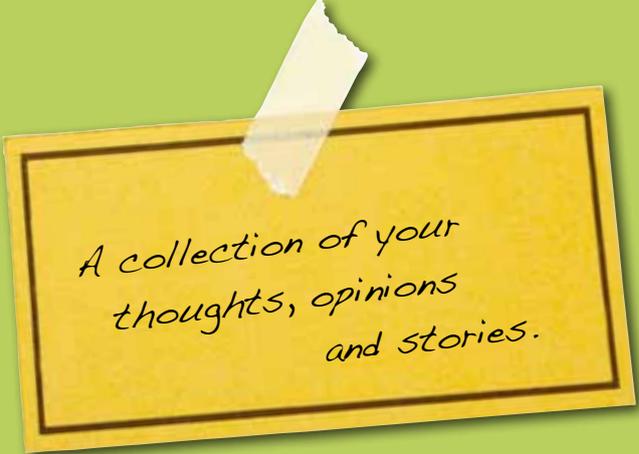


The 2010 LGMA
Emerging Leaders present....

Amalgamation

Is it a dirty word?



*A collection of your
thoughts, opinions
and stories.*

Intent

This report is not intended to be an in-depth analysis of the pros and cons of local government amalgamations. Our goal is not to research and present facts and figures about past and possible future amalgamations. Rather, this report is a collation of ideas, thoughts, and experiences from a wide range of stakeholders to local government.

Overview

Those who have been around local government for more than a few years will no doubt have found themselves involved in discussions about council amalgamations at some point. This report seeks to consider the topic of amalgamations through a review of the thoughts, experiences and perceptions of the various local government stakeholders.

To inform the report, a survey was completed by 446 stakeholders to local government including staff across all levels of responsibility, elected members, state government employees and a range of community and private industry representatives. Respondents provided frank views on the topic as well as insights into the range of emotions that the topic can stir.

Most respondents had strong opinions as to whether previous amalgamations had been beneficial to local government and whether the long term successes that were achieved outweighed the short term turmoil that the process creates (or which future amalgamations could create).

Just over 50% of all respondents believed that amalgamations resulted in an improvement in local government operations and there was 54% support for further metropolitan council amalgamations. The survey responses revealed that the reasons for this support varied widely from individual to individual, stakeholder group to stakeholder group.

A key finding of the survey was that there is still a high degree of concern about the benefits of and angst about the process of the amalgamations undertaken in 1997 and this would need to be addressed prior to any further amalgamations proceeding.

So is amalgamation a dirty word? What are your thoughts? Read on to discover the results of our research into your personal opinions and stories.

Throughout this report, the term 'council' is used generally to describe local government geographic areas, rather than the elected bodies that represent the residents within these areas.



Planning SA (11)

Introduction

The subject of copious media articles, university studies, general public debates and even parliamentary inquiries both within South Australia and interstate, there have been few more contentious issues in recent times than local government amalgamations.

In 1997, local government in South Australia underwent its biggest transformation in decades. From a total of 119 councils across the state, the South Australian government facilitated the amalgamation of urban and regional councils to result in just 68. The move was promoted as beneficial to both the councils themselves and the communities they serve, particularly in terms of cost savings and the efficient provision of services.

But how did the various stakeholders both within local government itself; the staff, elected members, the representative body and externally; the residential community and the private sector, perceive the move? From their viewpoint, were the promises of the mergers ever realised? Were there any unexpected results, positive or negative? What were their personal experiences? And drawing from all of this, would they support further local government amalgamations in South Australia?

The Survey

The questions in the survey sought to ascertain information and opinions about people's individual experiences with and knowledge of local government amalgamations. Local government stakeholders were specifically targeted and a total of 446 respondents completed the survey, with many agreeing to be interviewed to provide more detailed feedback.

Questions were set out in such a way that opinions and statistics could be drawn upon to assist in presenting some of the common feelings and opinions among the key groups on the often controversial topic of amalgamation. Further analysis of the data enabled us to consider the views of those in rural vs metropolitan areas and those who have and have not experienced an amalgamation.

Respondents kindly endured a barrage of questions relating to the impacts of amalgamation on the various stakeholder groups as well as their views on the environmental impacts, community culture, financial benefits, resource sharing and the extent that they would like to see further amalgamation. The survey revealed a range of personal opinions on the success of previous amalgamations and perceived impacts that further amalgamations may have.

Local Government Employees' Perspective

"As a resident, ratepayer and employee, I am still waiting to see if there are any real benefits."
Andy Gourlay
Parking & Traffic Officer,
City of West Torrens

With more than 9,000 employees working in 68 councils⁽²⁾, local government is one of the most diverse workforces in South Australia. There is no question that amalgamations have a huge impact on local government employees. The change certainly casts waves of uncertainty amongst staff members once the merger decision has been made.

The primary concerns identified by respondents who work in the local government sector were the loss of jobs, the forced change in roles and the transformation in organisational culture. It is a particularly stressful time for those having to reapply for their own jobs, and for those retaining their jobs, having to settle into new teams involving people from the corresponding merging councils. With this brings challenges of shifting strong loyalties to the former council's culture, systems and processes and to embrace a different way of doing things. There may be a new CEO, with a shift in the focus of the organisation. Staff need to create, learn and adapt to new policies and procedures that are inevitably introduced with fresh strategic directions.

Though amalgamations make for uncertain and often competitive times, many employees highlighted the possibility of a wider variety of positions in larger councils and the opportunities for promotion or career change that go with it as positive outcomes. A larger organisation is often better placed to win grants and government funding and is more capable of rolling out bigger projects, creating exciting opportunities for employees. Despite being disruptive and time consuming, with a temporary increase in staff workloads and hours, the majority of respondents believe that amalgamations can result in new and improved systems, processes and software that improve overall efficiency and provide better customer service.

