

"This is the peer reviewed version of the following article: Ryan, R. , Hastings, C. , Grant, B. , Lawrie, A. , Ní Shé, É. and Wortley, L. (2016), The Australian Experience of Municipal Amalgamation: Asking the Citizenry and Exploring the Implications. *Australian Journal of Public Administration*, 75: 373-390. doi:10.1111/1467-8500.12182, which has been published in final form at 10.1111/1467-8500.12182. This article may be used for non-commercial purposes in accordance with Wiley Terms and Conditions for Self-Archiving."



**THE AUSTRALIAN EXPERIENCE OF MUNICIPAL
AMALGAMATION: ASKING THE CITIZENRY AND EXPLORING
THE IMPLICATIONS**

Journal:	<i>Australian Journal of Public Administration</i>
Manuscript ID	AJPA-2015-0102.R1
Manuscript Type:	Research & Evaluation
Keywords:	Amalgamation, local democracy, localism, representation , service delivery

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7 THE AUSTRALIAN EXPERIENCE OF MUNICIPAL AMALGAMATION: ASKING THE
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12 *ABSTRACT:* Debate over municipal amalgamations in Australian continues to dominate local
13 government reform agendas, with the putative need to achieve economies of scale and scope
14 consistently set against anti-amalgamation arguments designed to preserve extant
15 communities. Following from an examination of recent episodes of consolidation in
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17 Australia, this paper reports on citizens' attitudes to amalgamation garnered from a national
18 survey of 2,006 individuals. We found that generally, citizens are ambivalent toward
19 amalgamation, although attitudes were influenced by particular demographic characteristics
20 and attitudes to representation, belonging, service delivery requirements and the costs thereof.
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22 The results suggest that, away from the local government sector itself, structural reform may
23 not be the vexatious issue it is often portrayed as. The implications of this are explored.
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33 *Keywords:* Amalgamation, local democracy, localism, representation, service delivery.
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1. Introduction

One of the ~~intrinsic~~ advantages of specialising in local government studies is that, commensurate with its multi-purpose nature and combined with its intrinsically intergovernmental character, the subject offers a rich palate from which to choose areas of research. For example, alongside inquiring into the normative defensibility of local government (Pratchett 2004) scholars can focus upon intergovernmental relations (Grant, Ryan and Kelly 2015b; Dollery, O’Keefe and Crase 2009) theories of management and leadership (Martin and Aulich 2012) community engagement (Head 2007) gender (Smith-Ruig, Grant and Sheridan 2015) and elements of economics, finance and accounting ~~systems as they pertain~~ing to urban, regional or remote local government ~~systems~~ (Dollery, Kortt and Grant 2013). Further, these topics can be undertaken using a variety of comparative methods across state, national or indeed international jurisdictions, both contemporaneously and over time (Dollery and Grant 2013).

However, just as it is possible to enjoy the cosmopolitan nature of local government studies, equally it is possible to hone in on one ~~particular~~ element of local government and examine this in great depth, over a long period of time ~~and taking into consideration comparative experience from different political systems~~. Such is the case with structural reform of local government systems and (arguably) for some local government scholars. In the Australian context in particular, structural reform, defined as ‘changes to the boundaries and the number or types of municipal governments or municipal authorities’ (Dollery, Garcea and Le Sage. 2008: 7) is the public policy ‘gift that keeps on giving’, furnishing scholars and their commercial counterparts ~~(to the extent that this delineation can be made precisely)~~ with perennial, often hotly-contested reform processes that are veritable carnivals of conjecture

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7 and refutation, public policy formulation and money-making (~~see, for example,~~ Robertson
8 and McKenny 2015; Drew and Dollery 2015a)¹.

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10 Further, commensurate with the episodic, ~~yet seemingly random~~ nature of
11 amalgamation programs (Grant, Dollery and Crase 2009: 853-854) the level of consultation
12 with ~~the~~ councils and communities that have been subject to structural reform ~~programs~~ has
13 been highly variable and ~~often in many instances~~ the source of ~~long-standing~~ acrimony, ~~and~~
14 ~~subsequent~~ public policy back-tracking and political ramifications for state and territory
15 governments (~~see, for example,~~ Grant, Dollery and Kortt, 2015a; Legislative Council 2015;
16 Dollery, Ho and Alin 2008). Arguably, ~~these factors~~ has contributed to the shape of the
17 public policy debate concerning municipal consolidation as being characterised by views
18 driven by an economic requirement for efficiency on the one hand and the desire for local
19 government to fulfil its role as the third tier in Australia's democratic on the other hand (~~see,~~
20 ~~in particular~~ Aulich 1999; 2005).

