

Mr Kristian Williams

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23/3/14

Local Government Team

Independent Pricing and Regulatory Tribunal of NSW

PO BOX Q290

QVB Post Office NSW 1230

Without Prejudice

RE: WCC FSR 'Securing our Future' Special Rate Variation Request

Dear IPART,

While I am an elected Convenor of one of Wollongong City Councils supported neighbourhood forums, the points below only represent my concerns regarding the Wollongong City Council FSR process and its application to IPART for a special rate variation request on 24th of February 2014. My views may not reflect all of our members views nor was this letter put to our neighbourhood forum members as a motion for endorsement given the potentially political or prejudicial nature of this issue to all neighbourhood forums. This letter is therefore NOT presented on behalf of our neighbourhood forum, however, It is my opinion that IPART should after giving consideration to my concerns reject Wollongong City Councils application to IPART this year for a special rate variation.

In principle, I agree and support many of the assertions made by SOSW (Save our services Wollongong) submission to IPART. SOSW has been able to clearly state their case on various media platforms for many months and have great public support¹³. Its views should also be considered thoroughly as it constitutes one major conduit for the voice of the wider public on this issue, outside of WCC engagement process.

My Submission will refer to each of IPART's 5 key criteria of assessment as set out in IPART's Special Variation guidelines contained within the IP&R Manual for Local Government "*Planning a Sustainable Future*", March 2013 and eluded to in section 4.1 Criteria for special variation applications contained in "*Guidelines for the preparation of an application for a special variation to general income for 2014/2015*".

Criterion 1 Need for Variation

I suggest that Wollongong City council does not 'Need' a special rate variation.

WCC continues to state as their main reason for applying for a special rate variation, that infrastructure is old and ailing (especially roads and footpaths). This may well be the case, however, WCC has at its disposal other avenues of financing repairs other than a rate increase which it has not fully explored or exhausted.

It's main avenues to address infrastructure backlog, is firstly to simply make it a priority by ensuring existing funds are applied to the infrastructure backlog and NOT new capital projects. Secondly, apply due diligence by assessing quality and value for money of contracted maintenance work and thirdly to assess and ensure budgeted maintenance and capital projects do not run over budget.

One prime example of current misdirection of rate payers existing rate base away from infrastructure maintenance and into new capital expenditure is such projects as the \$ 19.4+ million Wollongong Crown St Mall development (which is costing almost double the initial price budgeted)^{1,2} or construction of a 'gold plated' toilet block in Towradgi that cost \$765 700³. There are many other examples.

It is clear Wollongong City council DOES have funds to repair 'old and ailing' infrastructure, yet it chooses to 'hide' the money in new capital projects (many of which run over budget and are of dubious quality⁴) while holding out a hand to IPART and residents of Wollongong to cry poor.

If we are in a dire financial situation as stated by WCC, one which the division of local government seems to think we are not (medium outlook is good), surely cessation of new projects would be the first step until such time as a lengthy, rational and detailed assessment is made re the way forward in regards to addressing bread and butter concerns such as infrastructure maintenance.

It seems Wollongong City Council wants new capital invigoration of the city centre "*a rate rise will also support future development*"⁵ at the expense of basic maintenance of outlying suburbs. If this is it's ideology then it should be honest with its residents and IPART and apply for a special rate variation to IPART under 'New Infrastructure Investment' and not 'Infrastructure Maintenance'.

Criterion 2 Community awareness and engagement

I suggest that Wollongong City council has not engaged with its community effectively or equitably.

Exclusion of Neighbourhood Forum input

Neighbourhood Forums (NF's) were specifically excluded from bidirectional consultation and further, were actively insulted by the Lord Mayor with his statement on local ABC radio that he wanted to exclude 'the usual suspects' (meaning Neighbourhood Forums and other community groups) from participating in the FSR process. This is not becoming of a proper consultative engagement process. Also note that NF's had to specifically request to be informed regarding the FSR process in the first place. It was only after asking WCC about the initial process that a hastily written statement was issued to the Neighbourhood Forums after the process had already commenced. A cynic would see this as an example of WCC catch up, so WCC can be seen to meet standard 'community engagement' norms as outlined in the division of local government tenants.

NF's were only included in one meeting with Council representatives during the FSR process, to outline the use of a 'citizens Panel', but NF's were not allowed to participate in direct discussions with WCC about the actual service rationalisation and rate review which underpins the FSR process i.e. NF's were informed but not collaboratively engaged. At this particular meeting, a resolution by attending NF Convenors/Co Convenors requested WCC to hold one open community workshop in each of the three Wards to help residents better understand the FSR process, however this did not occur, nor was a written statement provided to the Neighbourhood Forums by WCC acknowledging their request.

As Neighbourhood Forums are supposedly a key stakeholder⁶, why were they not actively consulted? Why were the requested NF three ward community workshops declined by WCC?

