



# SHERIDAN STREET REDEVELOPMENT

## GUNDAGAI SHIRE COUNCIL RATE INCREASE

Gundagai Main Street Redevelopment provides for a major streetscape upgrade to Sheridan Street valued at \$4million, proposed to be funded by a \$3million loan and \$1million from Council funds. The Project is identified with high priority within the “Gundagai Shire Community Plan 2012-22”. Council working with the Main Street Committee have worked together to develop a well considered and informed proposal. The design plan has been endorsed by Council and is on display at Council’s Administration Office, Gundagai Library & in the shopfront at 170 Sheridan Street.

The project includes:

- Creating an attractive and accessible place to stopover for Hume Highway travellers half way between Sydney and Melbourne.
- Enhance economic and business development within the town.
- Enhancement to the safety and access for the elderly, frail and disabled.
- Local heritage and culture are valued, preserved and celebrated throughout the design.





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### *FREQUENTLY ASKED QUESTIONS*

#### **Q. What is a Rate Peg and a Special Rate Variation (SRV)?**

Generally, Rates increase in line with an amount set by the State Government. This amount is calculated every year and is called the 'rate peg'. It is determined by the Independent Pricing and Regulatory Tribunal (IPART) and is approximately 3% per year (2.3% for 2014/15). Councils can apply to IPART for a Special Rate Variation (SRV) to seek additional funds above the rate peg. Any rate increase above the rate peg is called a 'Special Rate Variation' (SRV).

#### **Q. Where does Council get its income from?**

Council receives income from a range of places. These include rates, charges, investments, loans, government grants and funding. Whilst its income streams are diverse and varied, the only constant stable source of income is money from rates. Rates & Annual Charges make up about 1/3 of Council's income. Rates increase in accordance with the 'rate peg', which is determined annually by IPART.

#### **Q. Council puts up rates every year so why can't that pay for the new work?**

As advised, the State Government sets a limit on the total amount of income that a council can raise from certain rates and charges. However, the rate peg increase is absorbed by increased annual costs of materials, electricity, streetlighting, fuel and staffing through efficiency improvements, hence it means that any additional/major programs/projects cannot be funded from this source.

#### **Q. Why must Council borrow money to pay for these works and services?**

Given the commitment of existing funds to ongoing works and services, Council must borrow money in order to pay for the capital upgrade of Sheridan Street, which will benefit current and future generations. The SRV will cover the debt servicing costs of the loan over the next 10 years. Council will also undertake an application under the Local Infrastructure Renewal Scheme (LIRS) round three. This State Government Scheme is for infrastructure backlog projects above \$1million in nature, and offers an interest rate subsidy of up to 3%. Approval of the application will not be known for some months.

#### **Q. What will happen if we don't have an SRV?**

The debt servicing costs of the external loan required to fund the Sheridan Street upgrade project will not be affordable to Council without a SRV. If a SRV is not approved, the Sheridan Street project will either be scrapped or modified. To fund the \$4million project, an external loan of \$3m will need to be applied for, with contributions from TID Fund (\$350,000), Water (\$300,000) and Sewer Fund (\$350,000) totalling the other \$1million. It should be noted that previous grant applications to assist in the funding of the project have been unsuccessful.

#### **Q. What happens next?**

All community feedback will be reviewed by Council, and at its meeting in February 2014 Council will decide whether to proceed with an SRV. If Council decides to proceed, then an application for an SRV will be submitted to IPART by 24 February 2014. A decision by IPART is expected by mid-June 2014 and the new rates will be applicable from July 2014.



# SHERIDAN STREET REDEVELOPMENT

## GUNDAGAI SHIRE COUNCIL RATE INCREASE

Sample effect on Ratepayers for the next 10 years—WHERE **MINIMUM** RATES ARE PAID

Each rating category below gives an example of what rates would be with the SRV of 14.3% and with no SRV (rate peg only\*).

