

## **Chapter 4**

# **Local Government Amalgamation in Queensland, Northern Territory and Western Australia**

### **4.1 Introduction**

Little structural reform and council amalgamations occurred in Queensland, the Northern Territory and Western Australia during the 1990s, when structural change mainly through amalgamation was ongoing in Victoria, Tasmania and South Australia. Commentary at government level in Queensland, Western Australia and the Northern Territory was usually limited to assurances that there would be no forced amalgamations.

Dramatic change occurred in 2007 and 2008 when controversial large-scale, government-introduced, forced amalgamations occurred in Queensland reducing the number of local councils from 157 to 73 (Local Government Reform Commission Qld, 2007, p.13). The outcome was that since formation of the newly amalgamated Queensland councils in March 2008, some councils became very large spatial areas with substantially increased populations, whilst other rural and remote entities had very large areas with small populations. The new Noosa Regional Council, for example, incorporated five State electorates, whereas Waggamba Shire, based in Goondiwindi, covered an area of over 18,000 square km, with a population of less than 5,000 persons (Local Government Reform Commission Qld, 2007, p.22, 26).

Successive Northern Territory administrations had occasionally suggested the need for local government reform, but had not initiated change. In 1998, for example, the government approved

[t]he reform and development of local government to establish a more effective, efficient, accountable and culturally appropriate framework of local governance, particularly in rural and remote areas (Department of Local Government Northern Territory, 2000, p.5).

In 2008, the Northern Territory government greatly reduced the number of councils, community government councils and community associations from 61 to 16 units (Local Government Association of the Northern Territory, 2008a, p.2), but subsequently increased to 17 with formation of the Tiwi Islands Shire (Department of Housing Local Government and Regional Services Northern Territory Government, 2009, p.1). In terms of reduction in council numbers, this was easily the largest scale, forced local government amalgamation in Australia.

Until late 2008, successive Western Australian Governments had resisted the option of council amalgamations, preferring a State-local partnership approach. However moves towards structural reform and specifically amalgamations in that state are currently being promoted and encouraged by the Government (Australian Local Government Association, 2009b, p.2-3), with Local Government Minister Castrilli overriding the Western Australian Local Government Association (WALGA) sponsored Systemic sustainability Study (SSS). A few councils have agreed to voluntarily amalgamate (Government News, 2009b, p.1) and it is possible that further amalgamations, either imposed or voluntary will take place in the near future.

The focus of Chapter 4 is to assess the structural reform and amalgamation measures imposed during 2007/08 in Queensland and Northern Territory, as well as the recent Western Australian policy on amalgamation. The Chapter is divided into 6 main parts. Section 4.2 considers reform measures in Queensland. Section 4.3 addresses reform in the Northern Territory. Section 4.4 focuses on the approach to structural reform in Western Australia. Section 4.5 suggests common themes. Section 4.6 provides brief concluding remarks.

## **4.2 Queensland Local Government Structural Reform**

### **4.2.1 Introduction**

On 17<sup>th</sup> April 2007, Queensland Premier Beattie announced that Queensland's 157 councils, with more than 1,100 elected councillors, would undergo 'their first sweeping reform in more than a century' (Beattie & Fraser, 2007, p.1). His announcement heralded a major government policy shift and commencement of an intensive, forced amalgamation

process which, in less than a year, delivered council elections to create 72 newly-established councils (Clarke, 2007, p.7) and a total of 73 councils, including Brisbane City Council, which was excluded from the 2007-08 process (Department of Local Government Queensland, 2007, p.1). Council amalgamations more than halved the number of Queensland local government entities. The Queensland Government had observed large-scale amalgamations in Victoria, Tasmania and South Australia during the 1990s, but had undertaken comparatively minor structural reform in its own state in that period and since. The largely unanticipated Premier's announcement caused public controversy. For example, Thomson (2007, p.1) observed that the forced amalgamations had

[d]ecimated local representation as it is known in Queensland with the proud and fierce protests of recent months against amalgamations amounting to little – a sad day for the proud and independent councils of Queensland.

#### **4.2.2 Queensland Gradual Structural Reform**

In 1916, Queensland had an elaborate level of fragmentation of local government units with a total of 442 councils, of which 149 were shires and the remainder known as financial divisions. In October 1993, there remained 23 financial divisions, 105 shires, 23 undivided cities or towns and Brisbane City Council; a total of 152 entities (Tucker, 1995, p.71).

As early as 1896, a Royal Commission on Local Government criticised the proliferation of small Queensland local authorities. The Commission's Report influenced creation of the Brisbane City Council in 1925, formed by the union of 19 local government areas, and the largest local government entity in Australia today. A 1928 Royal Commission on Local Government Boundaries recommended a reduction from 152 to 86 units (Jones, 1993, p.238). However, it was another 80 years before reductions occurred, even though it was acknowledged at least from the early 1980s that the possibility of efficiency and economies of scale might make it imperative for creation of larger local government units (Tucker, 1983, p.193).

Conventional local government only commenced in large parts of unincorporated outback Queensland in recent decades, which caused an increase in numbers of Queensland councils. Small, remote and indigenous communities formed ‘community governments’ or community councils, a flexible form of government that permitted a wider range of activities and entailed fewer compulsory responsibilities, to accommodate low populations, remoteness and cultural difference (Dollery & Marshall, 1997, p.20). By 2002, indigenous community local government areas were increasingly being called upon to take a greater role in regulating land use and be more accountable for decisions (Moran, 2002, p.80).

As a dominant Queensland political pressure group, graziers had effectively controlled local government in rural areas over many years. Queensland local authority electoral divisions were changed in 1991, in an attempt to remedy electoral imbalances in rural local government. A mid-1990s case study in Longreach Shire indicated that it was premature to suggest that graziers had lost significant political influence (Higgins, 1997, p.56). The 2007-08 Beattie government forced council amalgamations were strongly opposed by the rural Queensland grazier lobby.

As a consequence of the Fitzgerald Inquiry into Corruption in Queensland, an Electoral and Administrative Review Commission (EARC) was established in March 1990 (Tucker, 1992, p.31) primarily to address Queensland electoral reform, open disclosure, review of boundaries and ethical conduct (Dollery & Marshall, 1997, p.92-3). A Public Attitude Survey at the time, concerning perceptions of local government employees, found that overall respondents had a favourable view of local government and agreed that council employees were honest and behaved well (Crime and Misconduct Commission of Queensland, 2003, p.1).