Inappropriate use of a 'Citizens Panel' as an engagement mechanism

The use of a citizens Panel in previous steps of the 'community engagement' process was claimed to be 'representative' of the greater population, however, panellist members were unlikely to have sufficient financial acumen to comprehend the financial implications of their findings. ie how many accountants or financial sector citizens were present?

This type of 'community engagement' is novel and does have a place in other areas of community engagement, however, its use to assess and comment on a very large and complex financial system operated by local council is not one of them.

WCC state that they '*ensured that detailed operational and financial data⁶* was provided to Panellists and that they were given '*a significant amount of time⁶* however, Panellists were only given 4 Days (less if you discount the first meet and greet day etc!) to properly assess and digest very complex information and did not have the training or access to all facets required to make an informed financial choice.

Further, the information provided to the panel was vetted and directed by senior WCC representatives, despite this process being indicated as free from influence, '*..current council staff were the only exclusions from the panel⁶* making this process potentially biased. It was noted that the General Manager was present for some panel meetings, this seems to present a potential conflict of interest in a supposedly closed and independent process, as community groups were actively excluded from this process, while those from council with potential agendas were not.

The citizens panel also did not have the mandate of the people unlike elected representatives ie Councillors, hence proposals put forward by the panellists, ones which councillors and council staff may have used to formulate the three available 'options' voted on during the 17/2/14 council meeting, would be made without consideration for accountability to the people of Wollongong and hence should be discounted.

This potentially runs counter to the trust residents put in their democratically elected officials being directly responsible to the people.

All three 'options' presented to council on 17/2/14 are lacking in substantive detail which residents could not comment directly on, as the summary points contained in WCC pamphlets and online information did not allow for readers to contextualise their choices in relation to real world outcomes.

e.g. Which rock pools or parks will be closed? When will they be closed? How much will each specific individual asset supposedly save? How much will parking fees rise in the CBD? How much will pool entry fees rise? All these real world resident concerns and more are by WCC admission yet to undergo detailed assessment so how can we 'vote' on them?

Each option needed to be fleshed out with a full run down of all variables, before citizens can be expected to choose or support an 'option' including considering a special variations to rates as an offset to keep a particular service etc.

'Option 4-No Rate Rise option' excluded from public comment

Finally, If the citizens panel was such a great idea and totally representative of the wider community, why is it that council chose to discount its proposals which formed much of 'Option 4' from consideration during the 17/2/14 council meeting?

Council stated '*Scenario 4 – A fourth scenario was scoped that included more extensive service adjustments and efficiencies beyond the level proposed by the Citizens Panel. This Scenario was not included in the Long Term Financial Plan due to the strong opposition to the Citizens Panel report and the proposed service reductions.*'⁶

This statement by WCC is rather contradictory, it uses the citizens panel as an example of good engagement process which is highly representative of the wider community throughout its application to IPART yet totally discounts their findings!

Further, the active exclusion of 'Option 4' being presented to the public for comment seems to contravene IPART regulations stating that a 'No rate rise option above the rate peg' MUST be presented to the public for consideration. This is highly concerning and evidence that WCC has not followed IPART tenants!

Note: Option 4 was endorsed by at least two councillors, one of which [REDACTED] councillor with a financial background in accounting and who has previous business experience. Weight should be given to this fact.

Rushed Community Engagement

Why was their such a rush with this FSR process? The short and medium term outlook is good⁷ so why were Wollongong residents rushed to make a choice this year about service cuts and rate rises, before;

1. A full and comprehensive analysis of Wollongong's performance was made and communicated to residents? (see criterion 4)
2. A lengthy bidirectional communication was undertaken with residents that did not occur over a holiday break (when people are away and unlikely to submit a response) or with limited 2 week response deadline as was evident with the citizens panel recommendations period?

Future submission periods should be excluded from the holiday period to ensure adequate engagement practices are met.

It is in WCC's best long term interest to allay citizen fears and particularly cynicism of council processes by actively ensuring that submission periods do not coincide with holiday periods. The available submission period threatened to reaffirm negative sentiment in the people of Wollongong about council processes and apart from apathy may in part explain poor response rates.

In summary, it seems that the FSR process and application to IPART for a special rate variation this year may have less to do with urgency of maintenance funding and potentially more to do with providing a year's buffer before councillor re election to allow adequate time for residents to 'forget' rate rise pain.

Criterion 3 Impacts on ratepayers

I suggest that Wollongong City council has not explored adequately the impacts of additional financial strain on its residents if a special rate rise was to be implemented.

Of the 152 Local councils in NSW, Wollongong City Council already charges the 10th highest residential rates of all NSW councils, that's greater than 93.4% of other councils⁸ Even if we exclude councils which are not in Wollongong City Councils peer group (Group 5), Wollongong City Council rates are the first or second highest in that group of like peers already.

