

SAVE LAKE ILLAWARRA ACTION GROUP inc
SUBURBS UNITED FOR A QUALITY LAKE

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The Hon. Ian Macdonald, MLC
Minister for Natural Resources
Level 33 Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

5 January 2007

Dear Sir.

Lake Illawarra Entrance – Incompetence.

Unfortunately, the Save Lake Illawarra Action Group (SLIAG) has to ask you to intervene into the running of the Lake Illawarra Authority. It is apparent that the Lake Illawarra Authority (LIA) have tried to cover up the \$1.75 million cost blow out in the Lake Illawarra Entrance Works project stage 2.

We believe there has been a cover-up and a withholding of the situation from the State Government, Local Councils and the public.

We became aware of the Cost Blow-out when reading Shellharbour City Council business papers of 23 October 2006 when a letter from the LIA was listed as an item to be discussed. The letter from the LIA has asked both Councils to Commit an additional \$437,500 each otherwise the LIA would have to reduce the scope of works. **Letter attached.**

We brought this matter to the attention of the local Media which forced the LIA to make the Issue public, and Mr Prosser (Chairman) made a press statement blaming the increased Costs on various reasons one being the increased cost of fuel, where in fact fuel costs had Come back to normal at the time of his statement.

Statements to support this claim.

1 21st September 2006 at the meeting of the community Liaison Group the LIA was asked when the dredging would start. The answer was that there had been a hitch in the dredging contract. We now know the reason for the dredging not starting was that there was no money to pay for the job.

2 5th October 2006 LIA sent a letter to Shellharbour Council informing them that there has been a cost blow out of \$1,750,000 and that their share would be \$437,500 and that the money could be taken out of future lake maintenance budgets. This would mean that the LIA claim would not have to go to a Council meeting and the public would be kept in the dark unfortunately Shellharbour Council referred the matter to Council for funds. The

letter clearly showed five reasons for the cost blow out and that the Government had not been officially notified nor had the Government agreed to pay half of the blow out costs.

3 9th October 2005 the LIA held a public meeting at Windang to present the Lake Illawarra Estuary Management Study and Strategic Plan. Item 6-2 stated the construction cost for the wall was \$3,000,000 and Dredging cost \$1,000,000. At this point in time a letter had already been sent to Shellharbour and Wollongong councils asking for another \$437,500 each as the project had a cost blow-out of \$1,750,000.

4 24th October 2006 We highlighted the short fall of funds on WIN television news.

5 26th October 2006 the LIA Chairperson made a press statement that the cost of fuel Had caused the dredging contract to blow out to \$1,750,000 and that the NSW Labor Government had agreed to pay half of the extra cost.

6 26 October 2006 at the meeting of the Community Liaison Group the LIA Chairman accused SLIAG of misleading the public. Our delegate then produced the LIA Letter of 5th October. His reply was "I will have to go back to the office to read it".

7 28th November 2006 in the press, the Mayor of Wollongong was quoted as saying He was unhappy with the lack of information provided to Councillors by the LIA.

We must remember that the entrance was designed to a budget of \$4,000,000. In less than 18 months there has been an increase of \$1,750,000.

Shellharbour City Council voted to pay the extra \$435,000 from additions in the next two budgets but Wollongong City Council are only going to contribute their regular funding which means that there will be no funds for the regular maintenance and smaller jobs of Improvements that are planned for the next two years.

The Illawarra community have lost respect for the LIA and ask you to inquire into its Incompetence.

The Lake Illawarra entrance has now been blocked for over 18 months, the lake stinks, the Entrance works will not be completed before the elections, and the community is unhappy.

Yours Faithfully

Bruce Carter
Secretary