The combination of EARC and the Criminal Justice Commission (Fitzgerald Inquiry) recommendations resulted in a new 1993 Local Government Act (Dollery & Marshall, 1997, p.93). This Act removed provision for financial divisions, which it had been argued enabled individual communities within local government areas to be financially autonomous (Tucker, 1999, p.10). The EARC recommended council amalgamations

especially along the Queensland coast. In 1992, the government adopted the findings of EARC and appointed the CEO of the Queensland Local Government Association as Local Government Commissioner to examine all feasible options (Jones, 1993, p.239). The Commissioner's major, most sensitive task was to investigate, report and recommend on specific local government area and boundary problems (Tucker, 1999, p.10-11). Commissioner Hoffman devised a consultative process and recommended complete council area amalgamations which brought criticism especially from disaffected rural interests. Mergers reduced council numbers from 134 to 125 during 1993 and 1994, but were confined, with one exception, to cities and shires on the coastal fringe between Gold Coast and Cairns. A National-Liberal government, elected in 1996, terminated the work of Commissioner Hoffman (Tucker, 1999, p.10-11). Six years after the Gold Coast and Albert Shire amalgamation in this period, that merger was still labelled a 'catastrophe' and there continued in that locality an unsuccessful campaign for de-amalgamation (Milliner, 2001, p.1). The 1990s coastal amalgamations focused on a small number of large regional centres experiencing rapid population growth, where the primary objective was to better manage the growth rather than to achieve economies of scale (Dollery, Marshall, & Worthington, 2003, p.120).

As a consequence of the EARC Review and matters then addressed by the Fitzgerald Inquiry, Queensland local government was subjected to unprecedented scrutiny during the first two and a half years of office of the Goss Labor government. The EARC inquiry outcomes resulted in significant cost burdens on local government. Some local authorities found it difficult to cope with the pace and cost of post-Fitzgerald reform (Neylan, 1992, p.39, 42).

There was concern that the EARC had failed to undertake all the government had requested of the Commission. Whilst it was credited with improvement of the local government electoral system, it attracted criticism in relation to the question of fair and equitable representation in local government of women and aborigines, and because it was deemed to lack local government knowledge, especially at Commission staff level. Tucker (1992, p.33) has suggested that in many respects the EARC was ineffective, especially in

that recognition was lacking of the problem of low indigenous participation or representation in mainstream local government.

After the EARC Review the local government structural reform process was gradual and pressure for radical change to facilitate more competitive practices was subdued. Successive State government approaches stressed collaborative and gradual reform. Efforts were concentrated on modernising the 1936 Local Government Act to allow councils to be less constrained in pursuing more competitive service delivery (Dollery & Marshall, 1997, p.91, 200).

#### **4.2.3 *Size, Shape and Sustainability (SSS) Program***

In 2004, the government promoted a regional plan for planning reform of South-East Queensland councils that required agreement of 18 local councils. Speculation about council amalgamations increased at this time when Premier Beattie advocated amalgamation of the Sunshine Coast's four local governments into two entities and the Property Council and University of the Sunshine Coast released a local government amalgamation discussion paper arguing that tourism and residential development overwhelmed agriculture as the main economic driver on the Queensland coastal fringe (Johnstone, 2004, p.1-2).

In 2005, realising that without voluntary local government reform initiatives the State government would probably force further amalgamation, the Local Government Association of Queensland (LGAQ) commenced consideration of a range of structural local governance models, including resource sharing, Regional Organisations of Councils (ROC's) area integration and voluntary amalgamation (Dollery, Garcea, & LeSage, 2008, p.22-3). The LGAQ initiated the SSS Program that proposed four options for change including merger/amalgamation, significant boundary change, resource sharing through service agreements and resource sharing through joint enterprises (Dollery, Byrnes, & Crase, 2008, p.336).

An LGAQ discussion paper (2005, p.1-33) concerning these options, enabled member councils to discuss and debate the future of Queensland local government. The paper emphasised the LGAQ policy of opposition to forced amalgamations, but suggested that

individual councils voluntarily examine structural improvements to enhance local level efficiency and effectiveness (Local Government Association of Queensland, 2005, p.4). Options were proposed for adoption by councils, when considering optimal local arrangements, and included shared of services and staff; specialisation by councils in specific functions; use of common information technology platforms to facilitate centralised payroll, rating, filing and other financial services; and establishing ‘jointly-owned businesses’ to undertake some service functions. The LGAQ summarised reform options as resource sharing through service agreements, where Councils as a group agreed to allocate functions, with one Council undertaking a function on behalf of the group; resource sharing through joint enterprise, where Councils formed a joint business unit to achieve economies of scale across a functional area of core business; merger/amalgamation where Councils joined together voluntarily; or significant boundary change which could include joint arrangements (Local Government Association of Queensland, 2005, p.4-5).

Criticism of the SSS Program, especially in respect of its investigation of shared services, stressed that the SSS Report and its main supporting study (Local Government Association of Queensland, 2005) contained substantial errors and misleading interpretations of available evidence on shared services (Dollery & Akimov, 2008, p.29). Criticism of the Program may have influenced the State government’s unexpected 2007 announcement to accelerate local government reform and impose council mergers.

The SSS Program model had support as a means of effective community engagement. Dollery and Dallinger (2008, p.47) suggested that “it would appear that the SSS Program represents an excellent example of how best to embody community engagement in local government reform”. They argued that potential problems with the SSS program included the possibility of good outcomes being thwarted through local self-interest; perceptions of the program as a token exercise which might not address conflict between councils and ignore the possibility of uneven community engagement; and that the State government could use councils to implement its reform agenda (Dollery & Dallinger, 2008, p.44-6).

#### **4.2.4 Queensland Government Imposed Mergers 2007-08**

Neither the Government nor the Labor Party had foreshadowed local government amalgamations at the 2006 State elections (Prasser, 2007, p.87). However, in April 2007, two years after the LGAQ commenced the SSS Program, Premier Beattie announced extensive local government amalgamations (Beattie & Fraser, 2007, p.1). Government press releases accompanying the Premier's announcement asserted that the SSS Program had failed to deliver timely and meaningful reform; that councils had failed to initiate reforms through the SSS process prior to the scheduled 2008 local government elections; and that despite the endeavours of individual councils very little had resulted from the voluntary SSS process (Beattie & Fraser, 2007, p.2-3; Department of Local Government Queensland, 2007, p.1). The Government revealed (Pitt, 2008, p.1) that the Queensland Treasury Corporation had prepared financial sustainability reviews for 105 Queensland councils and assessed that 40 per cent were financially 'weak', 'very weak' or 'financially distressed'. The Department of Local Government (2007, p.1) observed that other reports and investigations by the Queensland Auditor-General, Price Waterhouse Coopers and McGrath Nichol had highlighted financial problems in councils.

