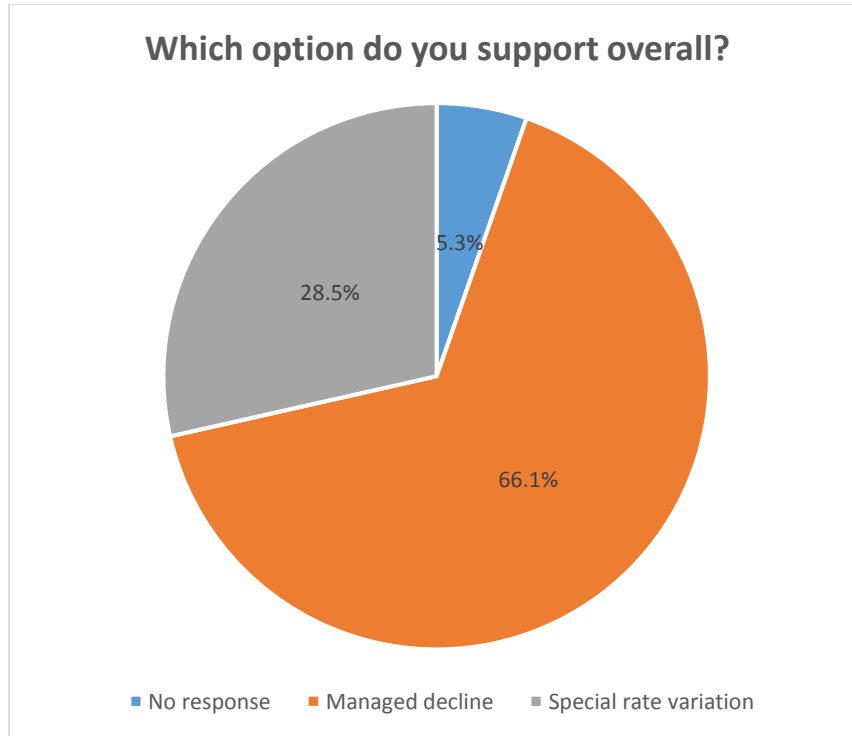


Figure 1 – Which option do you support overall?

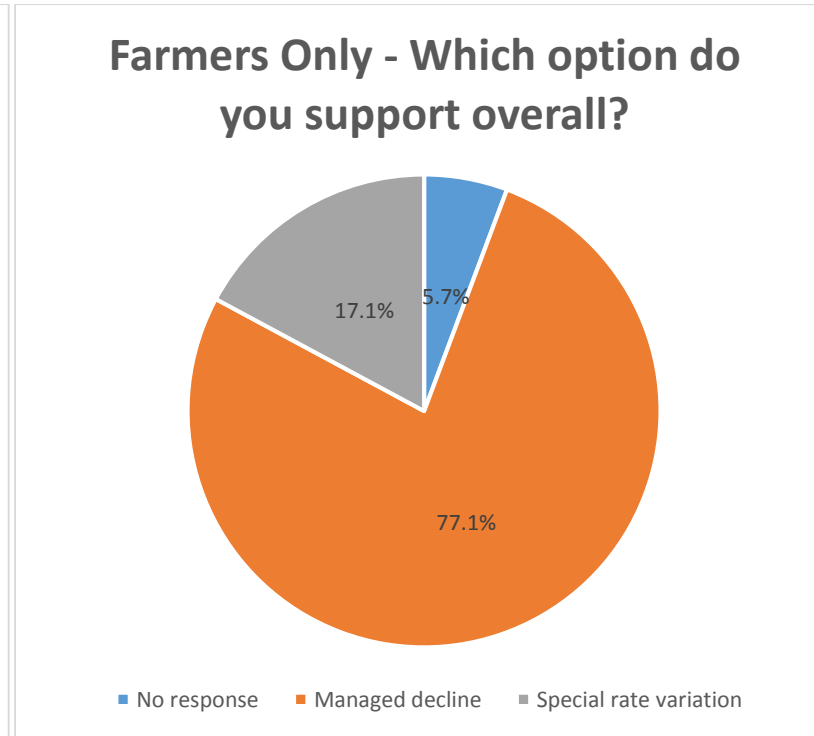


Figure 2 – Which option do you support overall farming ratepayers?

B. Chose Managed Decline – Support for Reduced Spending if Council Unsuccessful with SRV Application

Those respondents who chose **managed decline** as their preferred option, were also not supportive of most of the options proposed for reduced spending – see figure 3 below.

