

# Council reform may leave us worse off than before

■ **Kate Emery**

Six years after the State Government pushed the button on council reform the process must be regarded as a failure.

Depending on the fate of City of Perth legislation and whether plans for a western suburbs super council eventuate, the Government could find it has spent years, millions of dollars and considerable political goodwill to cut the number of metropolitan councils by just six.

As things stand after the weekend polls, planned marriages between the City of South Perth and Town of Victoria Park, Town of East Fremantle and City of Fremantle and the cities of

Kwinana and Cockburn are off. That means the only councils still on track to disappear are the Shire of Mundaring (to be swallowed by the City of Swan), the Shire of Kalamunda (City of Belmont), the Town of Bassendean (City of Bayswater), City of Subiaco (Town of Cambridge, though the new council will be called Subiaco), the City of Canning (City of Gosnells) and the Shire of Serpentine-Jarrahdale (split between the City of Armadale and the Shire of Murray).

The future of the City of Perth Act, which would lead to Vincent becoming part of an expanded Perth, lies in the Government's ability to get it through Parliament. That looks like a tough ask.

The western suburbs solution

— a merger of the towns of Cottesloe, Claremont and Mosman Park, the City of Nedlands and Shire of Peppermint Grove — is on ice until the Perth legislation is sorted. See above.

The Government's plan to cut the number of metropolitan councils from 30 to 16 is dead and the final number of councils left standing could be as high as 24. That puts a big question mark over forecast savings of \$30 million in elected members allowances and \$36 million-plus in chief executive officer packages over 10 years.

Worryingly, the combination of some changes going ahead while others do not threatens to widen the gap between the haves and the have-nots.

WA Treasury Corporation's

financial analysis in the Local Government Advisory Board's report to Government offers some insight into possible implications. Based on factors that included the capacity of a council to meet its financial obligations, service debt and renew assets, the corporation took historical financial data and business plan projections for 2010-17 and came up with a financial sustainability score for each council.

A score of 70-plus was average and 80-plus was good. One of the factors driving the LGAB's recommendations was to create financially sustainable councils.

Of the councils most affected by the weekend polls, only East Fremantle and Cockburn had an FSS above 70 in their current state. The rest — Fremantle,

Kwinana, South Perth and Victoria Park — all came in below average.

As WA Local Government Association president Troy Pickard noted yesterday, Perth councils are sliding towards a situation where some could wind up smaller than they were before the reform process started.

The outcome could be a two-tier local government sector comprising one cluster of local governments with 150,000-plus ratepayers and another group with fewer than 50,000 ratepayers.

Given the amount of time and money spent on reform, it is hard to imagine a worse outcome.

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