The Premier stated that since 88 of 157 councils serviced populations of less than 5,000 people, there were too many struggling and unsustainable councils. His April 2007 announcement established a Local Government Reform Commission (LGRC) to make recommendations, in less than four months, on the most appropriate structure and boundaries for all Queensland local government councils, except the Brisbane City Council (Beattie & Fraser, 2007, p.1-3; Department of Local Government Queensland, 2007, p.2).

Less than one month was allowed for submissions to the LGRC. The LGAQ which supported voluntary amalgamations only, strongly opposed and criticised the LGRC findings, and argued that the scuttling of the SSS Program amounted to a breach of trust and a repudiation of the State's Protocol with local government and its often espoused commitment to engagement, collaboration and partnership (Department of Local Government Queensland, 2007, p.2). The LGAQ argued that an April 2007 government publication which made the case for reform included factual errors and failed to

demonstrate a probable financial collapse of the system of local government. The Association was concerned that the Commission was instructed to only consider amalgamation of whole areas of councils. The LGAQ made 16 recommendations to the LGRC (Department of Local Government Queensland, 2007, p.3-4), answered questions raised by the Commission, and called upon it to only consider the merits of amalgamation, with the possibility of alternative structural models, such as multi-purpose joint local governments, strategic alliances and shared service arrangements, to ensure wherever possible retention of local governments, to provide direct community engagement and provision of local community services. The LGAQ urged the LGRC to recommend implementation of alternative structural reform models, if analysis demonstrated that such models offered greater social, economic, environmental and political benefits than council amalgamations (Local Government Association of Queensland, 2007c, p.13).

The LGAQ position was strongly supported by local government and local communities. It was suggested that the case for forced structural reform advanced in the LGRC Report was deeply flawed, whilst the submission of LGAQ was correct, in both the general thrust of its argumentation and most of the LGRC Report inaccuracies it portrayed. The LGAQ concluded that the recommended reforms represented an *ex post* rationalization for a predetermined political decision by the Queensland State Government and not a persuasive case for a government policy reversal (Dollery, Wallis, & Crase, 2007, p.17).

The LGAQ sought a plebiscite to test the support levels of the LGRC recommendations. The State government first threatened to fine, sack and even jail any council holding a referendum on the issue (Prasser, 2007, p.86). The Federal government (with Opposition support) threatened to change the Commonwealth Electoral Act to override the Queensland government opposition to a plebiscite, and to allow the Australian Electoral Commission to conduct polls for participating councils. The State Government relented, but expressed its intention to ignore the results of local plebiscites (Prasser, 2007, p.88). Voluntary plebiscites were conducted in 85 existing Queensland council areas. Ballot papers were posted to almost 697,000 eligible persons on the electoral rolls. The response

rate was 55 per cent, with 77 per cent of respondents opposing amalgamation (Local Government Association of Queensland, 2007b, p.3).

Some interest groups strongly supported the amalgamation reform process. The Property Council of Australia, for example, made 11 recommendations to the LGRC which were generally critical of local government in Queensland (Property Council of Australia (Queensland Division), 2007, p.5). It also argued that reform should not merely be confined to the financial sustainability of local government in Queensland, but should be part of a broader discussion about the role, function and design of local government. The Property Council suggested the need for a framework, to enable assessment of benefits of amalgamation of existing councils, and argued that in reforming local government, the State should provide the structural framework to allow councils to meet the service requirements of communities, whilst providing leadership and vision to ensure those communities were sustainable into the future (Property Council of Australia (Queensland Division), 2007, p.17).

The LGRC Report contained key recommendations concerning boundary changes which included the consolidation of Queensland councils through amalgamation from 157 to 73; reduction of South East Queensland councils from 17 to ten; no boundary change to 37 council areas; no amalgamation of some large western councils due to the inability of structural reform to lead to any significant service delivery or capacity benefits; formation of the Torres Strait Island Regional Council and the Northern Peninsula Area Regional Council involving Aboriginal and Torres Strait Island councils; and no amalgamation of Aboriginal and mainstream councils due to the unique features of Aboriginal councils that required further investigation (Local Government Reform Commission Qld, 2007, p.13) .

Dollery and Crase (2006, p.463) argued against amalgamating large western councils

Although Australian municipal reform programmes have typically used council amalgamation as their primary policy instrument, it is now clear that this approach has been flawed, especially in non-metropolitan areas dominated by the 'tyranny of distance' and other impediments.

The LGRC provided recommendations in respect of name, class, boundary and electoral arrangements for the new local government areas. The Government accepted the LGRC recommendations and quickly passed enabling legislation (Prasser, 2007, p.86). The Government decided that council elections would be conducted for the new local government areas on 15<sup>th</sup> March 2008 (Department of Local Government Queensland, 2007, p.1), which meant sacking 724 elected councillors (Prasser, 2007, p.83). The Government provided \$27.1 million towards amalgamation transition costs (Clarke, 2007, p.4).

In not recommending amalgamation in the larger western Queensland councils Dollery, Wallis and Akimov (2010, p.21-22) suggested it was apparent that the LGRC had accepted the view that

[s]tandard policy prescriptions based on stylized versions of metropolitan (or at least regional) municipalities with manageable geographic areas and relatively high population densities could not be translated into remote and unpopulated local government jurisdictions.

It was these particularly vulnerable councils in rural and Western Queensland which largely avoided the forced amalgamation process (Prasser, 2007, p.88).

There was criticism of the LGRC recommendations and of their complete endorsement by the Government. The LGAQ argued that the LGRC had not produced quantifiable data to support its recommendations, and nor had it presented relative costs or benefits of alternate scenarios (Local Government Association of Queensland, 2007a, p.2). The Government was accused of 'evidence-free' policymaking on the basis that the LGRC reached its conclusions two months after calling for submissions, and not allowing sufficient time to carefully consider the many submissions, nor provide sound policy advice to government. No attempt was made to determine costs of amalgamations and imposition of structural reform. The LGRC argued that any eventuating amalgamation costs would be dependent upon the councils rather than forced amalgamation (Dollery, 2007, p.1-2). One significant cost, for example, was that new councils refrain from creating staff redundancies for three years (Prasser, 2007, p.88).

The outcome of the imposed Queensland amalgamations is a three-tiered local government framework, comprising the Brisbane City Council as the largest local government entity in Australia, large local government units formed from the forced mergers and focused around growing coastal regions and regional hubs, and smaller, usually rural and remote, local governments and the smaller townships (Rolfe, 2007, p.1) which continue to confront long term financial sustainability issues.