Also consider, Wollongong City Council is approximately the fourth largest council in NSW with over 73 000 rateable premises⁸, given this fact you would expect that economy of scale and ability to implement efficient practices would mean that Wollongong City Council should perform admirably and may actually require a rate **freeze** instead, given its relatively large leveraging power in maintenance resources.

From what I can determine, Wollongong City council has only forwarded a copy of its 'Rate Hardship policy' to IPART to demonstrate that it has factored in and considered increased rate pressures on individuals and their ability to pay. This is certainly not sufficient. The 'Rate Hardship policy' equates only to a delay in interest free payment, it does not analyse one's ability to afford the increase in the first place before someone gets into 'rate hardship' territory.

The Wollongong LGA unfortunately has the dubious honour of being higher in social disadvantaged than Newcastle (a similar sized group 5 council)⁹, couple this with the second highest unemployment rate in NSW¹⁰ and relatively low housing affordability which is 7th worst in NSW^{11, 12} and you can clearly see that any additional rate increase above the rate peg would unduly punish a fair proportion of Wollongong residents and may indeed magnify further social degradation in a feedback loop of disadvantage.

Why has WCC failed to assess and present to IPART the true impacts of the proposed rate variation on its residents and their ability to reasonably afford a rate rise given clear evidence that Wollongong residents ARE under financial and social disadvantage AND already pay some of the highest rates in NSW.

There would have to be some really extraordinary reasons why IPART would approve WCC request for a special rate variation under the current Wollongong climate of social disadvantage.

In this case, it would be sensible to compare Newcastle Council with Wollongong Council (Both Group 5) to assess what rates are 'reasonable' and what services should be offered, given both Councils are of similar size and social background/history.

Criterion 4 Delivery Program and Long Term Financial Plan assumptions

I suggest that Wollongong City council cannot adequately assess its own financial performance because it does not currently have fine enough tools at its disposal to assess itself adequately.

Further, detailed benchmarking of council run assets against peers is not possible given obsolete IT systems and processes. Surely to assess one's performance and hence find real savings and efficiency before applying for a special rate variation, proper benchmarking tools and processes need to be implemented first. Thus, the three 'options' voted on during the 17/2/14 council meeting are misleading and potentially

based on incomplete or spurious data, this is something that citizens and councillors should not be expected to comment on.

Has the level of uncertainty in presented data been made clear to the people of Wollongong?

If not, then 'community engagement' principles have not been met in this instance and the current process and presentation of the three 'options' should be immediately retracted and the process recommenced following installation of complete benchmarking processes and monitoring regimes.

Specifically, as an example of poor benchmarking, WCC cannot definitively determine staffing or budget levels attached to divisions in its own organisation as staff and resources are sometimes shared between divisions etc and book keeping and IT systems cannot adequately discriminate as to whether a resource has been included or not in some of its financial reporting. i.e. there is a level of error inherent in the system which excludes the possibility of accurate benchmarking against peers. In this case WCC cannot determine if it is using Rate payers money efficiently or not. Any error in this system will 'compound' in future financial plans as data (and its error) is multiplied and extrapolated into the future.

This seriously needs to be addressed BEFORE WCC applies for a special rate variation as it may not be required.

Criterion 5 Productivity Improvements and Cost containment strategies

I suggest that Wollongong City council in recent years did not adequately manage its available assets efficiently, nor did it undertake sufficient cost containment strategies.

No one seems to know the full financial situation. It was 192 million infrastructure backlog in 2007 and assumed to be 300-560 million today, but no one has a definitive answer. Why not? Isn't this key to the whole thing, to understand the enemy? WCC is quick to refute estimates of 300-560 Million, but the actual values are never stated.

What really got us into this position and what actions have been put in place to prevent this financial situation from occurring in future? Are there other options we could explore to slow down capital expenditure and focus our available funds on bread and butter concerns such as maintenance?

*WCC states 'A key element of the three tiered model is efficiency of Council operations. A large number of participants (N=152) in Step 4 commented that we needed to do more to improve our efficiency.'*¹⁵

This statement, demonstrates that a very large group of resident responses told council that efficiency is important over, you would assume rate rises or service cuts. Why was this not investigated more thoroughly by Council?

As stated in Criterion 1 'Need for Variation', the WCC maintenance backlog, is a product of its own inaction. i.e. it did not act earlier to address an issue it was aware of in 2007, nor does it prioritise rate payers money to address this backlog sufficiently when compared to other new capital expenditures which are siphoning critical funds into these non essential items. With this inaction many years, the maintenance backlog has blown out due to poor preventative maintenance regimes leading in turn to increasing infrastructure remediation costs.