The common factor across most of the employees surveyed was the individual emotional response during the implementation of amalgamations. Many spoke of the sense of loss with team members they considered friends leaving the organisation and some experienced guilt over the fact that they were able to retain their job or achieve a promotion. Amalgamation brings with it many changes and a period of uncertainty for local government employees, but is this a good or a bad thing?

What do the statistics say?

More than half of the respondents felt that amalgamations improved the overall operations of local government, and only 13% felt that no services improved as a result of council mergers. This clearly demonstrates that in the opinion of local government employees, the changes resulting from amalgamation have a positive effect in the long run. However, the implementation of these changes and the impact on the people within corresponding councils varies greatly.

Of the local government respondents, 41% believe that amalgamations have a negative impact on employees, 30% think they have a positive impact, 27% were unsure, and 2% consider they have no impact at all. Just over 54% would support further amalgamations, 16% are staunchly against the notion, while 30% remain unsure. Should further amalgamations occur, the general opinion is that careful planning and strong communication will ensure that the experience for local government employees is as positive as possible.



"From all my experiences, whenever amalgamation is talked about, a phrase that always appears is 'short term pain, long term gain.' This is how I feel about them."
Sergio Cesaro
Facility Support Officer, City of Charles Sturt

"There have been a lot of improvements, but it was a very stressful time for everyone."
Beryl Sims
Customer Service Officer,
City of Onkaparinga

My Story

Kay Fothergill

Internal Training Advisor,
City of Onkaparinga

I was working at the City of Noarlunga at the time of the amalgamation to form the City of Onkaparinga in 1997. There were potentially financial benefits, opportunities for skills transference and other gains that we would all work towards, but at the time we could not see this through the mayhem.

Faced with an increased workload in the short term, staff displayed a lot of mixed emotions but predominantly negativity and stress. We were told to embrace the people from other councils with whom we would amalgamate and we were able to do this. Some staff members were counselled prior to the amalgamation and were better equipped to cope with the change. These people became the change champions as we stood back and watched. With the reduced number of positions, there was also a great feeling of loss and guilt felt by those staying over those leaving.

It was a fresh start but you need strategies in place (around every aspect of the amalgamation), not knee jerk reactions. We had three different email applications prior to the amalgamation. Once the new council was formed, we bought a new system. This created a massive training requirement. I was the main trainer of the new system, with one person to back me up. I trained solidly for five weeks and was extremely tired, so tired that I couldn't remember my address when I ordered a pizza one night! We needed more forward planning and consultation with key stakeholders as to how best we could move forward and implement new systems. The changes were so full on - no gradual progression! One solution might have been to let the teams get together (from each of the three councils) pre-amalgamation to work out the processes and systems in advance.

I believe the community feel (of the smaller councils) had a lot of benefits. The larger you get, the more familiarity you lose. Residents didn't get the same service they did from the smaller council because employees weren't focused on the little things, for example, remembering to empty the bins after hours so Mrs Jackson doesn't get upset. However in hindsight, the amalgamation helped build a progressive united council, everyone working together a team focused on the future. We have been able to roll out larger water and biodiversity projects, given the additional funding available. Due to the change in culture and processes, the City of Onkaparinga has become a leader in local government in its own right.

The Rural Perspective

Of the 68 councils created under the Local Government Act 1999, 49 are outside the Adelaide metropolitan area. In regional and rural areas, local government boundaries often reflect embedded concepts of public interest and identity. The amalgamation of largely independent and intensely parochial councils is often particularly contentious. This rural perspective is gathered from the views of those both living and working in rural and regional South Australia.

There is a feeling amongst rural respondents that smaller communities will suffer in amalgamations as regional centres will consume the majority of resources and employment opportunities. Rural towns are heavily dependent on local government for employment, cash turnover and support services. There is a great fear that amalgamations will cause the profile of the community to be altered. Concerns were also raised regarding outer-fringe areas and the likelihood that these areas will be served less frequently or even risk being forgotten about. Furthermore, residents of regional or rural areas, by and large, remain sceptical about the economic benefits that have been put forward to justify local government amalgamations.

There is only lukewarm confidence in the capacity of elected members to effectively represent their constituents' interests in larger council areas. Councillors are often people who live and work in the community, tackling the issues that concern the community they represent. Rural council mergers would mean that some elected members will be forced by distance to be outside of their community for the majority of the time, and would not be able to attend all the engagements to represent their community in a new bigger council area.

In contrast, some believe that amalgamations can provide the resources to undertake projects on a larger scale, such as roads, drainage works and master planning, and can result in the provision of a wider range of social and community services. This could be achieved through greater purchasing power, the sharing of equipment, and the savings on overheads. The majority of the survey respondents agree that larger Councils have the ability to plan on a larger scale and employ and retain highly trained professionals, which will perhaps aid in addressing the skills shortage in such areas.

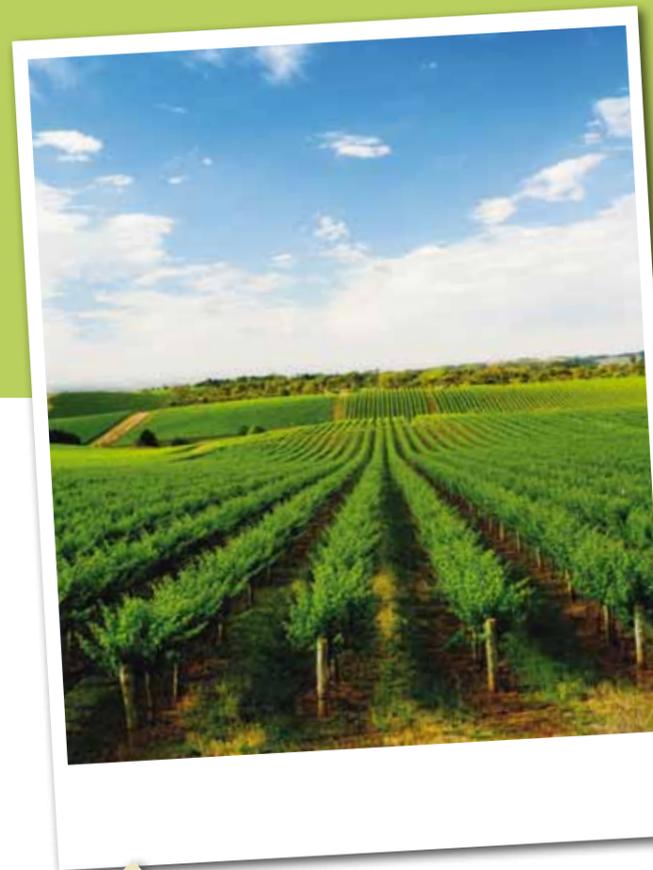
Overall the survey results suggest that amalgamations, though generally supported in metropolitan Adelaide, should be approached with caution in rural or regional South Australia.