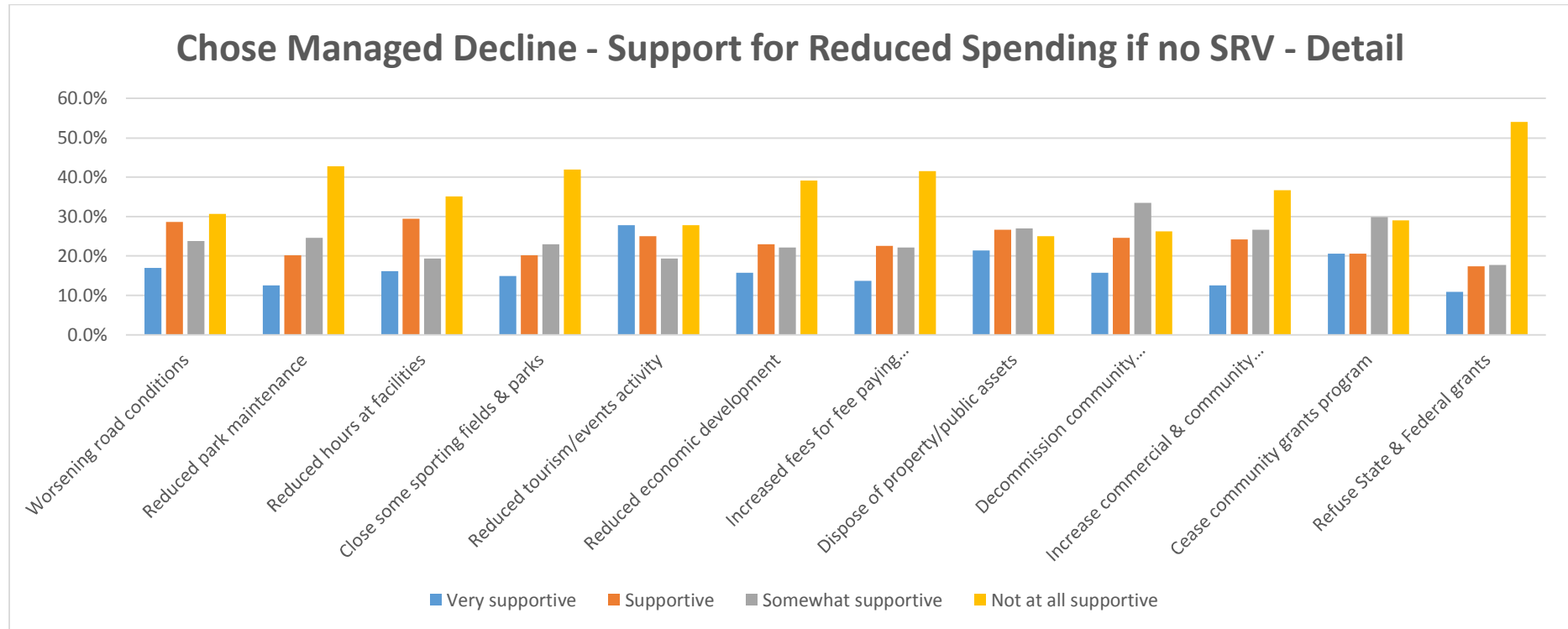


Figure 3 – detailed view of support for additional spending from SRV funding if respondents chose managed decline as preferred option

C. Reduced Spending if Council Unsuccessful with SRV Application

If Council is unsuccessful in its application for an SRV, there is relatively low support for reducing spending on the options proposed.

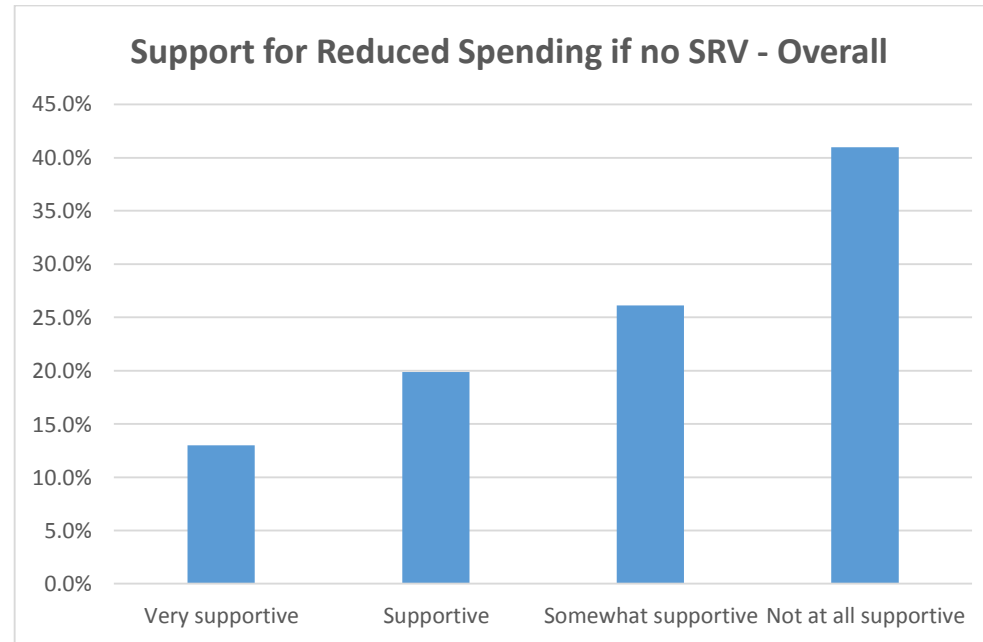


Figure 4 – support for reduced spending if Council unsuccessful with SRV application

Upon closer analysis, there appears to be no support at all (very near or above 50%) for reduced park maintenance, closing some sporting fields and parks, reducing economic development or refusing State and Federal grants.