#### **4.2.5 Conclusions on Queensland Local Government Reform**

In 2009, the LGAQ commissioned a survey of amalgamated councils. 30 of 31 merged councils participated voluntarily, with 78.6 per cent accepting there was potential to achieve stronger and more efficient, effective local government within five years which would outweigh the costs of amalgamation. However, gross Queensland council debt was expected to increase by an average 11 per cent by 2013/14. Most provincial and regional councils acknowledged that amalgamation had attracted better qualified and experienced staff, but one in five respondents expected no benefits from amalgamation (Dorizas, 2009, p.1).

Queensland council amalgamations underscored the vulnerability of local government in the Australian system, where one level of government was able to abolish parts of another level that had been democratically elected and were viable long-term institutions. It was argued that the Queensland government had indulged in covert action, deliberate subterfuge, lack of community consultation and threat (Prasser, 2007, p.90). The forced council amalgamations were implemented in a vertical, top-down process that involved ostensibly rational collection and justification of information, but also minimal time for protest to be organised around major areas of disagreement. It highlighted the subservient status of local government in the Australian political system (Prasser, 2007, p.84, 91).

### **4.3 Northern Territory Local Government Structural Reform**

#### **4.3.1 Introduction**

Australia has seven local government systems, one in each state and one in the Northern Territory (Sanders, 1996, p.155). The Northern Territory contains 17 per cent of the Australian land mass. Its population in the 2006 census was 212,551 persons; 24 per cent

of whom identified as Aboriginal. After the 2008 local government amalgamations, 92 percent of the Northern Territory population resided within a local government area (Local Government Association of the Northern Territory, 2008c, p.1).

The history of local government in the Northern Territory differs from that of the remainder of Australia. Prior to 2008 council amalgamations, there were 61 local governing bodies as defined under the *Local Government (Financial Assistance) Act 1995*, including six municipal and 51 community government councils. The ten largest local government entities provided services to approximately 160,000 persons, whilst 52 other councils provided for another 31,000 people. The balance of the Northern Territory population remained without a council (Local Government Association of the Northern Territory, 2008a, p.1).

Local government has existed for a relatively short time. Community government was implemented for the large remote areas of the Territory and the amalgamation process extended over approximately a decade. When forced amalgamations eventually occurred in 2008, there was a far more dramatic reduction in the number of Northern Territory local government units than occurred elsewhere in Australia.

#### **4.3.2 Northern Territory Local Government since Self-Government**

Before the 1979 Local Government Act, large areas of outback Northern Territory were unincorporated. A significant extension to the traditional Australian form of local government occurred after commencement of Northern Territory self-government in 1978. In 1979, the Territory government enacted a Local Government Act which provided for two 'strands' of local government. The first was the conventional municipal council, of which the Northern Territory had four units in urban areas in 1979, the first of which was Darwin City Council, constituted in 1957 (Local Government Association of the Northern Territory, 2002, p.6).

The second local government 'strand' created by the Act was community government. By 1985, six small remote communities had commenced the optional community government structure and by 1994 the number had increased to 25. The initial slow community government establishment was attributed to Aboriginal Land Councils suspicion of the

Northern Territory government, arising from the land rights campaign process over several years, as well as perceptions about excessive control by government over community governments (Sanders, 1996, p.153). By 2002, only one per cent of the total land mass of the Northern Territory was part of a local government area with the balance unincorporated (Local Government Association of the Northern Territory, 2002, p.7).

Community government was intended to accommodate low population numbers, remoteness and cultural difference, to permit a wider range of activities than in other local government jurisdictions and a narrower range of compulsory responsibilities (Dollery & Marshall, 1997, p.20). This style of local government was effectively eliminated with the 2008 Northern Territory amalgamations.

#### **4.3.3 Local Government for the Indigenous Population**

The high Northern Territory indigenous population compares with populations of less than four per cent Aboriginal citizens in each of the other Australian States. Indigenous population concentrations in the Northern Territory range from minority residential interests in the urban areas of municipal councils, to majority interests in the constituencies of more remote, pre-amalgamation, community government and association councils (Sanders, 2006, p.1). These demographics posed special challenges in the Northern Territory local government reform process. The pattern of highly localised and dispersed local governance which slowly emerged in indigenous communities following self-government, had significant benefits and advantages, especially in that dispersal and localism aided autonomy of indigenous people (Sanders, 2004, p.16).

#### **4.3.4 Northern Territory Imposed Amalgamation**

Whilst Northern Territory local government amalgamations were implemented in 2008 following their announcement in October 2006, the Northern Territory government had been putting the case for structural reform well before that time. It had been government policy in 1999 to encourage the majority of local governing bodies, which were not community government councils, to incorporate under the Northern Territory Local Government Act (Crough, 2001, p.1). In October 1998, the Northern Territory government approved the reform of local government, to establish a more effective,

efficient, accountable and culturally appropriate framework of local governance, particularly in rural and remote areas (Department of Local Government Northern Territory, 2000, p.5). In 1999, the government announced that changes would occur to council structures; warned that there was an ever increasing number of small, under-resourced councils unable to meet future challenges; stated that smaller and remote councils were disadvantaged by their relatively high administrative costs and cost of equipment and infrastructure; and indicated that councils that chose to stay as they were would receive less resources. The Government's chief argument at that time was that reforms were to enable fewer, larger more viable councils, and better, more reliable local services (Department of Local Government Northern Territory, 2000, 7-10), but it did not articulate how this might be achieved.

In 1999, the Northern Territory government established a Structural Reform Advisory Committee, a Policy Reform Reference Group and Regional Reference Groups, and the Local Government Minister met regularly with the Local Government Association of the Northern Territory (LGANT) to review progress and problems (Department of Local Government Northern Territory, 2000, p.19). The Minister's statements in 1999, made clear that the ultimate objectives were to reduce the number of councils in the remote and rural areas, in the name of improvement in efficiency and service delivery, and that local government in those areas should deliver services to all of the constituents within the boundaries of each council, to extend the jurisdiction of non-rationally based shire councils over the Northern Territory (Crough, 2001, p.2).

In 2002, prior to the 2006-08 local government reform process, the Northern Territory government established an Examination of Structural Relationships in Indigenous Affairs and Indigenous Governance, through its Standing Committee on Legal and Constitutional Affairs (Legislative Assembly of the Northern Territory Standing Committee on Legal and Constitutional Affairs, 2002). There was discussion on possible framework agreements between the Government and indigenous communities. LGANT made recommendations to the Standing Committee, and provided suggestions as to key principles that might apply to negotiated framework agreements. The Association

proposed options for improved structure and process for local government reforms (Local Government Association of the Northern Territory, 2003, p.6-8). Whilst there were no immediate outcomes from this Standing Committee process, it substantially informed the 2006-08 structural reform measures.