What do the statistics say?

Of the respondents surveyed, 47 identified themselves as working in rural areas, 27 of which worked within local government. Planning and asset management were seen by 70% of respondents as services that would improve as a result of amalgamations, while more than 63% believed that waste services could be improved if Councils covered much larger areas. Furthermore 74% supported the ongoing provision of services at local community centres in order to meet the community needs should rural Councils be amalgamated.

Of the rural respondents, 62% believe that amalgamation is not a dirty word. As long as sensible steps are taken to ensure that the community agree that they will benefit from the process and that the level of service to the community is maintained or improved, amalgamations can have a positive impact.

"Is amalgamation a dirty word? It's probably worse than the words they throw you out of Church for using."
Steve Woolley
Deputy CEO, Elliston Council



"Within a larger council area it will be so much easier to overlook small local problems on the basis that the need of the majority is greater, whether or not this be true."
Bryan Hearn
Rural Community Volunteer

My story

Stephen Kerrigan

CEO, Town of Gawler

"I was the CEO of a council that amalgamated with 3 other councils in 1997 to become the Regional Council of Goyder. The amalgamation forced elected members to focus on the bigger picture and led to a greater understanding of how Councils and communities operate from financial, asset management and services level perspectives.

Residents don't really care who their Council is as long as they're getting their services. Although should further amalgamations proceed, customer service should continue to be delivered face to face or at least in person over the phone. Amalgamations raise expectations that there will be cost savings and increased services. They also lead to employee anxiety and uncertainty regarding job permanency/security.

In smaller councils amalgamation can help to provide a 'critical mass' and whilst they can result in improved compliance they may not necessarily realise any cost savings. The idea of amalgamations distracts local government from more important issues and core business. It takes a lot of work to justify the cost and service benefits of amalgamations.

Amalgamation is not a dirty word. It is a misunderstood word often used to scare communities, but the process has the potential to provide good outcomes for the community if done correctly."

"Amalgamation is a dirty word to some, but not the majority. Some will feel less belonging and disempowered."

Peter Arnold
Assistant Manager Administrative Services, Port Pirie Regional Council

The Political Perspective

Some Councillors and Mayors who have experienced boundary mergers oppose the suggestion that amalgamations result in an improvement in the operation of local government. However in contrast, it is evident that they support further amalgamation.

Respondents freely admit that amalgamations will negatively impact elected members and mayors. They also believe that residents, community groups and local government employees would suffer. According to the respondents in this group, the big winners are the state government and the development industry.

Reasons for supporting further amalgamation include stronger negotiating positions, increased rates base, enhanced ability to lobby other tiers of government, economies of scale, less duplication of staff roles and the possibility of producing a fresh start inclusive of a best practice attitude. Operations such as capital works, planning, asset management and waste services would be considerably improved. Should councils proceed with further amalgamation, library and community services were frequently cited as services that should remain at a more local scale.

The elected members and mayors cautioned that amalgamations can result in the inheritance of debt burdens when a wealthier council amalgamates with a council with inferior infrastructure. Respondents argued that loss of identity, no proof of cost savings, potential for party politics and loss of representative democracy are other major drawbacks to boundary mergers.

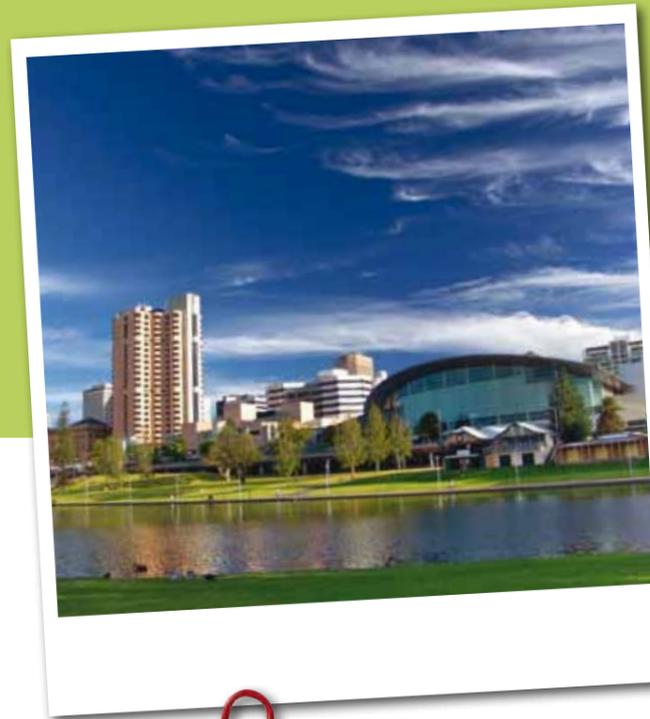
Some elected members looking to strike a balance in the debate suggested optimal council sizes of between 50,000-100,000 residents to maintain community culture, while maintaining efficiencies. Some suggested that any new boundaries consider topography, common amenities and similar issues, such the formation of a coastal council and an inner-city council.

"My community will fight to stop amalgamation"
Former Mayor Tony Reade,
Town of Walkerville

What do the statistics say?