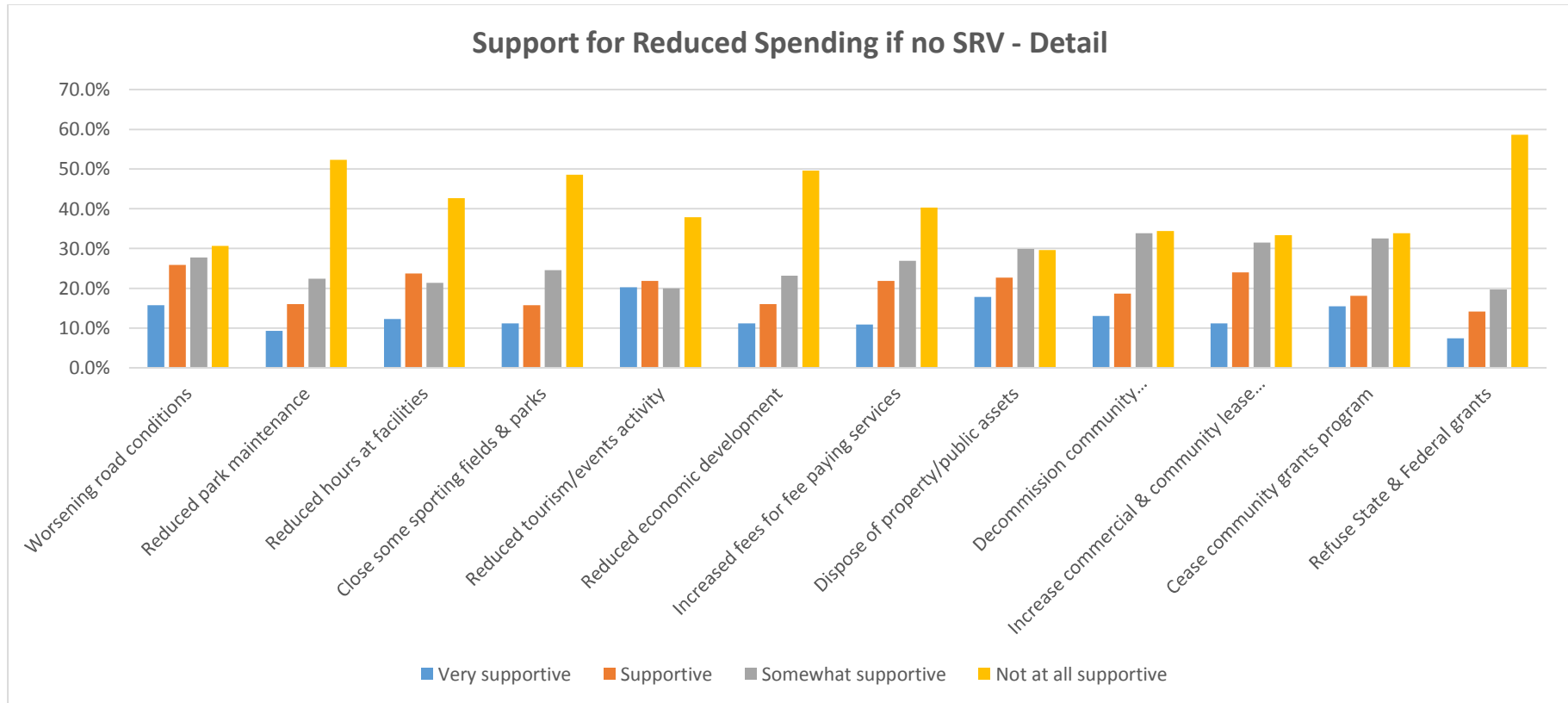


Figure 5 – detailed view of support for reduced spending if Council unsuccessful with SRV application

From the perspective of those in the farming sector, they least support reduced spending on roads, park maintenance, decommissioning community buildings or refusing State and Federal grant funding – see figure 6.

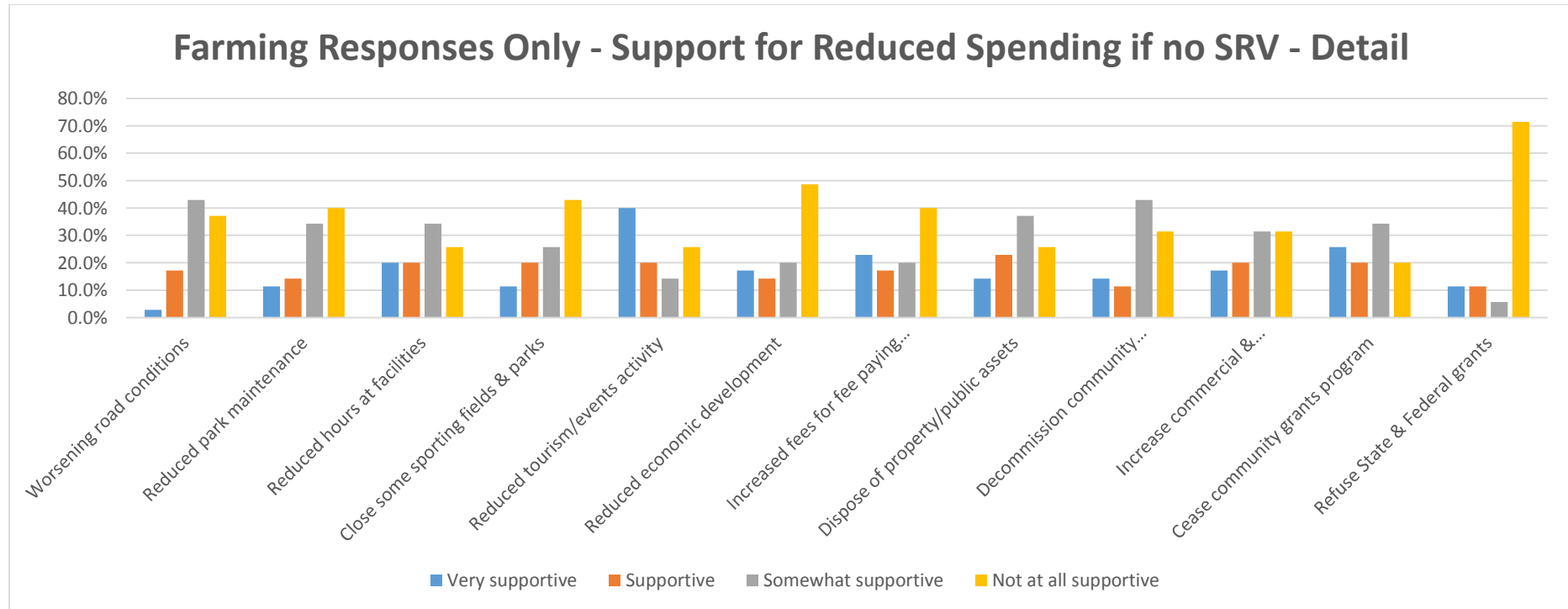


Figure 6 – detailed view of support for reduced spending if Council unsuccessful with SRV application – farming ratepayers

Residential ratepayers on the other hand were less supportive of reduced spending on park maintenance, closing some sporting fields and parks, reduced economic development or refusing State and Federal government grants – see figure 7.

