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Lighting cost to push up rates

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Ratepayers will be slugged with big rate increases as councils pass on a more than 60 per cent leap in the price of electricity used for street lighting, Wanneroo mayor Jon Kelly warned yesterday.

Energy Minister Peter Collier said last month the Office of Energy had recommended a 52 per cent increase in household electricity charges from July and a total increase of 116 per cent over the next three years to cover the true cost of power.

But Mr Kelly said that with these increases, ratepayers would be hit twice because councils would pass on

electricity costs for street lighting, which are set to leap 63 per cent this year, 31 per cent next year and 23 per cent in 2011-12 in line with the recommendations.

He said the increase in street lighting costs for his council would be \$1.2 million to \$1.5 million this year, which equated to a 2 per cent jump in rates above any ordinary rise.

Mr Kelly said he would ask Wanneroo councillors to petition the Legislative Council for a parliamentary investigation into the price rises and their effect on consumers, including whether the rises should be phased in.

He said street lighting electricity supply was not open to competition

under State law, meaning councils could not buy the power cheaper from elsewhere.

Mr Collier said street lighting consumption was unmetered but he was considering recommendations which could see the situation change.

He said the price rise was needed because tariffs were significantly below the levels needed to cover the cost of supply.

"We have to get to a point where tariffs are cost reflective, otherwise this State will face the very real prospect of being billions of dollars in debt," Mr Collier said.

"I am extremely mindful of the significant financial pressure that fam-

ilies, householders and businesses alike are under and this will be taken into consideration as we make a responsible long-term decision."

WA Local Government Association president Bill Mitchell said the situation was probably unfair but reflected the fact that there had been a price freeze for 10 years.

"Any system that freezes prices for that long always has an unpleasant ending," he said.

"Most councils are doing their budgets now and if they can absorb some of the cost, I'm sure they will but the majority of budget items are fixed and any increase tends to need to be passed on."



Nasty shock: Jon Kelly