Further, as outlined in criterion 4 'Delivery Program and Long Term Financial Plan assumptions', WCC cannot be efficient or increase productivity if it cannot determine its relative 'location' in comparison to

peers. In this regard, WCC may well be floating adrift on a sea of low productivity with no real world way of assessing and containing costs all because it cannot benchmark effectively.

Solutions

1. IPART reject this year's Wollongong City Councils application for special rate rise for the following reasons as elucidated above;

A) Consideration of Wollongong's current level of high social disadvantage.

B) Very high residential rate level already exists when compared to like peer councils.

C) Lack of WCC due diligence to explore other avenues for funds adequately and to direct them to key maintenance projects as opposed to new capital investments.

D) WCC's contravention of IPART regulations in regards to absence of a 'No rate Rise option' being presented to the public.

E) WCC's contravention of IPART regulations in regards to not outlining adequately to IPART the impacts or ability for residents to afford a rate rise.

F) The inappropriate use of community engagement practices such as the 'citizens panel', insufficient engagement period and exclusion of key 'Stakeholders' from the FSR process.

2. I suggest WCC should reapply to IPART for a special rate variation next year ONLY after it;

A) Develops proper benchmarking tools. You must be able to weigh a problem before you can act on it. These benchmarking tools must allow for simple apple vs. apple comparisons with peer groups of Councils.

B) Employ's an external, independent, professional auditing team to go through the WCC line items and to further assess potential operational savings and to outline the actual financial situation in real terms. This has not been adequately communicated to the public.

C) Determines why we are in the current situation and address these issues to prevent future problems. Do we need to implement key staff performance and tenure reviews? Immediate and easy fixes like simple rate rises and slashing services does not remove the underlying cancer. It will creep back if not addressed!

E) Implements a fully collaborative and non rushed engagement process to explain the need for a rate variation and the engagement period will NOT fall on a holiday or Christmas break.

F) Explore more commercial activities to assist with ongoing funding.

G) Will make a pact with the community to spend any funds raised through a special rate variation ONLY on maintenance backlog issues and that these maintenance issues WILL be monitored for quality AND preventatively maintained in future to ensure this does not occur again.

Thank You for your time and consideration of our request.

Yours Sincerely,

Kristian Williams

References

1. Tonkin, S. 2013. 'Mall revamp ready to go', Illawarra Mercury (appendix 1)
2. Tonkin, S. 2013. 'Cost of Crown St Mall revamp soars', Illawarra Mercury (appendix 2)
3. Langford, B. 2013. 'Towradgi's lavish loo costs city \$765,000', Illawarra Mercury (appendix 3)
4. McIlwain, K. 2014. 'Cracks start to show in Crown Street Mall', Illawarra Mercury (appendix 4)
5. McIlwain, K. 2014. 'Mall spend, rate hike defended', Illawarra Mercury (appendix 5)
6. WCC. 2014 'Attachment_1-_Securing_Our_Future_Community_Engagement_Report_February_2014', Wollongong City Council
7. TCORP. 2013. 'Financial Sustainability of the New South Wales Local Government Sector'
8. NSW DLG. 2011. 'The *Comparative Information on NSW Local Government Councils 2009-2010* report'
9. ABS. 2011. 'SEIFA-Index of disadvantage'
10. Kwek, G. 2013. 'Our jobless rate second worst in NSW', SMH (appendix 6)
11. O'Flynn, 2011. 'Housing Affordability Briefing paper No04/2011' NSW Parliamentary Library Research Service.
12. Turk, L. 2014. 'Experts to explore housing stress challenge', Illawarra Mercury (appendix 7)
13. McIlwain, K. 2013. 'Residents say no to council budget proposals', Illawarra Mercury (appendix 8)

Appendix 1

Tonkin, S. 2013. 'Mall revamp ready to go', Illawarra Mercury

Mall revamp ready to go

By *SHANNON TONKIN*

Feb. 25, 2013, 10 p.m.

Mall revamp ready to go



• Work on the full-scale mall revamp could begin in a matter of days.

The \$19.4 million refurbishment of Wollongong's Crown Street Mall is set to begin in a matter of days.

Wollongong City Council this evening signed off on the final series of outstanding tenders, paving the way for work to begin later this week in preparing the site for the demolition of the amphitheatre, steel arches and Church Street structures.

Under the refurbishment plans, the mall will be stripped of its clutter and have new seating, trees and paving installed.

Ratepayers had been given multiple estimates of the project's estimated cost since it was first flagged in 2008.

The most recent and long-standing figure was \$14.9 million, however the council revealed late last Friday the fully-costed budget was now \$19.4 million on the back of the finalising the \$11.5 million main construction contract.

Councillors will also be required to allocate an additional \$4.4 million towards the project in the next two council budgets to fund the project.