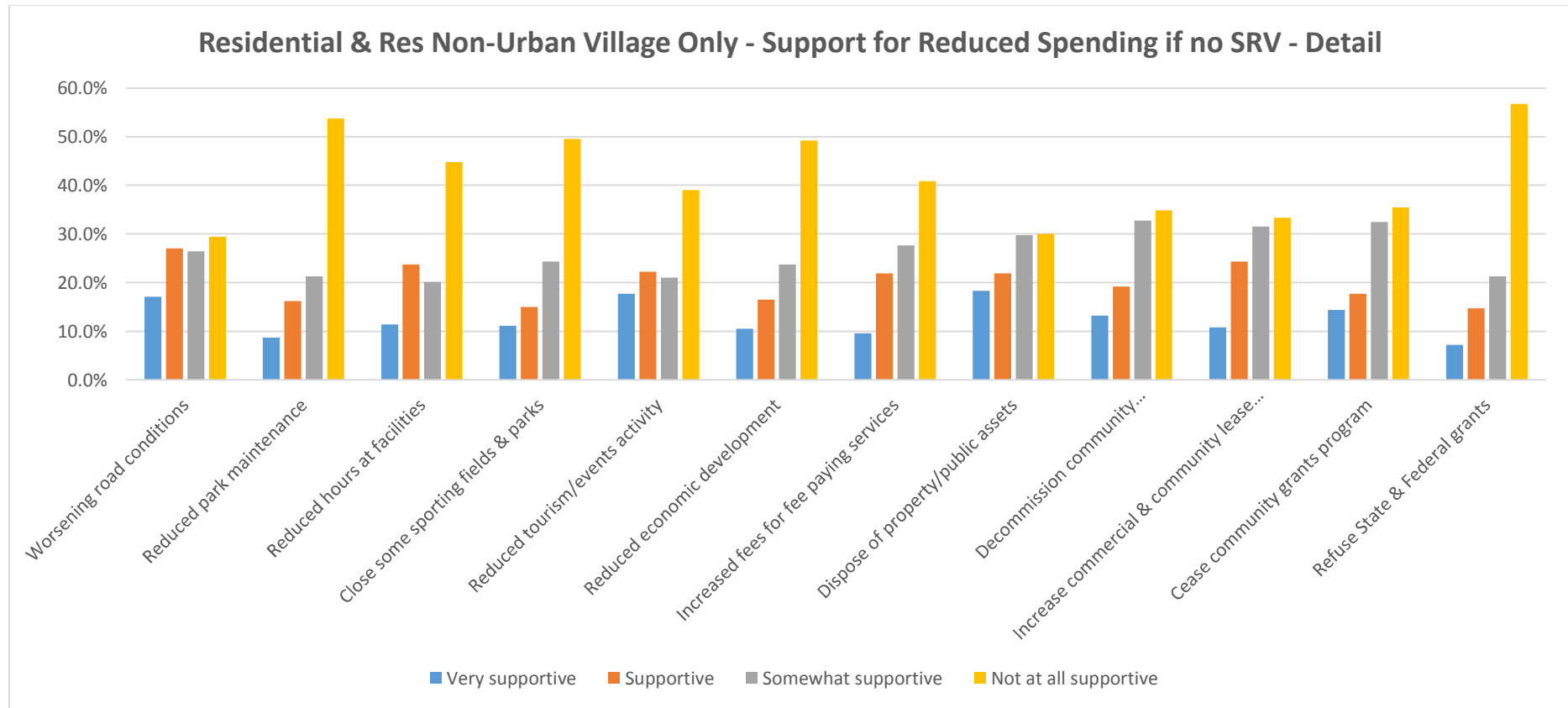


Figure 7 – detailed view of support for reduced spending if Council unsuccessful with SRV application – residential ratepayers

D. If Council is Successful with SRV Application, Support for Spending Alternatives

If Council is successful in its application for an SRV, the support for spending the additional revenue on the options proposed is fairly evenly spread between 'very supportive' right through to 'not at all supportive' – see figure 8 below.