In 2003, prior to the later forced amalgamations, the Northern Territory Minister for Regional Development released a strategy aimed at building stronger regions. He stated that the desired outcome was strong viable regions where economic and social outcomes were sustainable and where cultural diversity was respected. The Strategy indicated that legislation would provide establishment of Regional Authorities, where existing community councils agreed to amalgamate. Formal binding partnership agreements were also foreshadowed (Department of Community Development Sport and Cultural Affairs Northern Territory Government, 2003, p.2). In the 2003-04 Association Annual Report, the LGANT President stated that structural reform of local government in the Northern Territory was the most pressing matter facing local government, and that the trend towards amalgamation of councils was inevitable (Local Government Association of the Northern Territory, 2004, p.23).

In October 2006, the Northern Territory Minister for Local Government announced a structural reform program for local government, intended to incorporate the whole of the Northern Territory into local government areas by 1<sup>st</sup> July 2008 (Local Government Association of the Northern Territory, 2008a, p.2). With only one change to original proposals, from that date the total number of local government units became 16 (later increased to 17), comprising five municipal and 11 shire councils (Local Government Association of the Northern Territory, 2008a, p.1). As well as provision of new local government boundaries, structural reform included establishment of shire offices in major population centres, the appointment of shire Chief Executive Officers, ongoing recruitment of staff and the installation of unified business systems (Department of Local Government and Housing Northern Territory Government, 2008b, p.1). To ensure effectiveness of the new business systems, three major training centres were established in Darwin (Department of Local Government and Housing Northern Territory Government,

2008a, p.1) and over \$12 million of Northern Territory and Commonwealth funds were expended on system roll-out and training (Department of Local Government and Housing Northern Territory Government, 2008c, p.1).

Two organisations were established to assist timely implementation of structural reform. The first was the Northern Territory Local Government Advisory Board under the chairmanship of indigenous leader Patrick Dodson. The second structure was nine Shire Transition Committees, later reduced to eight in early 2008 when the Top End Shire amalgamation proposal was discontinued (Department of Local Government and Housing Northern Territory Government, 2008a, p.1). The Transition Committees were a vital component of the structural reform process, given their role to work with communities, to explain and implement the change processes (Banks, 2008, p.28).

The 2006-08 council amalgamation process was criticised particularly when in February 2008 the Government reversed its decision to form the Top End Shire. As a consequence, the Northern Territory Local Government Minister resigned and councils questioned the Government's process and amalgamation timetable (Editor, 2008, p.1). The LGANT stated that the Top End Shire reversal had set a precedent and left councils feeling distrust and loss of faith in the Government. There were calls for the new Local Government Minister to consult more extensively with constituents to maintain the goodwill previously shown by the local government sector in respect of the reform process (Editor, 2008, p.1). The business sector was generally disinterested in the Northern Territory council amalgamation process. Some in the business community expressed concerns, although criticisms were largely orchestrated by the Northern Territory Cattlemen's Association which had a strong vested interest in retention of the *status quo* and an ideological opposition to local government and a perception that new local government boundaries would place unfair fiscal pressure on cattle producers (Northern Territory Cattlemen's Association Inc, 2007, p.1).

Concern was expressed by the Northern Aboriginal Land Council that there was not clear understanding of costs and benefits of the merger proposals, that no economic and financial analysis had been produced, and that stakeholders did not understand how they

would be affected by the changes. The Land Council argued that the reforms would harm key industry sectors; impose negative consequences for regional economic development and indigenous economic opportunities; and that regional business would be required to bear the burden of generating revenue for the new shires, in the absence of an alternate rate base (Northern Territory Land Council, 2008, p.1). In addition to calls for demonstration of net economic and social benefits from amalgamations, a key industry demand was that the local government reform process take into account the June 2007 Australian Government emergency intervention response to child sexual abuse in the Northern Territory, and the amalgamation process be extended over a five-year time-frame to ensure sustainable reform (Northern Territory Land Council, 2008, p.14). The requests and recommendations were largely ignored.

A component of the local government reform package was legislation to enable councils and LGANT, with the Minister's approval, to form separate entities known as local government subsidiaries or CouncilBIZ, for the purpose of carrying out functions related to local government on behalf of constituent councils. Eight new Shire councils and LGANT collaborated to provide participants with centralised administration, information technology and financial services. CouncilBIZ commenced on 1<sup>st</sup> July 2008 and funding was negotiated with the Government to rollout new information and communication technologies (ICT), infrastructure and business systems to the eight Shires headquarter locations, and to a further 63 Community Service Delivery Centres (Local Government Association of the Northern Territory, 2008b, p.1).

The CouncilBIZ project encountered difficulties. After more than a year, the scheme was only partially operational. Even though most new 'super-councils' were locked into contracts with the Northern Territory Government for provision of Information Technology(IT), financial and administration services, they remained unaware of their actual financial status and at least one new council, the Barkly Shire, had withdrawn from CouncilBIZ (Betts, 2009b, p.1). By December 2009, the government had expended \$4million dollars to improve, upgrade and tailor the IT software, hardware and accounting

systems which, at that time, had failed to generate any up-to-date financial statements for the participating councils (Betts, 2009a, p.1).

#### **4.3.5 Conclusions on Northern Territory Local Government Reform**

The Northern Territory council amalgamations had been discussed for more than a decade before being imposed in 2008. Amalgamations were large in scale, but occurred with considerable community apathy and acquiescence. Most new local government areas are geographically huge, and located in remote and sparsely populated areas of Australia, which will ensure significant future challenges. The CouncilBIZ assistance scheme established to assist the large, remote, newly-formed councils has yet to deliver essential support to those councils. The effectiveness of the Northern Territory amalgamations and new arrangements thus remains open to question and further analysis.

### **4.4 Western Australian Local Government Structural Reform**

#### **4.4.1 Introduction**

Western Australia is the only Australian State where council amalgamations have not, until recently, been on the political agenda. An examination of amalgamations of councils since the early 1990s in Australia indicates a comparative inactivity in Western Australia, with successive State Governments stating as policy that they would not embrace council mergers. Forced mergers have not yet occurred as in all other States, even though over the years there have been Commissions of Inquiry that examined desirable numbers of Western Australian local government entities. However in 2009-10, various announcements by the Western Australian Local Government Minister Castrilli would indicate that amalgamations may soon occur.

