

Local councils in dire times, warns report

GARETH PARKER

WA councils are under unprecedented pressure to increase rates, with a new report revealing the extent of the financial crisis facing local government.

The report, commissioned by the WA Local Government Association, shows one in two councils are financially unsustainable, with the sector as a whole saddled with a massive infrastructure backlog.

As councils around WA send out rates notices with across-the-board increases — on average above the inflation rate — WALGA will today release the results of its eight-month sustainability study. *The West Australian* understands the independent report compiled by Curtin University Professor Greg Craven reveals:

- Half of WA's 144 councils are financially unsustainable.
- Councils face an infrastructure backlog worth \$1.75 billion.
- Councils are being crippled by skills shortages, unable to attract engineers, planners and finance staff.

The study's release comes three months after a wide-ranging State Government report that called for extensive mergers, including the creation of a super-council in Perth's western suburbs, and tighter rules for financial planning and reporting.

The study will heap further pressure on the third tier of government for urgent and genuine reform.

WALGA president Bill Mitchell refused to discuss the details of the sustainability report yesterday, but said WA councils were not immune to the pressures that had been identified in other States.

A survey by *The West Australian* of rate rises in metropolitan councils found an average increase of 4.8 per cent on residential rates, compared with the headline inflation rate of 4 per cent. Ratepayers also face increased rubbish collection charges.

Wanneroo City Council will borrow \$60 million this year to meet its infrastructure needs.

Mr Mitchell defended the rate rises and called for a greater share of State and Federal taxation.

"Ratepayers expect a suite of services to be delivered to them for their rate dollar, and to maintain that service delivery. Unfortunately, that's the price they will have to pay," he said.

He said the consumer price index was not an accurate measure of the costs faced by councils. WALGA has compiled an index which takes greater account of rising building and construction costs, which make up about a third of local government budgets.

GOING UP COUNCIL RATE RISES

Armadale	+7.2%	Mosman Park	+4.5%
Bayswater	+3.0%	Nedlands	+2.9%
Bassendean	+3.95%	Perth	+2.75%
Belmont	+3.9%	Peppermint Grove	+5.0%
Cambridge	+4.2%	Rockingham	+3.9%
Canning	*	South Perth	+3.5%
Claremont	+5.2%	Stirling	+5.5%
Cockburn	+5.0%	Subiaco	+3.9%
Cottesloe	+4.0%	Swan	+5.0%
East Fremantle	+6.0%	Victoria Park	+6.55%
Fremantle	+4.9%	Vincent	+3.23%
Gosnells	+6.7%	Wanneroo	+5.9%
Joondalup	+5.2%		
Kalamunda	+4.2%		
Kwinana	+8.0%		
Mandurah	*		
Melville	+5.5%		

Residential rate rises in draft and adopted council annual budgets for 2006-07

* Yet to release draft budget