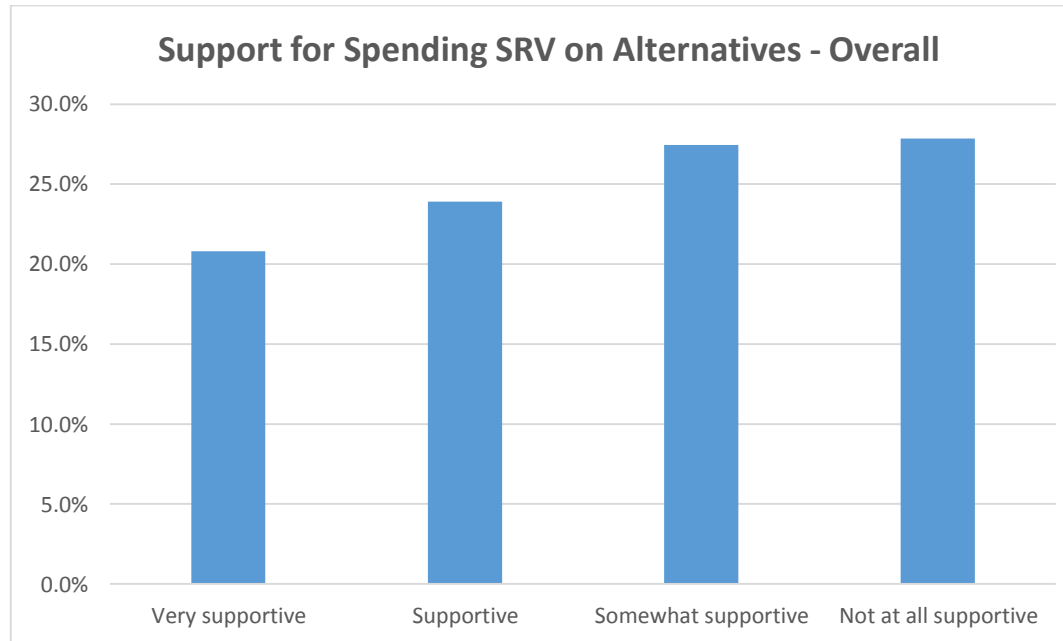


Figure 8 – support for spending if Council is successful with SRV application

Options proposed were:

Maintaining local roads - sealed and unsealed	Maintaining local playgrounds
Repairing timber bridges	Economic development
Renewing existing and building new footpaths and cycleways	Planning the growth of the area
Relining and upgrading our urban stormwater drainage system	Maintaining local assets
Maintaining community buildings	Maintaining public space and amenity
Maintaining parks and sporting fields	

Again, upon closer analysis, most support is for maintaining roads and least support is for renewing and building footpaths and cycleways or maintaining community buildings – see figure 9 below.

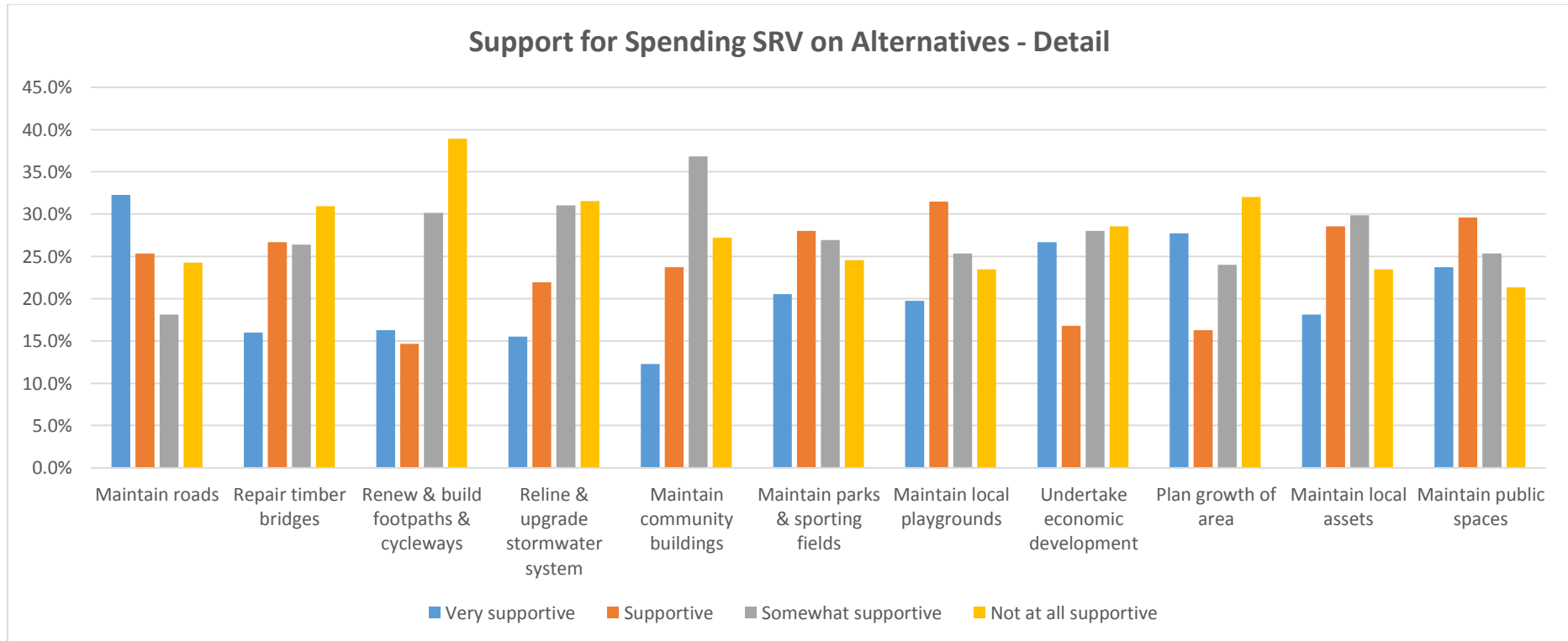


Figure 9 – detailed view of support for additional spending from SRV funding if Council is successful with application

From the perspective of those in the farming sector, they most support maintaining local roads, repairing timber bridges and maintaining local playgrounds whilst least supporting renewing and building footpaths and cycleways, maintaining community buildings or planning the growth of the area – see figure 10.