Despite the higher price tag, several councillors who spoke at this evening's meeting rejected media suggestions that the increase constituted "a costs blowout".

"We [the council] budgeted for \$15 million and we received \$4.4 million from the Federal Government," Labor's David Brown said.

"There's no skyrockets [in price], no budget blowouts." Greens councillor George Takacs said the \$20 million cost of the mall revamp equated to a spend of between 3 and 4 cents per ratepayer, per day, when spread over the expected 25-year life of the refurbishment.

"It's an investment in our city, it's not a cost as far as I'm concerned," he said.

Labor's Ann Martin agreed, saying for the city to realise its full potential the council "needed to invest in [its] future".

"We need to invest in good urban design to move us from being a slightly rough diamond to being 'the' diamond," she said.

Independent councillor Vicki Curran was the only dissenting voice, urging others to temporarily shelve the refurbishment so the design could be reconsidered.

She said the council could not afford to allocate an additional \$4.4 million to the project during the next two years given its current financial position and the numerous other capital works and services competing for the money.

"I disagree," she said in reply to Cr Brown's view that the cost was not a blow out.

"I think they [the costs] have exploded." Lord Mayor Gordon Bradbery pointed out that the original \$7.6 million cost of installing the mall in 1986 was the equivalent of \$17 million in today's figures.

"We have scrutinised and gone over this time and time again," he said.

"We are within the cost range - it's not a blowout.

"We have gone out of our way to extend the construction hours so we won't disrupt retailers.

"Basically councillors, I just want to get on with it now."

Appendix 2

Tonkin, S. 2013. 'Cost of Crown St Mall revamp soars', Illawarra Mercury

Cost of Crown Street Mall revamp soars

By *SHANNON TONKIN*

Feb. 22, 2013, 10:30 p.m.

Cost of Crown Street Mall revamp soars



Wollongong's Crown Street Mall is set to receive a facelift.

The cost of refurbishing Crown Street Mall has skyrocketed to \$19.4 million, Wollongong City Council has revealed.

Council staff have spent the past two months trying to finalise a series of outstanding tenders for the mall refurbishment in order to nominate a total overall cost before works begin.

Ratepayers have been given multiple estimates of the project's expected costs since it was first flagged in 2008.

The most recent and long-standing figure was \$14.9 million.

But a report to Monday's council meeting says a series of changes to the original proposal are to blame for pushing the final figure up to nearly \$20 million.

They include project management costs; more expensive pavers; installing Wi-Fi in the mall; renting a dedicated site office; and shift allowances for night-time workers.

Lahey Constructions Pty Ltd is expected to be awarded the largest of the tenders - \$11.5 million for construction works - at Monday's council meeting.

Councillors will also be asked to allocate an additional \$4.4 million from the council's own coffers to the project in the next two council budgets.

[MORE: Work delayed on Crown Street Mall revamp](#)

[MORE: Council rejects Crown Street Mall tenders](#)

Wollongong Lord Mayor Gordon Bradbery yesterday defended the rise in costs, saying the figure represented all the direct and associated costs of the project, while other estimations had not.

"We've included every possible difficulty and challenge in that cost," he said, adding contingencies had been built into the final figure.

"We've tried to anticipate any expansion of costs and factored that in.

"[But] projects of this magnitude are always fraught [with danger]; they are always a challenge.

"We admit it's not going to be easy to operate a mall and a shopping precinct while we're in the process of reconstructing but, as best we can, we've put together what we think is the most feasible costing to do just that."

Cr Bradbery said it was expected final, pre-demolition works would be completed early next week, should councillors agree to the recommended tenderers.

Dismantling objects, beginning with the Church Street planter boxes, will start by next Friday.

Cr Bradbery said cladding and facades would be erected down the middle of the mall to keep the shopfronts clear from works during the day.

"Most work involving entry into retail space will go ahead in the evening," he said, but added there was a work ban between midnight and 5am unless prior written approval was granted by the council.

Cr Bradbery said he was confident the refurbishment would be done in its two-year timeframe.

Appendix 3

Tonkin, S. 2013. 'Cost of Crown St Mall revamp soars', Illawarra Mercury

GALLERY: Towradgi's lavish loo costs city \$765,000

By *BEN LANGFORD*

Dec. 19, 2013, 10 p.m.

GALLERY: Towradgi's lavish loo costs city \$765,000



The new toilet block at Towradgi Park. Picture: ROBERT PEET

The backsides of Towradgi can now be eased onto new seats, safe in the knowledge they are spending quality time pressed against some of the best toilets money can buy.

This week Wollongong City Council opened the refurbished amenities block at Towradgi, a project that cost ratepayers \$765,700.

The spending comes as the [council faces such tough financial times](#) that it is considering reducing services, raising rates, laying off staff or closing ocean pools.