21
22 Partially in an effort to inform this debate, in 2014-15 a ~~major~~ research project designed
23 to solicit community attitudes to local government was undertaken (Ryan, Hastings, Woods,
24 Lawrie and Grant~~xxxx~~ 2015). The project sought to address a significant gap in local
25 government research by examining how Australians value local government, aiming *inter*
26 *alia* to investigate perceptions of the activities of local governments and its roles ~~in society~~.
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28 The survey canvassed a range of topics, including levels of place-attachment, service delivery
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45 ¹ For instance, the Independent Local Government Review Panel (ILGRP) that was tasked with inquiring into
46 reform options for NSW local government operated between March 2012 and October 2013. Alongside
47 producing its own extensive literature, the Panel commissioned nine 'Research Papers' authored by an
48 assortment of consulting firms (see ILGRP 2013).

49 The question of the costs of with such heavy use of consultants did not go unnoticed by the (then) NSW Shadow
50 Minister for Local Government, Sophie Cotsis. In a sitting of the Budget Estimates Committee 12 August 2013
51 the Shadow Minister asked: 'How much has been spent on the reviews and consultant reports since 2011?'
52 Minister Page stated: 'My recollection ... is that there is an amount of \$1.8 million allocated for that particular
53 review'. Further, 'I think about \$1.4 million or thereabouts has been spent to date' (GPSC NO. 5 2013a, 7). In
54 answer to the question of how much was spent on seven individual consultants' reports by the DLG the Minister
55 stated: 'As all contracts were under \$150 000, tenders were not required and therefore not called' (GPSC No.
56 2013b, 8).

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7 preferences and what roles citizens would like to see local government fulfill. Additionally,
8 the survey (Ryan et al. ~~xxxx~~ 2015) probed community attitudes toward amalgamation across
9 a sample of 2,006 individuals. This paper reports on this aspect of this research and examines
10 how it informs debate over consolidation ~~in the Australian context~~.

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14 The paper is divided into four main parts. Section two undertakes a literature review of
15 amalgamation in the Australian local government context. Section three briefly examines
16 recent contributions to the ~~scholarly~~ literature on structural reform in the Australian context,
17 documenting recent events in New South Wales (NSW), Western Australia, Tasmania, ~~and~~
18 Queensland ~~and the Northern Territory, principally~~ through the prism of the work of Joseph
19 Drew and colleagues (Drew and Dollery 2015a; Drew and Dollery 2014a; 2014b; Drew,
20 Kortt and Dollery 2015; 2013a; 2013b). Section four of the paper introduces the survey work,
21 detailing the project as it pertained to local government amalgamation. Section four considers
22 the implications of the survey results, and subsequent regression analysis, for local
23 government reform in Australia and more generally.

34 2. Literature examining structural reform in Australian local government

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36 Over the past two decades a corpus of work has developed ~~devoted to~~ considering structural
37 reform, ~~in particular amalgamations~~, as an enduring element of the Australian local
38 government landscape. This literature can be divided into two main types. First, governments
39 across Australia have produced ~~a spate of~~ reports examining the question of structural reform
40 as an element of inquiring into the operational performance and financial sustainability of
41 local government. ~~At the federal level,~~ the Australian Government has produced the
42 Commonwealth Grants Commission's *Review of the Operation of Local Government*
43 *(Financial Assistance) Act 1995* Report (CGC 2001) and the Commonwealth House of
44 Representatives Standing Committee on Economics, Finance and Public Administration's
45 *Rates and Taxes: A Fair Share for Responsible Local Government* (Hawker Report 2006).
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7 More recently, the Productivity Commission produced a major study *Assessing Local*
8 *Government Revenue-Raising Capacity* (PC 2008).