Although boundary changes should never be considered without proper consultation and research, 39% of respondents who favour amalgamation would entertain the idea of metropolitan councils amalgamated by east, west, north, south, and central Adelaide. This was followed by 26% who consider that a number of smaller scale amalgamations of neighbouring councils is more appropriate for South Australia.

Whether or not amalgamations result in an overall improvement in the operation of local government proved to be a difficult question to answer. Only 25% of elected officials answered 'no', and an even lower 13% responded 'yes'. When asked if larger council regions would result in a more even spread of resources within the community, elected officials were split with 33% saying no, 33% agreeing and the remaining 34% unsure or unable to answer. Of those who were able to provide a 'Yes' or 'No' answer, 55% believe that amalgamation is not a dirty word.



"The opportunity for a 'new start' because of the new entity was, I believe a critical factor in the new council's success. The city of Onkaparinga was the beginning of a NEW council not simply an amalgamation of 3 with the stronger (larger) one dominating. To not explore amalgamation, or any other form of improving services, is after all letting down the very communities we are entrusted to deliver the best outcomes to".
Former Councillor Trevor Fletcher,
City of Onkaparinga

My Story

Bob Such

MP (Independent)

Robert (Bob) Such has held the seat of Fisher in the South Australian House of Assembly since 2000. Prior to this, Bob had been a Liberal Party member since 1989.

"I was on the City of Mitcham Council at the time of the proposed merger with the City of Happy Valley but have changed my views regarding larger councils since then. I now see merit in more amalgamations in metropolitan Adelaide. My view is that larger councils are better resourced to provide services to the local community. I can't see any services suffering, quite the opposite. Larger councils are able to provide more community services and better community centres. Larger councils can take a broader view of issues and are not constrained by parochialism.

In the metropolitan Adelaide area 19 councils is too many. There is no need for 19 council chambers, 19 works depots and 19 separate computer systems. Metropolitan Adelaide is lagging behind because there too many councils. Services could be improved and millions of dollars saved by having only 3 or 4 councils. There is a lot of money to be saved in CEO, Mayor and Elected Member salaries alone. A super council could work in Adelaide, but a 3 or 4 council model would probably be the best option. A judicial review should be carried out to ascertain this.

If amalgamations are completed well, there can be an overall improvement in operations, however it is important to keep the local in local government and to ensure that genuine local input is possible. One way to achieve this is to incorporate advisory committees as New Zealand has done. As long as the model is right, all stakeholders can benefit from amalgamations, albeit there is likely to be a reduction in council staff numbers. Amalgamation is certainly not a dirty word in my opinion."

"What are the dirty words? Loss of participation, loss of effective local representation, politicisation of local government, loss of community."
Former Councillor Jim Jacobsen,
City of Burnside

The Community Perspective

Communities have historically opposed the merger of local government areas and appealed against the perceived loss of local identity and local democracy⁽³⁾, however recent newspaper reports suggest that there is perhaps a shift in residents' attitudes towards amalgamations, particularly within the smaller council areas in metropolitan Adelaide⁽⁴⁾.

Representatives of community groups, rather than individual members of the community were invited to participate in the survey. Survey respondents were asked in the first instance what benefits (if any) they thought further local government amalgamations would have on their community. Most commonly, residents thought there would be a reduction of costs and overheads due to economies of scale and reduced administration, as well as a rationalisation of resources in terms of the shared use of assets, equipment and facilities. This, coupled with the larger rates base, may lead to an overall improvement of service provision. However, of those that responded to this question, 40% indicated they had difficulty in seeing any benefits in amalgamating with another council area.

Those that have experienced local government reform generally are still sceptical about the actual cost savings achieved and many admit to seeing very few positive impacts. Responses in relation to the real or perceived drawbacks were frequently centred around the issues of the increased bureaucracy and inefficiency in managing a larger council. In particular, concerns were raised regarding the lack of communication between departments, and elected members and staff being out of touch with the people they serve, as councils become too large and impersonal. There were also big concerns with the shift in focus to large projects at the expense of local community issues and needs, and the loss of a sense of identity, village feel and community spirit, especially when mixed with suburbs with very different needs and wants.

Overall, residents generally believe that council amalgamations would result in a reduction in community engagement and representation. There would be reduced access to staff and department managers and even less access to local councillors. Not only that, fewer elected representative positions could result in increased competition and more resources would be required to stand for council – something that could discriminate against typical residents.

What do the statistics say?

Of the residents surveyed, 40% have experienced South Australian local government amalgamations first hand, however within that group, only half could describe some of the benefits of the reform. It is felt by 70% of respondents that amalgamations do not result in an overall improvement in the operation of local government, with many citing increased bureaucracy as the main contributing factor.

Interestingly, many admit that retaining the current local government boundaries is potentially unfeasible and 46% would support further mergers. Reasons include a lack of resources, narrow vision and reduced ability to attract quality staff and external funding opportunities in some smaller councils. Of the respondents, 44% felt that there is potential for community services to improve, with a focus on home and community care and libraries services. Residents think that planning and building approvals should be kept at a local level, especially in relation to heritage issues and they believed the development industry would be the biggest winner of council amalgamations. On the whole, 64% of residents and community groups surveyed believed that amalgamation is not a dirty word, however it is - as summarised by Bryan Hearn, Community Volunteer, one that must be approached with caution and a willingness to compromise.

"Not really keen on the idea of mega councils but I think that some of the smaller councils should be amalgamated to ensure the most effective use of resources and employee expertise for all South Australians."
Anonymous

"Amalgamations should result in lower costs and higher efficiencies, but ratepayers are yet to see any benefit from past amalgamations."
Robert Owen
Chairman,
Netley Residents Association



"Amalgamation could mean better quality of councillor, better leadership and better resources to service the community."
Anonymous

My Story

Jim Douglas

President, Western Adelaide Coastal Residents Association Inc

I was previously a resident of the Henley and Grange Council, and in the late 1990's I opposed the amalgamation with Woodville and Hindmarsh. However I supported the amalgamation with West Torrens to create a 'city to sea' council, which made more geographical and cost saving sense. Currently, I am the president of Western Adelaide Coastal Residents Association with approximately 300 members.

