Re: Wollongong City Council - Special Rate Variation - Submission

by Dr Koren Ward, [redacted]

Wollongong council should not be allowed to raise rates by 22% for the following reasons:

1) Fairness. Wollongong rate payers and renters already pay the highest regional rates and rents in Australia. Wollongong has high unemployment and is badly affected by the downturn in manufacturing. Furthermore, 66% of mortgagees and 50% of renters are defined as being under mortgage and rent stress. Consequently, a 22% increase in rates is unaffordable.

2) Public consultation. The public has not been adequately consulted on Council's budget problems, its causes, or other ways to raise funds (e.g. land and asset sales).

The Wollongong "Secure Our Future" web survey only gave people a rate rise choice between: "big", "bigger" or "biggest". This website had a large hit rate and a very low voting count, indicating that most people rejected all three options.

Only 800 people voted from a population of 300,000. Only 360 people (0.1%) voted for option 3 ("biggest" rate increase). Wollongong Council employs over 1000 staff. "Biggest" was the only option that included no council staff cutbacks. Consequently, the 360 people who voted for "biggest" were largely comprised of Council staff and their relatives who were scared into voting for option 3 to avoid losing their jobs.

3) Council Spending. Council has wasted far too much money on unnecessary projects to “doll up” infrastructure for little or no return. Namely ...

$19.4m on the Crown St Mall,

$17.5m on the North Beach Bathers Pavilion,

$10m on the Blue Mile

$5m on new push button toilets

$13 million on the Bulli Tops restaurant

and the list goes on and on....

Clearly Wollongong Council does not have a revenue problem, it has a spending problem.

4) Consequences. In addition to sending many Wollongong home owners and renters to the wall, the rate increase will have other negative consequences. For example, the state government will find it impossible to gain efficiencies by amalgamating councils. Such a huge difference in the rates paid by Wollongong ratepayers and the neighboring regions means many homeowners would have to pay much higher rates if an amalgamation was done which would be politically impossible.

5) Alternatives. Wollongong Council can avoid high rate rises and get itself out of the budget hole it has created by controlling its spending and working with the state government, local businesses, the university and the community to develop and sell (or lease) some local assets owned by Wollongong Council and the NSW Government.

The $40m lease and development proposal of Gleniffer Brae by the University of Wollongong was widely supported by the community. Despite this, Wollongong Council voted it down and continues to spend a high cost to maintain the property. Wollongong Council should resume talks with the University of Wollongong (and/or others) to achieve a return from this valuable asset.

There is considerable wasted vacant land in Wollongong. Many of these vacant sites are near beaches and are blots on the landscape and would increase nearby property values if they were developed and sold.

5) Action. An audit should be done to see where the money has gone. Assets should be looked at to see what can be sold. If the situation is dire the administrators should be brought back in to rectify the debt problem in full consultation with the community.

Yours Sincerely

Koren Ward

24/03/2014