

From: [IPART Mailbox](#)
To: [Local Government Mailbox](#)
Subject: TRIM: FW: Armidale Dumeresq submission for a SRV
Date: Monday, 10 March 2014 7:45:53 AM
Attachments: [Comparative KPIs.docx](#)

From: Keith Cleland [REDACTED]
Sent: Sunday, 9 March 2014 11:43 AM
To: IPART Mailbox
Subject: Armidale Dumeresq submission for a SRV

ADC submission for a SRV of 10% on 24th February 2014 bases its claim for community support on 56% satisfaction response from a telephone survey of 300 ratepayers. That particular survey took place when it was ADC's intention to apply for a 20% increase.

To further support the SRV at the 20% level, ADC held a public 'workshop' meeting at the Town Hall on 8th February. By this time, given greater awareness of the proposed SRV and its likely impact at a time when cattle and sheep were being sold off at giveaway prices due to severe drought with consequent impact on the local economy - some rural ratepayers were faced with annual increases ranging from \$2000 - \$5000 and more - the Town Hall was packed with standing room only for latecomers, with some 300 - 350 attending.

Following an address on finances by the Acting General Manager and a consultant hired by ADC to 'sell' the proposal, the intense displeasure so obvious from the outset of the meeting boiled over, dismissing the idea of breaking into workshop groups in favour of ratepayers addressing the Councillors directly.

Given the obvious strength of opposition, supported by a petition, by Friday 21st February, the ADC formally resolved to reduce the SRV from 20% to 10%.

Placed in some 20 businesses, including coffee shops, hairdressers and newsagents, and signed by more than 1500 ratepayers, complete with addresses and phone contacts, the petition has been forwarded to IPART by mail.

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, the attached is submitted for IPART's consideration.

Dr Keith Cleland



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