#### **4.4.2 Attempts at Local Government Structural Reform since the 1960s**

In 1968, a local government boundaries examination occurred in Western Australia. A Local Government Assessment Committee produced a Report which sought to reduce the number of local government entities from 144 to 89. The Report was not substantially acted upon, even though the number of councils gradually reduced to 139. In 1972, the

Local Government Boundaries Commission investigated Western Australian metropolitan boundaries and recommended a reduction of entities from 26 to 18. At this time the number of councils was reduced by only one. In 1974, a Royal Commission on Metropolitan Municipal Boundaries recommended a reduction to 18 metropolitan local government units (Jones, 1993, p.240). In the 1980s, a Local Government Advisory Commission prepared reports without resulting amalgamations. Since 1970, the number of councils in Western Australia has only reduced by one from 139 to 138 (Dollery, Garcea, & LeSage, 2008, p.17).

#### **4.4.3 1990s Momentum for Structural Reform**

Local government reform in Western Australia gained momentum in the 1990s. In 1994, in response to long-term central business sector complaints about subsidisation by the City of Perth of residential local government areas, the City of Perth was dissected by legislation into a Central Business District (CBD) focused authority, with three smaller 25,000 population town entities created on the periphery of the CBD. At the same time, the Town and Shire of Albany entities were amalgamated (Hunt, 1999, p.15). In 1995, after almost five years of deliberation, legislation to enable consideration of structural reform, was introduced as part of creation of a new Local Government Act, that commenced on 1<sup>st</sup> July 1996 (Dollery & Marshall, 1997, p.166).

The 1996 Act, which repealed the 1960 Local Government Act, was written in contemporary style, was more easily understandable, brought general competence powers to local government, and greater autonomy and more accountability in a range of areas (WALGA, 2008a, p.4). After investigation into alleged administrative irregularities by some local authorities, a Local Government Structural Advisory Committee was established, but it did not specifically focus on amalgamation or boundary change. A Committee Report contained 19 recommendations, primarily relating to organisational and some structural reforms, which were readily accepted by Western Australian councils (Hunt, 1999, p.15). In the 1990s, the Government occasionally expressed the desire that councils would, of their own volition, realise the necessity of boundary change or

amalgamation (Dollery & Marshall, 1997, p.166), but these calls went unanswered by local government.

Successive Western Australian governments had rejected forced amalgamation as unnecessary. A 1996 Committee of Inquiry indicated, there was some scope for local government boundaries rationalisation, but resource sharing and regional cooperation were preferred as more appropriate strategies. It was left to councils to either amalgamate or cooperate in other ways (Dollery, Garcea, & LeSage, 2008, p.18). By 2001, the average council area population in Western Australia was the lowest in Australia at 13,409 persons with a total of 757 elected representatives across the State. The ratio of councillors to population was one to every 1333 persons; also the lowest in Australia (Dollery, Marshall, & Worthington, 2003, p.81, 109).

Scholars have suggested that of all the Australian State local government merger inquiries, the Western Australian Local Government Association (WALGA) Systemic Sustainability Study (SSS) Report gave most balanced consideration of actual costs to benefits of mergers, whereas the other amalgamating States largely ignored evidence which contradicted the belief that financial gains would accrue from mergers (Dollery, Garcea, & LeSage, 2008, p.19). Unlike some other jurisdictions, there has been to date no enforcement of amalgamation in Western Australia, although government actions in 2009-2010 would indicate that this position will soon change. Unlike South Australia, for example, no arrangement had been negotiated with local councils, whereby local government would reform itself or be reformed by State compulsion (Hunt, 1999, p.15).

#### **4.4.4 State-Local Partnerships**

Regional Partnership models with Commonwealth financial support were developed in Western Australia in the late 1990s. An example was the Pilbara Regional Council, which encompassed four local government entities over a vast area of 510,000 square kilometres, and enabled cooperative undertaking of programmes and projects using innovative practices, such as video-conferencing (Ford, 2003, p.1-3).

After the 2001 election of the Gallop Labor Government, when the State's population was estimated at 1.95 million (WALGA, 2008a, p.3), the Government outlined measures to

introduce state-local partnership arrangements based upon an agreed set of principles. This enabled WALGA to work with the State on policy formulation and decision-making, where both levels of government were key stakeholders. A State and Local Government Council consisting of the Premier, Treasurer, key Ministers and local government representatives had the role of oversight of the partnership process (Dollery, Marshall, & Worthington, 2003, p.240). Several agreements ensued, for example, on consultation and communication, public library services, a protocol on major developments, and bilateral agreements with councils (Department of Local Government and Regional Development Western Australia Government, 2008c, p.2). The overarching principle of the December 2002 Partnerships Agreement, was a mutual commitment to improve state-local cooperation. Enhancement of sustainable social, environmental and economic development of Western Australia through consultation, communication, participation, cooperation and collaboration at both strategic and project levels, were key goals (Western Australia Government & Western Australian Local Government Association LGMA (WA Division Inc), 2002, p.4).

#### **4.4.5 Systemic Sustainability Study**

In January 2006, WALGA commissioned a review of local government which focused on financial sustainability and considered council amalgamation (Dollery, Byrnes, & Crase, 2008, p.336). The independent governance structure known as the Systemic Sustainability Study (SSS) panel, was required to report within six months to WALGA. It issued a Discussion Paper explaining its methodology and other relevant issues for consideration, in accordance with an eight-part Terms of Reference (WALGA, 2006b, p.1-8). By June 2006, the SSS Panel produced reports concerning best practice management and administration, socio-cultural viability, industry capability (Annaliza Jackson and Associates, 2006) and local government finances in Western Australia (Access Economics, 2006). Access Economics (2006, p.iv) concluded that there was no evidence of councils suffering from past over-reliance on borrowing, and from that perspective, balance sheets of Western Australian councils were 'generally very strong'.

The 2006 interim SSS Panel was to provide an analysis of the status, condition and prospects for local government in Western Australia, as well as matters for further deliberation by local government (WALGA, 2006a, p.2). The Panel contended that local government would face considerable challenges in future, and defined five dimensions of sustainability - financial sustainability, community engagement, good governance, leadership capacity and environmental legacy (WALGA, 2006a, p.1-2). It also found that, whilst there appeared to be a structural component to the unsustainability of some councils, amalgamations would not improve the situation until key systemic issues facing the sector were addressed (WALGA, 2006a, p.2).

The SSS Panel Report delivered in December 2006 suggested that 'there was little prospect that forced amalgamations would achieve any lasting community benefit' on grounds that 'there is a growing literature and operating experience to this effect elsewhere in Australia' and 'the main benefits [from amalgamation] can be obtained by methods other than enforced structural reform' (WALGA, 2006a, p.70) (Dollery, Byrnes, & Crase, 2008, p.336-7) (Dollery, Byrnes, & Crase, 2007, p.12). Dollery et al (2007, p.12) concluded that

This evidence has demonstrated what appears to be a clear shift in opinion away from amalgamation towards alternative models of council cooperation, particularly shared service provision arrangements.