The toilets, at the popular Towradgi playground, sit in a prominent position at the beach edge of the park. And they certainly look sharp, with a combination of steel and timber, murals painted on the side, and landscaping around the blocks.

But the sum spent on the toilets is enough to build three new houses. Or it would be enough to buy two apartments, based on the Illawarra's median unit price of \$349,000.

A council spokesman said the old amenities were ageing and did not meet the community's expectations in such a busy location.

"If we don't continue to renew and refurbish these assets we will lose services as assets reach the end of their life and fail," he said.

"Given the harsh seaside conditions at Towradgi, all elements in the facility such as columns, grates and other structural items are a high-grade stainless steel. This is more durable and will not require replacement during the life expectancy of this facility.

"As many facilities are also prone to vandalism, council has ensured all fixtures and fittings are of vandal resistant stainless steel to minimise the cost of vandal attacks," he said.

The men's and women's blocks each have three toilets and three showers.

The new block also comes with a talking toilet - the self-cleaning, music-playing, automated Exeloo, which greets depositors with a recorded message saying "Welcome to Exeloo", before piping tunes to ease the patrons' passage.

The Exeloo website describes it as a "self-cleaning automated toilet solution". These toilet solutions aren't cheap - the council has budgeted \$250,000 for one in MacCabe Park.

But they require little maintenance and cleaning.

The Towradgi renovation included the replacement of the sewage pumping station, the installation of marine-grade stainless steel metalwork, and a new roof. The contract for the work was awarded to Project Co-Ordination Pty Ltd.

Appendix 4

McIlwain.K, 2014. 'Cracks start to show in Crown Street Mall', Illawarra Mercury

Cracks start to show in Crown Street Mall

By *KATE McILWAIN*

Jan. 15, 2014, 9:08 p.m.

Cracks start to show in Crown Street Mall



A passer-by walks over the cracks that have already appeared in the refurbished mall pavement. Picture: Adam Maclean

Cracks are starting to show in the brand new Crown Street Mall refurbishment as the much-touted granite pavers lining the CBD strip began to rupture this week.

The Mercury stumbled across the cracked pavement on Tuesday afternoon.

Soon afterwards, Wollongong City Council set up orange barriers to cordon off the area outside clothing retailer Dotti.

On Wednesday, council director of infrastructure and works Mike Hyde played down the uneven surface, saying it was "not that serious" and would be remedied by contractor Lahey Constructions.

[Opinion divided on Crown St Mall gums](#)

Mr Hyde said the pavers had moved because they did not yet have a silicon sealant between them, and this was because the council had not been happy with the colour of the sealant the tiling subcontractor had provided.

The contractor was unable to provide enough of the correct sealant before the \$19.4 million refurbishment work was stopped over summer, Mr Hyde said.

He explained the affected area was positioned over a joint designed to expand and contract with heat.

Pedestrians have been warned to avoid the area until the problem has been fixed.

The lack of sealant had allowed debris to accumulate in the gaps between the pavers, which then pushed them apart when the joint expanded in this week's warm weather.

"The sealant [the tiler] wanted to put in was such a poor colour match, it was agreed they would do that when they came back and started work this year," he said.

"But this is such a well-trafficked area that grit and solid material has got in - and then the heat expansion bunched up the tiles and lifted them up."

Mr Hyde said the broken pavers would be relaid shortly and silicon would be applied when refurbishment resumed next month.

Meanwhile, contractors would look at other parts of the paved area and clean out any dirt to stop further cracks from forming.

The lifted pavers are not the first snag the mall refurbishment has hit since it reopened in early November.

The council faced public criticism over its choice of spotted gum trees, and was forced to install [temporary fencing around the trees](#) just before Christmas after vandals began tearing off their limbs.

Acting Lord Mayor Chris Connor said he was disappointed to see the cracks appear so soon. But he remained confident in the mall refurbishment.

"This is a large refurbishment and we are going to have little hiccups along the way that we're going to fix," he said.

"We're taking the time to get the best finish on everything rather than just rushing it through."

Cr Connor reassured ratepayers they would not be slugged with extra costs related to the cracked path - the contractor would cover these.

Lahey Constructions also undertook the \$14 million revamp of North Beach Bathers' Pavilion, which had similar problems soon after it was finished.

Just over a week after the pavilion's grand opening in September 2012, the Mercury photographed [grey slate tiles falling from its surrounding walls](#).

Safety fences were quickly re-erected and the tiles repaired. But a couple of months later the pavilion again made headlines as the [steel fencing surrounding the building began to stain](#).

Lahey did not respond to requests for comment before the Mercury's deadline on Wednesday.

Appendix 5

McIlwain, K. 2014. 'Mall spend, rate hike defended', Illawarra Mercury



Appendix 6

Kwek, G. 2013. 'Our jobless rate second worst in NSW', SMH

Our jobless rate second worst in NSW

May 17, 2013, 4:09 a.m.

