



HANDOUT 1

AMALGAMATION POTENTIAL ADVANTAGES AND DISADVANTAGES

The desired outcome of structural reform is a strong sustainable local government. The Department for Local Government and Regional Development advise that there is a range of benefits that will be achieved through the reform process.

Potential Advantages

- increased capacity for local government to better plan, manage and deliver services to their communities with a focus on social, environmental and economic sustainability;
- increased capacity for local government to have adequate financial and asset management plans in place;
- enhanced efficiency in the processing of planning, building and other licence applications made by business and the community;
- greater ability to attract and retain staff including the provision of further career development opportunities;
- greater competition for positions on council and, in conjunction with other reforms, potential for enhanced governance capacity; and
- Larger local governments with greater capacity to partner with State and Federal Government, and the private sector, to further improve services to communities.

Potential Disadvantages

- Potential loss of local identity: if amalgamation occurs communities of interest may be significantly different
- Loss of representation: fewer councillors suggest that it could be more difficult for community members to know or obtain access to elected members
- Time and resource consuming -:if amalgamation occurs, substantial resources would be required to implement
- Time to achieve cost savings-: experiences in other states indicate that cost savings through perceived economies of scale are not realized for a number of years, if at all (to date no empirical evidence to support savings through amalgamations in other states.)
- Significant cost increase: the cost of reform when amalgamations occur can be significant and would include locating suitable sites and accommodating a larger workforce in new or upgraded central facilities
- Rationalization of major systems such as information technology systems, town planning schemes, human resource management practices, staff redundancies for example.