One of the benefits of council amalgamations is the larger budget through the larger rates base, resulting in a greater number of projects. In addition to this, larger councils have greater clout in attracting Federal funding for significant projects. Since local government amalgamations have taken place, I have found that service provisions have improved over time.

On the other hand, when the council is too big, I have noticed significant restrictions in accessing particular staff and department managers... you can't just walk in and speak to the whoever you need too. In this respect, larger councils produce larger egos. There is more of an open door policy with smaller councils, which creates better and friendlier relationships. Staff know their constituents and more pride is taken in the community. Through our association I have the benefit of almost immediate access to staff, however this is definitely not the same situation for an individual resident.

It does have the potential for more efficiency if there is greater cooperation between councils. I feel local government is being used by state and federal governments to shift blame..... bigger councils could do more to stop this practice. It is time for more efficiency and the use of a stronger voice coming from the Local Government Association. Councils need to be more supportive of the LGA and this would make a huge difference.

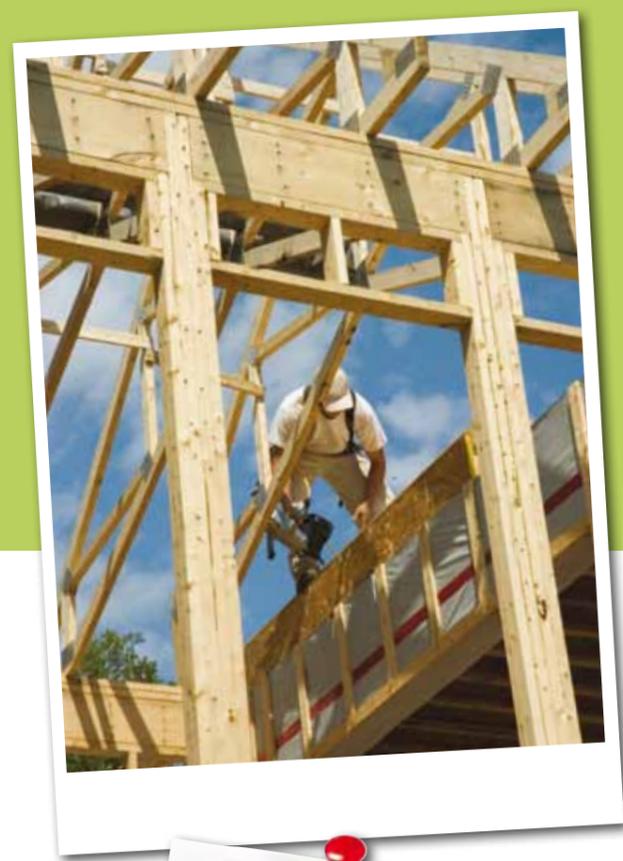
I think that we should collectively review this whole concept of local government amalgamations. There needs to be consideration given to the efficiency of three tiers of government. So much of what was promised in the way of cost sharing and improved services have not eventuated. I find that there is a lack of democratic engagement with the community. It seems that the bigger the Council, the less they feel they need to engage.

Small councils reduce their ability to gain external funding for large projects and struggle to maintain financial viability with limited rate based budgets. Because of this, smaller councils can only offer limited community services. There needs to be far greater emphasis on primary health care and well being. Merged councils have the potential to provide this service. Retention of smaller council's may also result in a lack of vision due to the restricted thinking of council staff and elected members.

A more visionary and holistic view of planning the future is required. Larger council regions should result in a more even spread of resources within the community. This is what we were promised, but it is a long time coming.

"Amalgamation is not a dirty word. In fact it should be talked about again - its been 15 years and the time is right for another round of amalgamations. The bar has gotten higher from a performance standard"

*John Comrie
Director, JAC Comrie Pty Ltd*



"Amalgamations may benefit contractors by resulting in increased workloads and standardisation across larger regions. The service improvements would benefit residents."

*David Caranagh
Chair, The McLaren Vale
Business Association*

"Amalgamations could benefit contractors with more opportunities for increased revenue, though councils may benefit from possible cheaper charge out rates."

*Dragan Cajich
Project Manager, VIP Electrical*

My Story

Nathan Paine
Executive Officer, Property Council of SA

Although I was at University during the 1997 South Australian local government amalgamations, I have seen the positive end results of the move. Immediately after the amalgamations took place it looked like they wouldn't work, however I believe it takes 10-15 years for the benefits to be shown. The amalgamations had a positive impact in areas such as Norwood Payneham and St Peters, Port Adelaide Enfield and Onkaparinga. In my view, some of the benefits include increased viability due to the greater rates base, which in turn provides the ability to hire and retain high quality staff. For example, instead of 2 or 3 planners at each council, you could have 6 or 7 planners focussing on master planning as well as development control. The greater rate base also offers the ability to provide a higher level of quality infrastructure and the ability to provide a higher quality of service. Another positive is critical mass which provides greater influence when lobbying the state government.

I believe it is not an issue of 'if' but more so an issue of 'when' amalgamations will take place, however I would not necessarily advocate for one super council. In terms of the proposed 'north, south, east and west council areas', you can't mix distinct communities, such as Walkerville and Port Adelaide Enfield, or Prospect with Playford, even though they are all in the north as their needs are too different. It seems the ideal scenario for amalgamations in SA is for them to coincide with the seven regions for metropolitan Adelaide noted in the state government's 30 Year Plan.

While I support amalgamations, I do not think larger council regions would result in a more even spread of resources because there will always be a power block and spending tends to be decided through political agendas. Waste services are shared anyway; library services are defunct; planning will benefit (especially development approval), community services (soft services such as bus runs picking up oldies on hot days) will be the big winner.

Councils could continue to fight amalgamations and have their powers stripped away or they could just come to the table with a solution. If councils won't stand up, amalgamations need to be lead by the state government. Amalgamations need political buy-in (they can't just review and step away). The answer is probably a royal commission similar to that held in Auckland resulting in their amalgamation program. The matter needs to be disassociated from the political system (as it is generally considered political suicide for the party in power).