Our jobless rate second worst in NSW



Six out of the 10 regions with the lowest unemployment rate are in NSW. Photo: Erin Jonasson

Wollongong has the second highest unemployment rate in the state, a new breakdown of job figures shows.

The 7.1 per cent jobless rate for Wollongong - which includes Wollongong, Shellharbour and Kiama - was matched by Fairfield-Liverpool in Sydney but both were beaten by the Shoalhaven and Wingecarribee region on 13.3 per cent.

It was better news for the rest of the state, which boasts some of the lowest jobless rates in Australia.

Six out of the top 10 regions in Australia with the lowest unemployment rate for April were from NSW, a CommSec analysis of detailed labour force data from the Bureau of Statistics, released yesterday, showed.

“Regions close to Sydney, Perth and Brisbane are doing best in the job stakes but job-seekers are facing tougher times in Tasmania, in outer areas of Melbourne and in northern Adelaide,” CommSec chief economist Craig James said in an economic note.

The unemployment rate was just 2.1 per cent on Sydney’s northern beaches - the lowest in Australia and a fall from 3.2 per cent in the same month last year.

The St George-Sutherland region had a 2.9 per cent jobless rate, while Sydney's eastern suburbs recorded a 3.2 per cent unemployment rate. Following closely behind was Inner Sydney and Inner Western Sydney, with jobless rates of 3.4 and 3.6 per cent respectively.

Mr James said that NSW was fast becoming the lowest jobless state, snatching the mantle away from Western Australia, a reflection of a possible shift away from mining into other industries as the resources investment boom reaches its peak this year.

The unemployment rate is a key factor in how the Reserve Bank determines the cash rate.

Earlier this month, the central bank slashed interest rate down to 2.75 per cent, the lowest in half a century, following a spate of soft economic data and a weaker-than-expected unemployment rate for March.

Australia's jobless rate fell in April by 0.1 per cent to 5.5 per cent as the economy picked up more than 50,000 new jobs.

smh.com.au, with Glenda Kwek

Appendix 7

Turk, L. 2014. 'Experts to explore housing stress challenge', Illawarra Mercury

Magical: A production mixing Twi Islands mythology with Brothers Grimm fairytales will enchant children and adults alike. *Illawarra Mercury* with the *COVER* Production is a spin on the classic *Snow White* tale, tinged with indigenous creation stories and history. After rave reviews from the 2011 Darwin Festival, the clever blend and joyful and emotional production of full song, puppets and Twi Islands language opened at the Illawarra Performing Arts Centre and runs until Saturday. Picture: SYLVIA LIBER

Tenancy team labels bedroom tax unfair

GLEN HUMPHRIES

NSW government policies including the bedroom tax are designed to get more money out of public housing tenants who can ill afford it, an Illawarra tenants advocacy group claims.

The Illawarra and South Coast Tenants Service has made a submission to the NSW Parliament's Public, Social and Affordable Housing Inquiry claiming that new policies introduced by Family and Community Services Minister Pru Goward have forced tenants to pay more.

Tenancy team leader at the tenants service Warren Wheeler

said moves such as the bedroom tax, where tenants with spare rooms were forced to pay higher rent, were a way for the government to reduce a budget shortfall.

"One way to fix that is to start attacking tenants to get more money out of them," Mr Wheeler said.

"Housing [NSW] know as well as anyone that most people aren't going to readily give up their home where they've lived for the last 30 to 40 years, so they will begrudgingly pay the extra \$20 or whatever it is.

"Even though it puts them under more financial stress, it relieves them of the social stress of having

to move to a new area."

Mr Wheeler said the service's submission also criticised the decision to charge market-rate rents to some tenants based on income.

"As a result, people have received increases upward of \$150 a week," he said.

"Now, \$150 a week is a lot out of anyone's budget, let alone someone who is struggling on casual or part-time employment."

Mr Wheeler said the service has seen clients in this situation who opted out of employment because it meant they were able to afford to pay the rent.

"We would never encourage people to drop out of employment

but we can totally understand why you would," he said.

"If you're putting in extra hours and as a result you've got to pay extra rent, and you may only walk away with \$5 a week more, why would you bother? Some people, they're going backwards."

The tenants service's submission suggests the focus should be on better housing rather than charging tenants more money.

He said more homes are needed.

"They're selling off more than they're building and that's a problem. They need to be investing in social housing and developing properties that suit the needs of their clients."

Rent rise of 30 per cent devastating

GLEN HUMPHRIES

IN September last year, public housing tenant Judith Harrington was told her rent was going up - by 30 per cent.

Ms Harrington's rent for the Warrilla house in which she has lived for 14 years was \$290 and the letter from Housing NSW informed her it was rising to \$340 - a jump of \$50.