### RESIDENTIAL

A total of 1,097 (76%) of **residential** ratepayers currently have a land value subject to the minimum rate.

|   | Current Yr | 2014/15   | 2015/16   | 2016/17   | 2017/18   | 2018/19   | 2019/20   | 2020/21   | 2021/22   | 2022/23   | 2023/24   |
|---|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| SRV 14.3%   | \$ 258.00  | \$ 300.83 | \$ 310.76 | \$ 321.01 | \$ 331.60 | \$ 342.55 | \$ 353.85 | \$ 365.53 | \$ 377.59 | \$ 390.05 | \$ 402.92 |
| No SRV  | \$ 258.00  | \$ 263.93 | \$ 272.64 | \$ 281.64 | \$ 290.94 | \$ 300.54 | \$ 310.45 | \$ 320.70 | \$ 331.28 | \$ 342.21 | \$ 353.51 |
| DIFFERENCE  |            | \$ 36.89  | \$ 38.11  | \$ 39.37  | \$ 40.67  | \$ 42.01  | \$ 43.40  | \$ 44.83  | \$ 46.31  | \$ 47.84  | \$ 49.41  |
| Minimum Residential rate payer - EXTRA \$ over 10 years |            |           |           |           |           |           |           |           |           |           | \$ 428.84 |

### BUSINESS

A total of 83 (49%) of **business** ratepayers currently have a land value subject to the minimum rate.

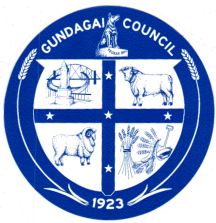
|  | Current Yr | 2014/15   | 2015/16   | 2016/17   | 2017/18   | 2018/19   | 2019/20   | 2020/21   | 2021/22   | 2022/23   | 2023/24   |
|--|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| SRV 14.3%  | \$ 456.15  | \$ 531.87 | \$ 549.42 | \$ 567.55 | \$ 586.28 | \$ 605.63 | \$ 625.62 | \$ 646.26 | \$ 667.59 | \$ 689.62 | \$ 712.38 |
| No SRV   | \$ 456.15  | \$ 466.64 | \$ 482.04 | \$ 497.95 | \$ 514.38 | \$ 531.35 | \$ 548.89 | \$ 567.00 | \$ 585.71 | \$ 605.04 | \$ 625.01 |
| DIFFERENCE   |            | \$ 65.23  | \$ 67.38  | \$ 69.61  | \$ 71.90  | \$ 74.28  | \$ 76.73  | \$ 79.26  | \$ 81.87  | \$ 84.58  | \$ 87.37  |
| Minimum Business rate payer - EXTRA \$ over 10 years |            |           |           |           |           |           |           |           |           |           | \$ 758.20 |

### FARMLAND

A total of 131 (14%) of **farmland** ratepayers currently have a land value subject to the minimum rate.

|  | Current Yr | 2014/15   | 2015/16   | 2016/17   | 2017/18   | 2018/19   | 2019/20   | 2020/21   | 2021/22   | 2022/23   | 2023/24   |
|--|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| SRV 14.3%  | \$ 258.00  | \$ 300.83 | \$ 310.76 | \$ 321.01 | \$ 331.60 | \$ 342.55 | \$ 353.85 | \$ 365.53 | \$ 377.59 | \$ 390.05 | \$ 402.92 |
| No SRV   | \$ 258.00  | \$ 263.93 | \$ 272.64 | \$ 281.64 | \$ 290.94 | \$ 300.54 | \$ 310.45 | \$ 320.70 | \$ 331.28 | \$ 342.21 | \$ 353.51 |
| DIFFERENCE   |            | \$ 36.89  | \$ 38.11  | \$ 39.37  | \$ 40.67  | \$ 42.01  | \$ 43.40  | \$ 44.83  | \$ 46.31  | \$ 47.84  | \$ 49.41  |
| Minimum Farmland rate payer - EXTRA \$ over 10 years |            |           |           |           |           |           |           |           |           |           | \$ 428.84 |

\*rate peg is 2.3% for 2014/15, and is assumed to be 3.3% each year thereafter



# SHERIDAN STREET REDEVELOPMENT

## GUNDAGAI SHIRE COUNCIL RATE INCREASE

Sample effect on Ratepayers for the next 10 years—BASED ON **AVERAGE** RATES PAID

Each rating category below gives an example of what rates would be with the SRV of 14.3% and with no SRV (rate peg only).

### COMPARATIVE DATA

#### AVERAGE RATE PER ASSESSMENT - COMPARISON TO NEIGHBOURING COUNCILS

| 2012/13 average rate per assessment (\$) | Gundagai | Tumut   | Cootamundra | Harden  | Junee   | Wagga   | Yass    |
|--|----------|---------|-------------|---------|---------|---------|---------|
| <b>Residential</b>                       | \$280    | \$645   | \$621       | \$452   | \$564   | \$937   | \$683   |
| <b>Farmland</b>                          | \$1,941  | \$1,588 | \$2,142     | \$2,211 | \$1,876 | \$2,266 | \$1,957 |
| <b>Business</b>                          | \$653    | \$1,892 | \$1,692     | \$820   | \$1,382 | \$5,255 | \$2,001 |

Source: Rating Return 2012/13 Schedule 2

The comparative data table (left) compares Gundagai's rates (on average) to our neighbouring Councils. This data is for 2012/13 financial year.