Amalgamation is certainly not a dirty word, it is a 'necessary outcome' and I support further amalgamations.

The Private Industry Perspective

Local government plays a major role in the economic development of the state. It is responsible for approximately \$10 billion worth of infrastructure including important transport links, it controls planning and building approvals, it is responsible for more than 8000 direct jobs and management of over \$1 billion worth of services each year - these functions alone are vital to business success in South Australia. Councils also jointly fund Regional Development Boards and Business Enterprise Centres with the state government, providing direct support to business^[5].

Respondents from the private sector highlight the benefits of economies of scale resulting from the increase in rates base and the costs saved on the provision of services, the sharing of infrastructure and equipment and the reduction of the number of highly paid council officers. Particularly valuable to local small business is the means for greater support and resources. This can be directed by larger councils towards the economic development of a wider region, as opposed to apparent ad hoc and lacklustre efforts in segmented zones within individual council boundaries.

Another benefit of local government amalgamations identified by respondents from the private industry is the potential for effective lobbying and the perceived

ability to have more influence on the decisions made by other government bodies in relation to issues such as public transport, main roads, hospitals, economic development and the protection of the environment. The majority of respondents also believe that larger councils are better equipped to deal with 'big picture' issues such as population growth, stormwater management and the provision of infrastructure. The broader vision and focus as well as the willingness to progress would certainly benefit the private industry, particularly the development industry.

The private sector jumps at the opportunity to deal with fewer councils across the board resulting in uniformity with policies and procedures. Development assessment was one area where inconsistencies frustrated respondents.

The primary concern of respondents from the private industry is the increase in red tape and bureaucracy that can come with larger organisations. One respondent laments the communication breakdowns between departments as inevitable. There is also a general perception that larger councils with greater budgets and influence would result in an increase in political agendas and may not result in an even spread of resources across the council area.

What do the statistics say?

Over half of the respondents from the private sector believe amalgamations would result in the overall improvement of the operation of local government, with 58% agreeing that there would be an improvement, 25% not foreseeing any improvement and 17% unsure of the overall outcome. In addition, 45% of respondents support the further amalgamation of South Australian local government areas, while 24% opposed future mergers and almost a third were unsure. Planning, capital works and asset management were seen as the particular services that would be improved if councils covered much larger areas. The private sector believe that service delivery and financial implications are extremely important when considering possible amalgamations.

Responses gave the general opinion that the private industry (particularly the development industry) and the state government would be the winners if further amalgamations took place, however it is considered that amalgamations would on the whole negatively impact the community and their representatives. Of those surveyed, 67% believe Amalgamation is not a dirty word, with the general sentiment that they should be approached with the appropriate transparency and consultation.

State Government Employees' Perspective

Within the three tiers of government in Australia, local government's role is to represent the interests of the local community to both state and commonwealth governments, and to collaborate amongst the three tiers in planning and delivering services and setting public policy (6). State government employees were asked about their experiences with councils and ultimately whether further amalgamations could facilitate more effective working relationships between the state government and local government within South Australia.

The opinion shared by state government employees is that having 68 councils presents obstacles in implementing programs due to inconsistencies in council policies and procedures, as well as in staff opinions. There is unnecessary duplication of by-laws and inconsistencies and inefficiencies in operations. The large number of small councils often means that the big picture is often lost sight of and lessons learned are not shared. Larger and less councils would create greater consistency across the metropolitan area. If councils pooled their resources, better regulation of building and construction activities could occur, resulting in more consistent development with better compliance.

Buying power would be increased to gain greater efficiencies in delivering programs and services. Great efficiencies could be gained simply from reducing duplication and the continual reinvention of the same wheel.

However the importance of retaining local in local government is acknowledged. Residents and local businesses may feel that the service from a smaller council is more personalised and promotes stronger community values; local issues may be lost in larger council areas. However, the downside of this local contact is that sometimes it is the 'squeaky wheel that gets the oil'.

It is often the historic significance and community ownership of an area that give people a sense of local identity. If these aspects could be retained while amalgamating councils to improve service delivery, the broader needs of the community could be provided more efficiently while retaining the community feel.

"Councils take different approaches to natural resources management (NRM) and artificial boundaries do not always benefit good NRM outcomes."
Christel Mex
Director,
Communications and Engagement,
Adelaide and Mt Lofty NRM Board

What do the statistics say?

The further amalgamation of South Australian metropolitan councils was supported by 88% of the employees to state government who participated in the survey. Of these, 40% suggested that councils be amalgamated by east, west, north, south and central Adelaide. The survey respondents rated service delivery, costs and environmental impacts as extremely important considerations. 77% agreed that planning and capital works would be improved if councils covered much larger areas and 54% could foresee improvements in asset management. A clear majority considered that local government amalgamations would have a positive impact on the state government.

"Amalgamations can result in lower costs through combined services. Community services can still be maintained and improved through the savings made. Some of these savings are realised when unused assets are sold off."
Roger Whittington
Department for Transport,
Energy and Infrastructure

Local Government Association Employees' Perspective

The Local Government Association (LGA) is the key representative body of local government in South Australia. LGA president Felicity-ann Lewis said the organisation supported the last round of amalgamations in the late 1990s, when the state's councils were cut from 118 to 68 (7). Survey respondents cited economies of scale, improved buying power and reduced duplication as the main reasons for encouraging further local government amalgamations. Larger council boundaries would provide for consistent standards across larger council areas and more scope to preserve natural resources that cross council boundaries.

What do the statistics say?

The majority of respondents from the LGA would agree with further amalgamation to some extent. Despite the lean towards amalgamation, 75% of respondents who have been through the council merging process were unsure if there was an overall improvement as a result. Even so, amalgamation is not a dirty word for 66% of the LGA respondents.