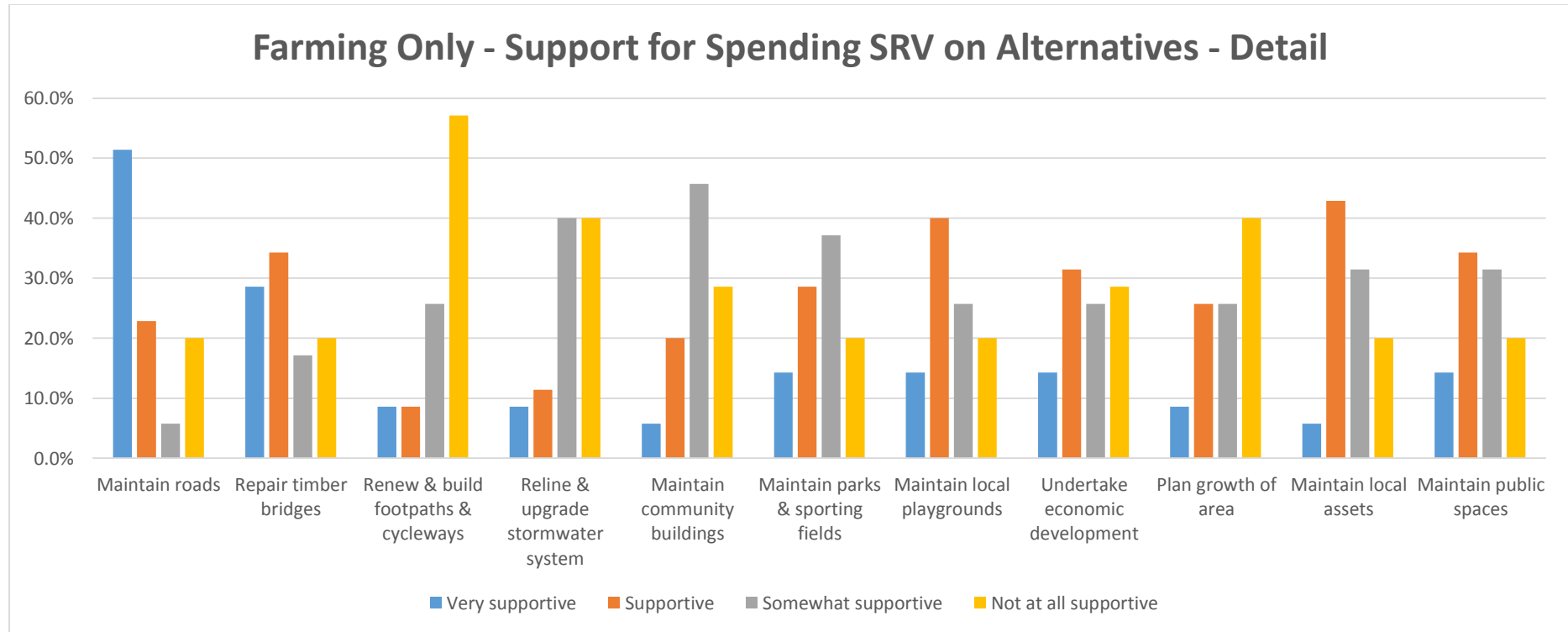


Figure 10 – detailed view of support for additional spending from SRV funding if Council is successful with application – farming ratepayers

Residential ratepayers were also supportive of maintaining local roads and maintaining local playgrounds whilst also being supportive of maintaining public space and amenity and parks and sporting grounds. This group were least supportive (by more than 59%) of repairing timber bridges, renewing existing or building new footpaths and cycleways, relining and upgrading stormwater drainage or maintaining community buildings – see figure 11.