The SSS was finalised in August 2008, with the release of a final Plan containing 39 recommendations. The Plan was endorsed by local government on 15<sup>th</sup> September 2008 (Department of Local Government and Regional Development Western Australia Government, 2008b). A key Plan proposal, termed the Regional Model, was the creation of a regional system of service delivery, to leverage the economies of collective local government geographic groups, while retaining elected local councils to represent specific interests of communities (Undisclosed, 2008, p.24) (WALGA, 2008b, p.77).

The Regional Model proposal contained few specific details regarding a structure or operation. However, the model was described as the core of WALGA's proposals for local government reform (Dollery & Grant, 2009, p.4). The February 2008 Draft Report

for WALGA, titled *The Journey: Sustainability into the Future*, (2008b, p.7), contended that

the Regional Model is significantly different to imposed structural reform, in that it is not driven by a reduction in local governments for the sake of simple cost savings, nor does it suggest ‘one size fits all’ solution. The objective of the Regional Model is to improve the ability of a local government to actually meet the expectations of the communities, at both local and regional levels by retention of existing representation arrangements supported by enhanced capacity for improved service delivery.

While there was general acceptance by Western Australian local government, the model was assessed by Dollery and Grant (2009, p.21) as providing

[g]roups of councils under a given Regional Model an almost blank template from which to proceed, which on balance is justified given the immense diversity within the local government sector in Western Australia. Available evidence implies reasonable prospects of both improved service provision and cost savings, although significant barriers must be overcome.

The SSS Panel highlighted the importance of local government moving towards viable mechanisms for functional reform reflecting the nature of the communities they serviced. The Panel suggested that voluntary amalgamation remained a valid policy option for individual local governments to consider and adopt as they deemed appropriate (WALGA, 2008b, p.51). The Panel expressed a view that the Plan provided a critical window of opportunity for local government to address the complexities of viability and sustainability and those stakeholders should carefully assess their level of commitment to suggested change processes. They should also assess their willingness and ability to support implementation of available options for reform (WALGA, 2008b, p.64).

#### **4.4.6 Minister for Local Government Indifference to SSS**

In October 2008, Minister for Local Government John Castrilli announced formation of a State and Local Government Joint Steering Committee on Local Government Sustainability, to operate initially for one year to progress implementation of the 39 SSS

Plan actions and any other desired outcomes (Department of Local Government and Regional Development Western Australia Government, 2008b). In December 2008, the Steering Committee prepared and delivered an Implementation Strategy to the Minister, and recommended some actions be quickly implemented, whilst other proposed strategies be analysed by reference to Working Groups (Department of Local Government and Regional Development Western Australia Government, 2008a).

In February 2009, Minister Castrilli ‘invited’ the 139 Western Australia councils to

- Take steps to voluntarily amalgamate and form larger local governments;
- Reduce the total number of elected members to between six and nine; and
- Form appropriate regional groupings of councils to assist with the efficient delivery of services (Government of Western Australia Department of Local Government, 2009, p.1).

At that time the Minister formed the Local Government Reform Committee to which was allocated a range of objectives and tasks, including that by August 2009, all local governments were to have made an ‘informed decision’ about voluntary amalgamation (Department of Local Government and Regional Development Western Australia, 2009b, p.1). The Minister provided the Reform Committee with structural reform guiding principles and a six month time-frame in which to complete its tasks (Department of Local Government and Regional Development Western Australia, 2009a, p.5, 14-21).

WALGA stressed that a cooperative approach between councils and State Government was essential to ensure necessary sector reform and maintain the best interests of local communities (Australian Local Government Association, 2009a, p.2). WALGA (Mitchell, 2009, p.2) argued that simply cutting the number of councils would not result in better community services, and maintained that

[a]fter four years of research, analysis and consultation, the SSS Plan deserves to be given an opportunity to realise results. The Minister’s announcement has damaged all work towards regional cooperation by local governments, who will now be focused only on ensuring their own survival in an amalgamation process. There is nothing voluntary when you are given a six-month deadline

and told what the outcome has to be and that if you do not volunteer you will be forced.

In April 2009, councils were provided by the Local Government Reform Committee with sustainability ratings and recommendations for amalgamation, which Councils were to consider when developing reform proposals (Australian Local Government Association, 2009b, p.2). Minister Castrilli requested councils to consider structural reform, and specifically amalgamations, by 30<sup>th</sup> September 2009. More than 115 councils responded in that time frame. The Steering Committee reviewed Council submissions and provided an Interim Report to the Minister in October 2009 (Government News, 2009a, p.1).

In December 2009, the Minister issued a circular to councils, conveying interim analysis by the Reform Committee regarding the local government reform submissions from councils. He stated that a number of councils had embraced the reform process and arrived at agreement with their proposed amalgamation partners. Other councils, that had indicated willingness to amalgamate, but had not secured agreement with their proposed amalgamation partners, were directed to form Regional Transition Groups (Castrilli, 2009, p.1-2). Minister Castrilli (Castrilli, 2009, p.1) announced the formation of these Groups to

[p]rovide local governments that have indicated a willingness to amalgamate but have been unable, in the time available, to obtain agreement with their proposed amalgamation partners, a clear direction in moving forward. These (Regional Transition) Groups will see several local governments working together under a formal, no opt-out agreement with a view to forming a single new entity by 2013.

By September 2009, four Western Australian shires of Mingenew, Three Springs, Morawa and Perenjori had agreed to voluntarily amalgamate into a single entity (Government News, 2009b, p.1). A number of councils suggested boundary adjustments or regional service sharing agreements (Australian Local Government Association, 2009b, p.2). By December 2009, nine councils had agreed to merge into three entities (WALGA, 2009, p.1). At that time the Government passed over 40 amendments to local government legislation. One amendment gave the Minister greater powers to obtain information from

councils when conducting investigations (Government News, 2009b, p.1). Whilst the Minister had given WALGA State Council a commitment not to force amalgamations, State Opposition parties suggested that amalgamated and regional entities would be given more attention in future funding allocations, giving further impetus to the likelihood of fewer councils in Western Australia (Australian Local Government Association, 2009b, p.2-3).