My Story

Barry Parsons

General Manager Corporate and Member Services, Local Government Association

I was a senior manager at the City of Munno Para for 20 years, and acting Chief Executive Officer of that council for approximately six months in 1996/97 prior to the amalgamation with the City of Elizabeth to form the City of Playford.

There are some pros and cons regarding amalgamation. The positives include an increased rates base, offering the opportunity for economies of scale in the provision of services to residents. Additionally, larger Councils may have greater influence in negotiation with other spheres of government to advocate for better outcomes for local communities. I also think that larger councils may be better able to afford a range of skilled managers and employees while reducing the duplication of assets such as offices and depots.

However the downside shows a short term impact of the loss of established cultures, processes and networks which requires time and resources to re-establish. There is also the loss of staff (especially senior staff), with consequent loss of knowledge and experience. With the loss of staff comes the high cost of redundancy payments, impacting adversely on service provision temporarily. Additionally, loss of 'local' services where there is a rationalisation of sites such as offices, community halls, and libraries, especially in rural areas.

There is a balance to be struck between small, highly accessible and accountable local government, and larger more cost effective councils which may not interact as closely with the community, although some still do. It is very difficult to know where the 'tipping point' is, as it depends heavily on the policies and practices adopted by council elected members, managers and staff.

Generally I do not support further amalgamations as I believe that amalgamations can take the 'local' out of local government. It is possible for some of the benefits of amalgamation to be achieved by resource sharing between existing councils to deliver more cost effective services, and there are numerous examples of this. However there may nonetheless be a strong case for an amalgamation in specific instances when the community supports it, and a council is struggling to provide and maintain services.

"The reality is, each community is different in its circumstances and values. This is the very factor that makes local government so valued. The capacity to hold the local view against state and federal views... Losing this would be a negative."
Anonymous

Shared services

The survey found a strong belief by respondents that council services such as planning, capital works, asset management, waste and miscellaneous community services would be improved if councils covered much larger areas. Amalgamation alternatives such as shared services have been successfully implemented by South Australian councils for waste collection, purchasing and various community services such as libraries to name a few examples.

Cooperative agreements such as the G6 Purchasing Group formed by six of Adelaide's largest metropolitan councils have proven that this option can be successful in reducing direct and indirect purchasing costs as well as improving delivery and quality of services. Further tangible benefits are also realised by each participating council over that which would have been achievable, should any G6 council have undertaken that project or activity individually⁽⁸⁾. Other South Australian shared purchasing examples include the Local Government Corporate Services (LGCS), the Eastern Region Alliance and the Northern Areas Waste Management Authority (NAWMA).

Survey respondents were typically in favour of the concept of shared services where economies of scale could reduce the cost of service delivery however they were also very clear that face to face customer service needed to be retained at a local level.



"Resource sharing is too hard and has a disappointing record. It won't generate a significant proportion of the benefits that are realisable unless there is a legislative framework"

John Comrie
JAC Comrie Pty Ltd

"We don't necessarily need bigger councils. Benefits would be gained from implementing standard policies and internal operational procedures across a larger number of council areas."

Keith Bilsborough
Environment Protection Authority

Conclusion

Research conducted in preparation for this report provided insights into the huge personal and professional impacts that previous council amalgamations had on employees and elected members who experienced them first hand. While there remains widespread support for further amalgamations, respondents clearly identified that the manner in which the amalgamation is rolled out determines whether the experience is positive or negative for council representatives.

Whether stakeholders external to councils operations viewed amalgamation as a dirty word was strongly influenced by the respondent's perception of council. Private industry respondents supported the prospect of common policies and procedures that further amalgamations may offer but also flagged the potential increase in red tape that may result from having to deal with larger organisations.

Likewise community groups were hesitant, concerned about the potential decrease in community engagement and reduced access to staff as a result of additional bureaucracy. Each of the above concerns are valid and would require a concerted effort by amalgamating councils to ensure that these communities did not feel isolated from council as a result of an amalgamation.

Respondents from rural areas were highly aware of the opportunity to improve compliance with legislation which could result from more experienced staff and more funding, but were particularly concerned about the impact that larger geographic regions may have on the ability of both elected members and the administration to remain in touch with local issues. They also highlighted that the provision of key services such as libraries and community centres needed to be maintained at a local level to ensure that the rural communities had access to facilities and activities.

The view presented by employees of the Local Government Association suggested that previous amalgamations had resulted in a short term loss of focus on local issues while rebuilding from the amalgamation process. However there were opportunities for benefits resulting from economies of scale in the medium term.

The move towards the widespread amalgamations undertaken in 1997 was promoted as beneficial to council and communities in terms of cost savings and efficient provision of services. However it appears that actual improvements in service provision are predominantly anecdotal and the proposed cost savings difficult to quantify.

Overall the survey found that there is clear support for further amalgamations particularly where cost benefits can be shown. It is possible that some of the same benefits may be achievable through the 'pseudo amalgamation' options of shared services and group purchasing which have been found to work well throughout South Australia.

Councils and government need to be very clear about what they seek to achieve should further amalgamations be considered, particularly as there is no 'one size fits all' option and as the survey data revealed, it can take years to recover from both the financial and energy expenditure required to undertake an amalgamation.

So, is amalgamation a dirty word?
The word on street is no,
but where do you sit?



Who are we?

Twenty participants from 15 South Australian councils participated in the 2010 Local Government Managers Australia (LGMA) SA, Emerging Leaders Program. The program supports the development and retention of current and aspiring leaders working within local government. It is an exciting program that challenges participants by providing unique learning experiences through non-traditional methods and focuses specifically on developing leadership skills rather than management skills. This project is the product of a collaborative effort from all of the 2010 participants.



The program has increased my self awareness of the importance of leadership.

Brett Kahland
Senior Consultant Strategic Procurement
Adelaide City Council



The opportunity to interact with other professionals and leaders was truly invaluable. The program was very informative and definitely a worthwhile experience

Geoff Parsons
Manager Development Services
Mid Murray Council



I found the most valuable aspect of the program the generous donation of time by senior managers and CEO's from a number of organisations, who shared their journey with us.