"They put that rent up with no valuation at all and no site visit," Ms Harrington said.

"They just willy nilly put it up \$50 a week."

Ms Harrington said she travelled to Sydney for work five days a week, leaving at 6am and not getting home until 7.30pm.

Paying \$280 week was already a stretch and the extra \$50 would have her "going out the back door".

"I was devastated, because I thought there must have been some sort of mistake, because they have not done anything to my house," she said.

"It was in need of repairs when I moved in 14 years ago. The only reason it isn't in worse degradation is because of my good housekeeping."

Ms Harrington is fighting the rent increase in the NSW Civil and Administrative Tribunal. The tribunal recently ruled in her favour, but Housing NSW has appealed that decision.

Experts to explore housing stress challenge

LOUISE TURK

THE dire housing affordability crisis in the Illawarra will be discussed by key industry experts at a forum in Wollongong on Thursday.

The forum, hosted by the Urban Development Institute of Australia (UDIA) NSW southern chapter, will explore the key challenges to delivering affordable housing in the region and ways to address

issues using national best practice.

UDIA NSW chief executive Stephen Albin said action needed to be taken in light of statistics that showed alarming levels of housing stress in the Illawarra.

"According to a Housing NSW report, which sampled several local government areas in the Illawarra, more than half the people who own homes are in housing stress - meaning they're paying

more than 30 per cent of their incomes into mortgages," he said.

Mr Albin said tenants were also suffering high rates of housing stress.

"The sad reality is the majority of aspiring homeowners in the Illawarra cannot get off the rental roundabout because the cost of housing is wildly out of reach," he said.

Mr Albin said it was up to the property sector to work with all

levels of government and the community to seek solutions.

He said housing was expensive in the Illawarra because of a lack of supply and an inability for property builders to deliver housing at an affordable price because of high taxes and local government limitations on minimum house sizes.

The forum will take place at the Lagoon Restaurant, North Wollongong, from 1pm to 2.30pm.

www.illawarramercury.com.au

ILLAWARRA MERCURY, Thursday March 20, 2014 7

Appendix 8

McIlwain, K. 2013. 'Residents say no to council budget proposals', Illawarra Mercury

Residents say no to council budget proposals

By *KATE McILWAIN*

Dec. 10, 2013, 4:21 a.m.



Concerned ratepayers and workers outside council offices on Burelli Street last night.
Picture: ANDY ZAKELI

About 100 residents rallied outside Wollongong City Council's Burelli Street headquarters last night, calling on councillors to scrap all budget options put forward in the financial sustainability review.

Organised by residents' group Save Our Services, the gathering demanded the retention of services, which could face the chop under two of the options endorsed by councillors last night.

This included users of Unanderra Library, Lakeside Leisure Centre and the city's ocean pools.

They were joined by United Services Union members and council workers, and waved signs saying, "Flush out management not pools", "Keep 'derra library open" and "Don't blame workers".

Rally organiser Stephen Spencer said he hoped the strong showing would urge councillors to spend longer consulting the community before they made up their minds about how to save \$21 million a year.

Mr Spencer and the Save Our Services group have been vocal in their criticism of the council's "citizens' panel" and said the administration needed to "go back to the drawing board" instead of asking the community for feedback on three "restrictive" options.

"We don't want the council to restrict itself or the community to just those options, we want them to put everything back on the table and do a more detailed analysis of the council's financial situation," Mr Spencer said.

"We believe these options are channelling the process down to an inevitable conclusion, which is that there will be a rate rise and services will be cut."

Speaking to the crowd, South Coast Labour Council secretary Arthur Rorris hit out at councillors who suggested reducing jobs and workers' conditions should be part of the budget cuts.

"You can't divide this city between the workers and ratepayers, because the workers live in this city and are ratepayers too," Mr Rorris said.

"We will fight this battle as one community."

Appendix 9

Other links relevant to this issue

<http://www.illawarramercury.com.au/story/1886459/thumbs-down-for-city-mall-overhaul/>

<http://www.illawarramercury.com.au/story/1920750/dont-close-library-say-residents/>

<http://www.illawarramercury.com.au/story/1936002/residents-slam-reports-findings/>

<http://www.illawarramercury.com.au/story/2114207/group-to-challenge-rate-rises/>

<http://www.illawarramercury.com.au/story/1898826/protesters-make-point-at-viva-la-gone/>

<http://www.illawarramercury.com.au/story/1889343/panel-process-undemocratic-councillors/>

<http://www.illawarramercury.com.au/story/1912012/gallery-workers-rally-against-council-proposals/>

<http://www.illawarramercury.com.au/story/1887719/citizens-panel-recommends-rate-hikes-service-closures/>

<http://www.illawarramercury.com.au/story/2091912/wollongong-rates-concern-brushed-aside/>