In December 2009, WALGA continued to express the view that much of the Interim Report of the State Government's local government reform process, maintained the principle of voluntary change, and the core concepts of WALGA's SSS had been included (WALGA, 2009, p.1). However, by January 2010, councils were demanding clarification regarding the reform process, following a shift in the State Government approach, and Minister Castrilli's advice that there was a new 'transition process' that appeared to have little regard for council submissions to the Ministerial Local Government Reform Committee. This committee had been established with extensive consultation of local communities (WALGA, 2010b, p.1). WALGA was concerned that 65 councils had been directed to form Regional Transition Groups and to amalgamate by 2013. It was aggrieved that, in assigning councils to various groupings and not allowing opportunity to explore alternatives, the Minister was compromising the voluntary nature of the process (Dorizas, 2010; WALGA, 2010b, p.1) (Dorizas, 2010, p.1). In January 2010 Minister Castrilli responded that

[i]f any local government does not want to participate either in a merger, a Regional Transition Group or a Regional Collaborative Group they can choose to do so.

On 9<sup>th</sup> February 2010, after a local government rally which was addressed by Minister Castrilli, WALGA issued a Communiqué expressing no confidence in the reform process and requesting that councils not wishing to amalgamate be allowed to pursue their direction without the threat of forced amalgamation (WALGA, 2010a, p.1). The Minister responded that the process of reform was on course and progressing well, and that the government remained committed to reducing the number of local councils from 139 to less than 100 in five years (Castrilli, 2010, p.1).

#### **4.4.6 Conclusions on Western Australian Local Government Reform**

Structural reform, and specifically forced council amalgamation of the style or manner of most other Australian States, had until late 2008, not been seriously countenanced in Western Australia. The lack of imperative for local government in Western Australia to address structural reform, had been argued as placing the sector in some jeopardy in the longer term (Hunt, 1999, p.15). Concerns had been expressed about the capacity of local government in Western Australia to move beyond rhetorical articulation of aspirations for the sector. Matters of engaging in meaningful community development practice, reflecting local government's stated goals of empowerment, participation and service delivery for citizens, and how local government should balance matters of corporate accountability and wider civic responsibility, remained to be effectively addressed according to Siggers et al (2003, p.35).

The SSS Panel Report finding that forced amalgamations were unlikely to achieve lasting community benefit, because on grounds of operating experience elsewhere in Australia (Dollery, Byrnes, & Crase, 2008, p.336) has been overtaken by various pronouncements and actions by Local Government Minister Castrilli, that seem to have made likely the eventual amalgamation of some Western Australia councils. The Minister's February 2009 request, that councils present voluntary amalgamation plans within six months (Mitchell, 2009, p.2), his statement that economies of scale would result from having fewer, larger councils, and that reduction in total number of elected councillors and formation of regional groupings of councils would assist with efficient delivery of services (Australian Local Government Association, 2009a, p.3), indicate that the Government is determined to press ahead with council amalgamations.

Given the Minister's statement that should councils choose not to amalgamate voluntarily he would seek legislation to force amalgamations (Australian Local Government Association, 2009a, p.3), and his indifference to WALGA's extensively researched and developed SSS Plan about increasing sustainability in the Western Australia local

government sector, it is likely that the number of Western Australia local government entities will be gradually reduced to the government target of less than 100 entities.

#### **4.5 Common Themes**

Chapter 4 has described structural reform and imposed amalgamation of local government councils in Queensland (2007-08) and Northern Territory (2006-08) and the current structural reform activity occurring in Western Australia. The forced amalgamations in Queensland and the Northern Territory were driven by the State and Territory Governments, and resulted in significant and arbitrary reduction in numbers of local government entities in those jurisdictions. There were similarities in what occurred, especially to the forced Victorian mergers of the early 1990s, where there was minimal genuine consultation and consideration for local government and its communities, which at least occurred to varying degrees during the Tasmanian and South Australian structural reform processes in that decade.

A key difference between the reforms described in Chapter 4, as compared to those that were the focus of Chapter 3, was that each of the jurisdictions of Queensland, Northern Territory and Western Australia had responsibility for vast areas of sparsely populated areas. The treatment of their remote populations was quite different to that adopted in Victoria, Tasmania and South Australia. In Queensland, the boundaries of the large remote local government areas, including indigenous community local government entities, were essentially left unchanged. In the Northern Territory there was a gradual approach to structural reform that occurred over almost a decade. However, the remote community government councils were decimated in what was the most extensive amalgamation process to have occurred in any Australian jurisdiction. In common with Victoria, Tasmania and South Australia, the number of local government units was very substantially reduced in both Queensland and Northern Territory after the forced mergers and with resultant much larger councils.

In respect of Western Australia, where the structural reform process has been much slower and more incremental over the years, and where successive governments had opposed forced amalgamations, it is now possible that amalgamation of councils will soon occur,

although perhaps not to the extent in Victoria, Queensland and the Northern Territory. A more conciliatory and consultative approach in Western Australia, at least until early 2009, suggested commonalities between the more consultative and local government driven processes than occurred in Tasmania and South Australia in the previous decade.

Local government legislative reform has been a common feature in each jurisdiction, especially through provision of new Local Government Acts, which facilitated the structural reform process, provided less prescriptive legislative provisions, and conferred general competence powers upon the local government sector, to enable continuing improvements and efficiencies for the local sphere of Australian government.

Implementation of Compulsory Competitive Tendering (CCT) occurred across all local government councils after being first introduced in Victoria in the mid-1990s. In 1997, the Council of Australian Governments (COAG) mandated CCT across the Australian local government sector. This common implementation has resulted in greater competition in service delivery to local communities across Australia. However, whether CCT has resulted in more efficient service delivery remains contested.

In each State and the Northern Territory, the primary drivers of structural reform over the past two decades were State and Territory Governments. Without the 'top down' compulsion to change, it is likely that local government boundaries would have predominantly remained unchanged, given that local government has usually resisted boundary changes and mergers, and has often engaged in the reform process only because of the insistence of 'political masters'.

In common with Tasmania and South Australia, the Western Australian Government for several years promoted partnerships with local government as an alternative to forced amalgamations. Partnerships between States and local government have usually produced closer linkages and cooperation between the two spheres of government and also, in some respects, enhanced community well-being and service delivery.

A common theme and argument used by State and Territory governments in respect of the need for local government structural reform, has been the key matter of securing the long term financial sustainability of the sector. Whether council mergers are integral to this

vital goal and whether imposed amalgamations produce economies for local government and its communities is highly contested and will be the subject of assessment in later Chapters.

## **4.6 Conclusion**

Chapter 4 has addressed structural reform measures, and especially imposed amalgamation of local government councils, in Queensland, Northern Territory and Western Australia. These jurisdictions were considered together because moves towards reform, and specifically mergers of councils, occurred recently since 2006. By comparison, reforms in the States of Victoria, Tasmania and South Australia occurred considerably earlier during the 1990s. Chapter 5 will consider the New South Wales 2003-04 structural reform and imposed council amalgamations.

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