Marco Wenzel
Team Leader City Compliance
City of Charles Sturt



Besides developing as a leader throughout the program, I really enjoyed the opportunity to network with people from other councils and share our knowledge and experiences.

Dale Sutton
Engagement Coordinator
City of Onkaparinga



The program itself was inspirational, in particular engaging with CEOs and senior managers. I also enjoyed liaising with my colleagues from other councils.

George Kyros
Civil Compliance Officer
District Council of Mt Barker
Previously at the City of Unley



The course provided participants unique access to the world of the Council Executive and gave me confidence to set my career goals higher, faster than I had previously hoped.

Sam Kenny
Deputy Manager Civil Services
City of Salisbury



Previously at the Town of Gawler



The Emerging Leaders Program has been a valuable experience for me. I feel as though the networking and the general knowledge of local Government I have gained has been an important learning curve in my professional career.

Ben Hall
Arboriculture Workgroup Leader
City of Holdfast Bay



The emerging leaders program helped open my eyes to the challenges faced by today's leaders. The course has really motivated me to take the next step in my career and develop my leadership skills.

Andrew McSeveney
Senior Asset Management System Officer
City of Salisbury



The workshops, project meetings, debriefs, and personalities have definitely made this all worthwhile for me. Cheers to everyone who volunteered their time to support the program.

Matthew Spearman
Manager Information Systems
City of Burnside



Wow. An amazing opportunity to work along side and develop friendships with future CEO's /senior management and also be acknowledged within my organisation as an 'Emerging Leader'. I have networked and listened to incredible people through the program. Thank you for the journey.

Johanna Bennett
Project Officer - Events
City of Onkaparinga



I would highly recommend the emerging leaders program it provided me with a great opportunity to develop my professional networks and communicate with staff from other councils. Priceless!

Mark Crabtree
Youth Development Officer
City of Prospect & Town of Walkerville



The program broadened my skills base and was a great experience to have had the opportunity to network with colleagues from other councils on this journey as an Emerging Leader.

Channa Senanayake
Team Leader Asset & Systems Accounting
City of Tea Tree Gully



Good theory. Great practice. Generous networking. Meeting the challenges of the program together, has brought out the best in each one of us.



Helen Christie
Team Leader HACC Program
Town of Gawler

Previously at the City of Salisbury



During my time throughout the program I have enjoyed the challenges that have been delegated. I have also had the opportunity to meet with several leaders who spoke of their experiences and the challenges that will approach us in the future and how to deal with them.

Darryn Moyle
Leading Worker Environment & Parks Assets
City of Onkaparinga



The program was a profoundly positive experience, which saw my confidence and self awareness improve, my network expand and my passion for local government reinforced. I am grateful for the opportunity.

Cherie Gill
Senior Development Assessment Officer – Planning
City of Tea Tree Gully



The program has been a great opportunity for me to explore my leadership style as well as expand my networks in local government, while making some great friends along the way.

Sara Morrison
Transport Engineer
City of Charles Sturt



I gained from hearing the experiences, both professional and personal, of current leaders. The program gave me the opportunity to reflect on my career direction and personal goals.

Gaye Andrews
Coordinator Volunteer Services
City of Mitcham



Merryn Walton
Development Officer - Compliance
City of West Torrens



While the program focussed on leadership, having the ability to network and share experiences with other council staff, including CEOs and senior management, was invaluable.

Liz Bailey
IT Systems Analyst
City of West Torrens



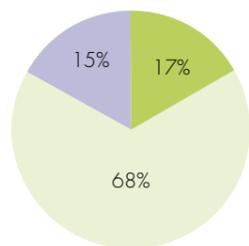
During the year we have participated in some great workshops with guest speakers who delivered honesty and insight. It has been a time to review, reflect and refresh skills and practices and grow professionally to meet the challenges and opportunities.

Henry Haavisto
Manager Urban Trees
Campbelltown City Council

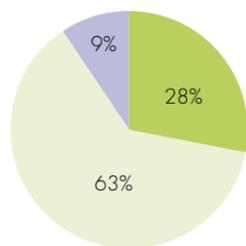
The Results

The following graphs demonstrate the responses to the question 'in your opinion, is amalgamation a dirty word?' from each stakeholder group.

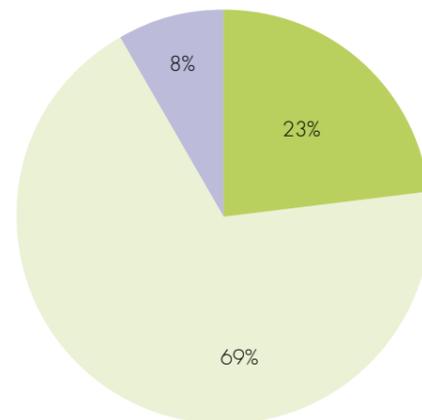
So, is amalgamation a dirty word?



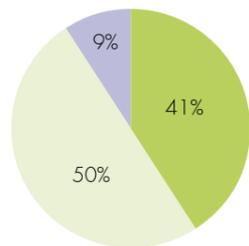
Opinion of local government employees



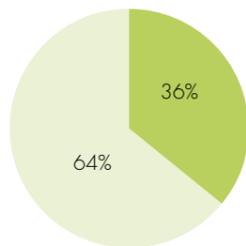
Opinion of respondents from rural areas



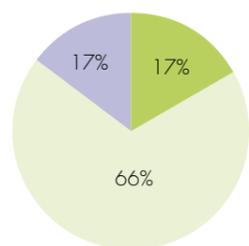
Overall opinion



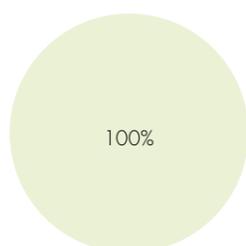
Opinion of elected political representatives



Opinion of those who represent community groups



Opinion of private industry employees



Opinion of state government employees



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