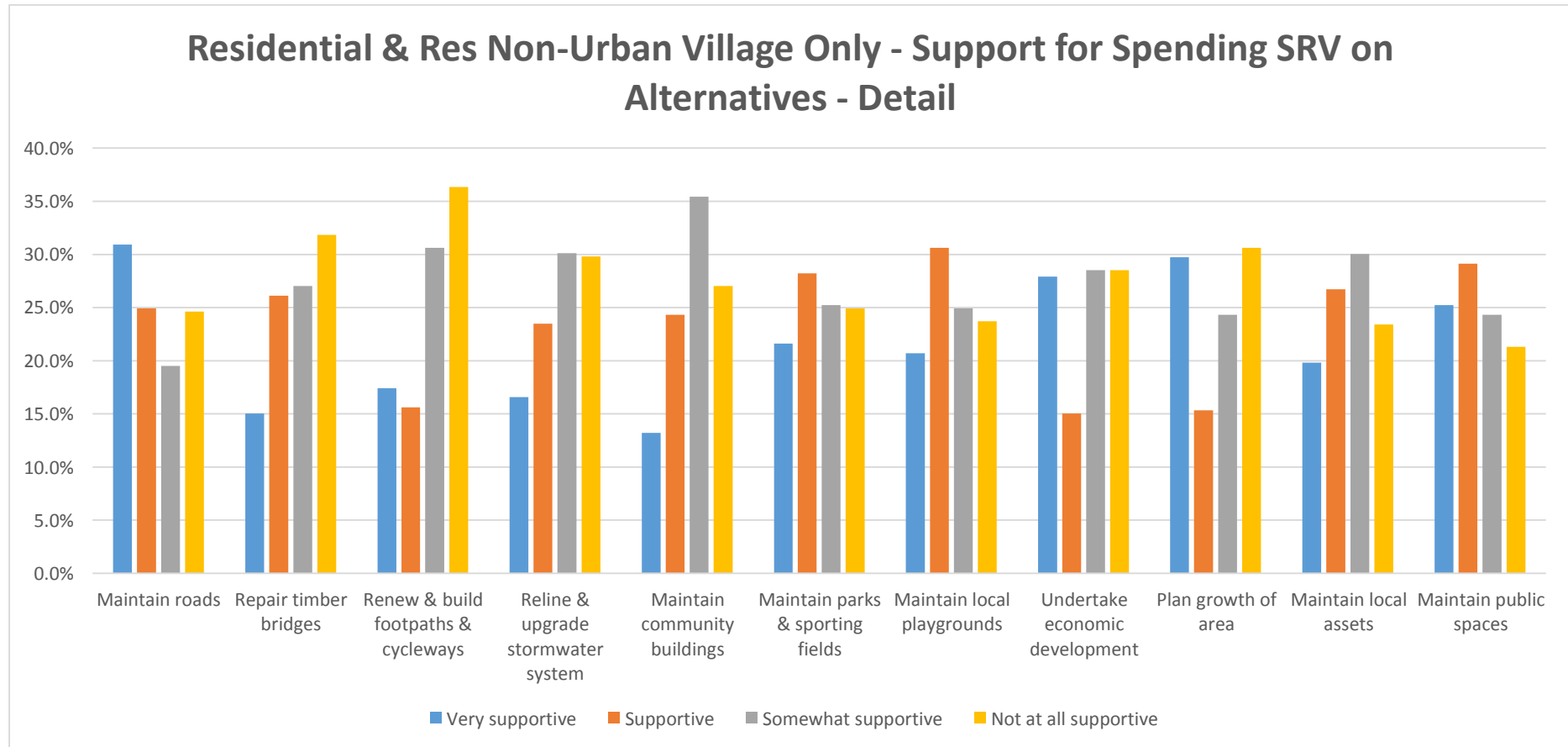


Figure 11 – detailed view of support for additional spending from SRV funding if Council is successful with application – residential ratepayers

E. How manageable is this proposed rate increase?

Most respondents indicated that the proposed rate increase was either slightly manageable or very unmanageable. This was even higher for those in the farming sector – see figures 12 and 13 below.

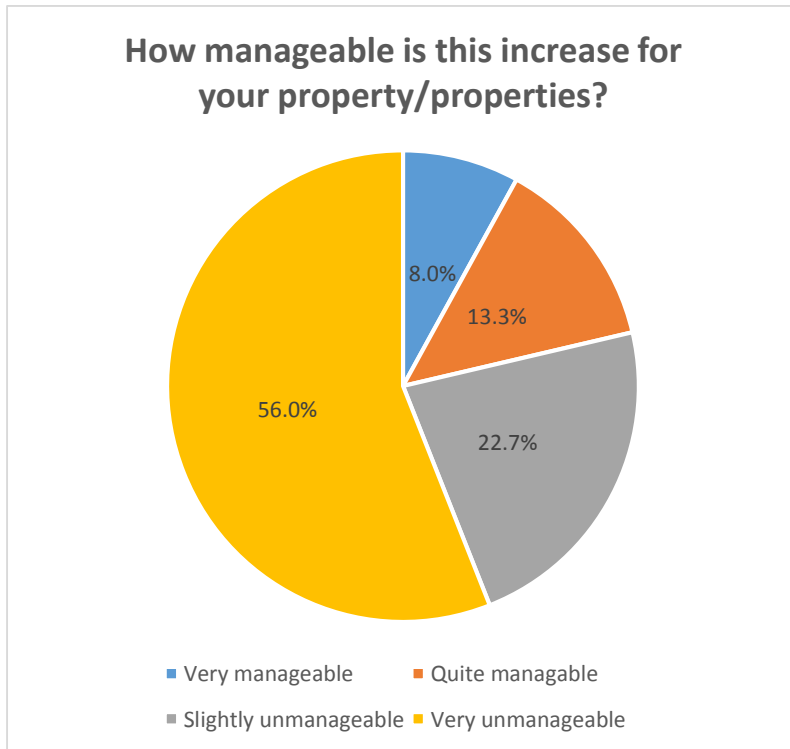


Figure 12 – How manageable is this proposed rate increase?