The table below shows, on average, the increase for the following 10 years with the SRV of 14.3%. For Farmland, the current average rate per hectare is \$8.75/ha. This would increase to \$10.23/ha for 2014/15 (on average).

#### AVERAGE RATE PER ASSESSMENT - INCLUDING SRV OF 14.3% & RATE PEG OF 2.3% FOR 2014/15 THEN 3.3% EACH YEAR AFTER

|                    | Current Year 2013/14     | Year 1 2014/15 |                    | Year 2 2015/16 |                    | Year 3 2016/17 |                    | Year 4 2017/18 |                    | Year 5 2018/19 |                    | Year 6 2019/20 |                    | Year 7 2020/21 |                    | Year 8 2021/22 |                    | Year 9 2022/23 |                    | Year 10 2023/24 |                    |
|--------------------|--------------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|-----------------|--------------------|
|                    | Existing Average Rate \$ | New Rate \$    | Annual Increase \$ | New Rate \$    | Annual Increase \$ | New Rate \$    | Annual Increase \$ | New Rate \$    | Annual Increase \$ | New Rate \$    | Annual Increase \$ | New Rate \$    | Annual Increase \$ | New Rate \$    | Annual Increase \$ | New Rate \$    | Annual Increase \$ | New Rate \$    | Annual Increase \$ | New Rate \$     | Annual Increase \$ |
| <b>Residential</b> | 289                      | 338            | 49                 | 349            | 11                 | 360            | 12                 | 372            | 12                 | 385            | 12                 | 397            | 13                 | 410            | 13                 | 424            | 14                 | 438            | 14                 | 452             | 14                 |
| <b>Farmland</b>    | 1,996                    | 2,334          | 338                | 2,411          | 77                 | 2,491          | 80                 | 2,573          | 82                 | 2,658          | 85                 | 2,746          | 88                 | 2,836          | 91                 | 2,930          | 94                 | 3,027          | 97                 | 3,127           | 100                |
| <b>Business</b>    | 678                      | 793            | 115                | 819            | 26                 | 846            | 27                 | 874            | 28                 | 903            | 29                 | 932            | 30                 | 963            | 31                 | 995            | 32                 | 1,028          | 33                 | 1,062           | 34                 |



# SHERIDAN STREET REDEVELOPMENT

## GUNDAGAI SHIRE COUNCIL RATE INCREASE

### COMMUNITY SURVEY

Gundagai Shire Council needs your feedback to decide whether or not the Sheridan Street Redevelopment will go ahead. The Gundagai community feedback will determine whether Council pursues a SRV application, which will in turn fund the Sheridan Street project. The Project is identified with high priority within the "Gundagai Shire Community Plan 2012-22", however, Council is now asking the question to all ratepayers, are you prepared to pay more rates to assist the funding of this major redevelopment project for Gundagai? Your feedback is very much appreciated.

1. Are you a property owner in the Gundagai Shire?

☐ Yes → I pay ☐ Farmland Rates

☐ Business Rates

☐ Residential Rates

☐ No → I'm a ☐ Resident

☐ Visitor

☐ Other \_\_\_\_\_

2. Do you think the current condition of Sheridan Street is:

☐ Unsatisfactory

☐ Satisfactory

☐ Other \_\_\_\_\_

3. Would you be likely to attend an public forum (at Council Chambers) about the proposed rate increase to fund the Main Street Project on:

☐ Tuesday 4th February at 12 Midday?

☐ Wednesday 5th February at 5.30pm?

4. Would you be happy to pay 14.3% more rates over 10 years if it resulted in an upgraded Sheridan Street?

☐ Yes

☐ No

*Why or why not (Please comment)?*

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***Please return this survey by 7th February 2014 by:***

- ***Post to PO Box 34, GUNDAGAI 2722;***
- ***email to [mail@gundagai.nsw.gov.au](mailto:mail@gundagai.nsw.gov.au);***
- ***Drop in the box at Gundagai Library or the Council Office***