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BIGGER COUNCILS Not better for residents and ratepayers. A new independent report provides concrete evidence.



A new independent report has provided concrete evidence that larger councils are not necessarily better for residents and ratepayers - and that forced amalgamations do not improve financial sustainability or customer experience.

The report, prepared by local government expert Professor Brian Dollery from the University of New England, was commissioned by Manly and Pittwater Councils in response to the Warringah Council's *Local Government Structural Change* report which recommends amalgamating the three local councils and an even wider merger with Ku-ring-gai, Hornsby and Mosman Councils.

The Dollery report found that the proposed model of a northern beaches council, advocated by Warringah Council, was not viable for several key reasons. These were:

- There is no 'community of interest' between Manly, Warringah and Pittwater Councils considered essential for amalgamation to occur successfully
- Local boards are both expensive and inappropriate for NSW
- Amalgamation options proposed do not improve financial sustainability and in the short-term increase costs to ratepayers substantially
- No economies of scale are present in the amalgamation options proposed by Warringah Council.



"The economic analysis reveals Warringah's report does not address communities of interest, the cost of additional tiers of government and the potential for cost savings through economies of scale in its various merger options presented for the Northern Beaches, Ku-ring-gai, Hornsby and Mosman."

Mayor of Manly Jean Hay AM

"Manly Council's services cater to the particular demographic needs and character of the Manly area," Mayor Hay said. "This would be lost in the model of an amalgamated council that is being proposed by Warringah" said Mayor Hay.

Mayor Townsend said that northern beaches councils have successfully delivered cost savings and streamlined services through the SHOROC regional organisation of councils.

"The evidence is clear that amalgamations will not result in better services or lower costs for our residents. Smaller councils are more responsive and less bureaucratic, so there is nothing for residents to gain from yet more layers of Council structures such as boards."

Mayor of Pittwater Jacqui Townsend

"Manly Council's services cater to the particular demographic needs and character of the Manly area," Mayor Hay said. "This would be lost in the model of an amalgamated council that is being proposed by Warringah."

"Professor Dollery's report clearly shows amalgamations cannot be justified due to the stark differences existing between Manly, Mosman, Warringah, Pittwater and Ku-ring-gai. In fact, a merger could lead to a widening of the socio-economic differences between local councils if a forced amalgamation strategy is pursued. Forced amalgamation could cost our ratepayers \$2 million a year."

Mayor of Manly Jean Hay AM

Mayor Townsend said that northern beaches councils have successfully delivered cost savings and streamlined services through the SHOROC regional organisation of councils.

"Council amalgamations also have other adverse consequences, such as loss of local identity and a 'local voice'. Assumptions of economies of scale through population size and per capita expenditure do not necessarily follow forced mergers."

Mayor of Pittwater Jacqui Townsend

Both Mayors said they would write to the State Government on behalf of their communities objecting to any forced amalgamations of the type proposed by Warringah Council.

To view the full report, download PDF below.

 **Professor Brian Dollery Report 'AN ASSESSMENT OF SGS REPORT LOCAL GOVERNMENT STRUCTURAL CHANGE OPTIONS ANALYSIS' (1.28 MB)**



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