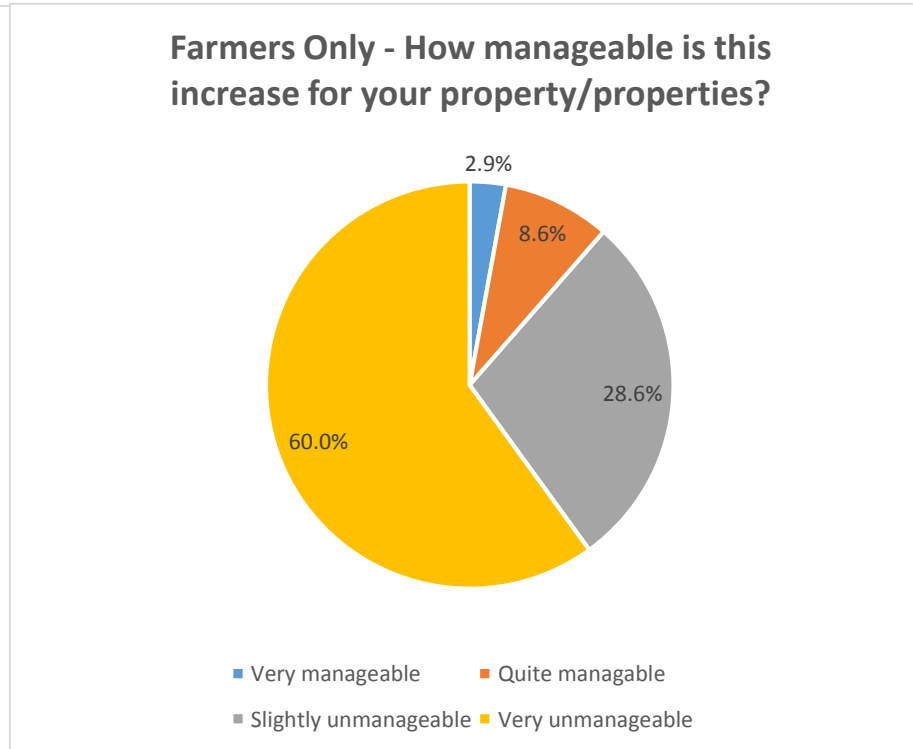


Figure 13 – How manageable is this proposed rate increase – farming ratepayers

F. Key themes from freehand comments

Respondents were given the opportunity on three occasions to provide freehand comments and two of the key themes from this feedback is below:

Do you have any comments or suggestions to improve Council efficiency?

More than 240 respondents provided up to 267 options or comments across twenty different groupings on how to improve council efficiency. The key themes from these responses included:

	Responses
Better management of spending; better, faster & cheaper; fewer consultants	56
Have competent, efficient & conscientious office/ outdoor staff; no time wasters	26
Reduce wages of top level staff, or all staff, or reduce number of staff	26
Keep doing what you are doing - a good job	11
Live within your means; budget better	11
Find alternative revenue sources e.g. gov't grants	9
Leave development projects to private developers; don't do projects you can't handle	9
Focus on core services – roads, rubbish	6
Better use of benchmarking or KPI's; better planning	6
Total (Number)	160

Do you have any other ideas for saving public money?

More than 223 respondents provided up to 264 options or comments across eighteen different groupings on other ideas for saving public money. The key themes from these responses included:

	Responses
Better management of workforce, reduce staff numbers, reduce total employment cost	53
Make sensible decisions when spending public monies, better budgeting, spend carefully	40
Better asset management, extend life of asset (to reduce depreciation); grant money to fund additional depreciation; do renewal right the first time	17
More volunteers	11
Reduce pay & number of executive positions	11
Promote development	11
Stick to basic services - roads, rubbish; just critical things	9
Reduce number of councillors and/or their pay	9
Total (Number)	161

Appendix 1 – Core Data

Question 1: Have you downloaded and read the information pack included on the Your Say webpage?

	Yes	No
<i>Number</i>	322	53
<i>Percent</i>	86%	14%

Question 2: Where do you live?

Armidale	278
Armidale - rural areas	34
Guyra	26
Guyra - rural areas	7
Ebor	3
Hillgrove	2
Wollomombi	4
Ben Lomond	2
Llangothlin	-
Black Mountain	4
Wards Mistake	-
Other	15
Total (Number)	375

Question 3: What type of rates do you pay?

	Submissions	Total assessments	% completing survey
Residential	309	9,289	3.3%
Residential (Non-Urban/Village)	24	1,529	1.6%
Farmland	35	1,487	2.4%
Business	7	723	1.0%
Mining	-	11	0.0%
I don't pay rates	-		
Total (Number)	375	13,039	2.9%

Question 4: How confident are you that your new Council is working towards financial sustainability and governing efficiently and responsibly?

Very confident	28
Quite confident	75
Not very confident	154
Not confident at all	118
Total (Number)	375

Question 5: Do you have any comments or suggestions to improve Council efficiency?

Freehand responses.

Question 6: If council needs to reduce its spending to ensure that local assets do not fall into disrepair, how supportive would you be of these options?

	Very supportive	Supportive	Somewhat supportive	Not at all supportive
Worsening road conditions	59	97	104	115
Reduced mowing, maintenance, and toilet cleaning in parks	35	60	84	196
Reducing hours at the libraries, swimming pools, customer service counter and museum	46	89	80	160
Closing some sporting fields and parks	42	59	92	182
Reduced activity in tourism marketing and events	76	82	75	142
Reducing economic development	42	60	87	186
Increasing fees for the preschool, airport, home support service	41	82	101	151
Disposing of property and public assets	67	85	112	111
Decommissioning community buildings and facilities	49	70	127	129
Increasing commercial and community lease fees	42	90	118	125
Ceasing the community grants program	58	68	122	127
Refusing state and federal government grants for new assets due to lack of matching funds or funds for ongoing maintenance	28	53	74	220
Total (Number)	585	895	1,176	1,844

Question 7: Do you have any other ideas for saving public money?

Freehand responses.

Question 8: Do you support additional funds from the SRV being made available for the following?

	Very supportive	Supportive	Somewhat supportive	Not at all supportive
Maintaining local roads - sealed and unsealed	121	95	68	91
Repairing timber bridges	60	100	99	116
Renewing existing and building new footpaths and cycleways	61	55	113	146
Relining and upgrading our urban stormwater drainage system	58	82	116	118
Maintaining community buildings	46	89	138	102
Maintaining parks and sporting fields	77	105	101	92
Maintaining local playgrounds	74	118	95	88
Economic development	100	63	105	107
Planning the growth of the area	104	61	90	120
Maintaining local assets	68	107	112	88
Maintaining public space and amenity	89	111	95	80
Total (Number)	858	986	1,132	1,148

Question 9: How manageable is this increase for your property (ies)?

Very manageable	30
Quite manageable	50
Not very manageable	85
Not manageable at all	210
Total (Number)	375

Question 10: Which option do you support overall?

Managed decline	248
Special rate variation	107
No response	20
Total (Number)	375