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10 These reports, ~~it is infrequently emphasised,~~ exist alongside the annual Local
11 Government National Reports ~~investigation~~ into the operation of the *Financial Assistance Act*
12 *1975* authored by the Department of Infrastructure and Regional Development (DIRD 2015).
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14 While this publication is principally descriptive, the aforementioned reports emanating from
15
16 the federal tier have been ~~principally~~ evaluative. In particular, they have found no consistent
17
18 evidence to conclusively suggest that consolidated local governments are more economically
19
20 efficient or financially sustainable (for a summary, see Dollery, Grant and Kortt 2013: 84-92;
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22 ~~see also PWC 2006). This general conclusion was also echoed by a report into the nature of~~
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24 ~~the infrastructure backlog commissioned by the Australian Local Government Association~~
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26 ~~(ALGA) and conducted by PriceWaterhouseCoopers (PWC 2006).~~

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28 ~~A~~ Similarly, at the state level a plethora of inquiries, typically commissioned by either
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30 state government or the respective local government associations, have examined structural
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32 reform as a mechanism to enhance both operational efficiency and financial sustainability. In
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34 the last decade ~~alone~~ these inquiries have included the South Australian Financial
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36 Sustainability Review Board (FSRB) Report (2005) *Rising to the Challenge*, the Independent
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38 Inquiry into the Financial Sustainability of NSW Local Government ('Allan Report') (2006)
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40 *Are Councils Sustainable*, the (then) Queensland Local Government Association's (LGAQ)
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42 (2006; 2005) *Size, Shape and Sustainability* program, the Western Australian Local
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44 Government Association Report (2006) *Systemic Sustainability Study: In Your Hands -*
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46 *Shaping the Future of Local Government in Western Australia* and the Tasmanian Local
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48 Government Association Report (LGAT 2007) *A Review of the Financial Sustainability of*
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50 *Local Government in Tasmania* ~~dealt with the circumstances of local councils in their~~
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52 ~~respective state jurisdictions.~~

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7 This ~~not insignificant body of~~ literature has recently been joined by the Queensland
8 Treasury Corporation Report that inquired into the financial sustainability of select councils
9 (QTC 2008), ~~and~~ the NSW Independent Pricing and Regulatory Tribunal (IPART) 'Review
10 of the Revenue Framework for Local Government' (IPART 2009) ~~and IPART's (2015) more~~
11 ~~recent 'Final Report' into options for reforming NSW local government.- As we shall see in~~
12 ~~the ensuing section of our discussion, this literature has been further augmented by a 'next~~
13 ~~wave' of governmental reports that have focused more precisely on the question of structural~~
14 ~~reform.~~ The point in this ~~immediate~~ context is to note the sheer quantity of government
15 literature concerned ~~directly~~ with the question of the financial sustainability of Australian
16 local government systems and as a consequence with structural reform ~~as a mechanism by~~
17 ~~which to achieve enhanced financial sustainability.~~

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28 The second type of literature examining structural reform in ~~the~~ Australian local
29 government ~~context~~ is that produced by the academy. Broadly speaking, there are three sub-
30 types within this category. First, the majority of academic writing ~~concerning structural~~
31 ~~reform programs in the Australian context~~ is concerned with examining and criticising the
32 methodologies of the public literature utilising a variety of economic and econometric
33 techniques. Rather than engaging in an archaeological exercise of past academic papers, we
34 encounter several contemporary examples of this type in the next section of the paper.

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41 Nevertheless, a general observation can be made, ~~namely i.e.:~~ that ~~both historically and~~
42 ~~contemporaneously~~ these papers take issue with proposals for amalgamation on ~~political~~
43 ~~normative grounds, i.e.:~~ that [i] amalgamation is bad because it dissolves political
44 communities embodied in pre-existent councils ~~without achieving projected efficiencies~~ and
45 [ii] the process of deciding upon amalgamation has not been consultative enough or has
46 ridden roughshod over ~~proper~~ administrative procedure, ~~real or imagined (on both the counts,~~
47 see, for example, Dollery et al. 2008).

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7 The second sub-type within the academic literature ~~concerned with structural reform~~
8 is more constructive. In essence, it ~~investigates and~~ proposes solutions to the problems of
9 operational efficiency and financial sustainability of local government *other than*
10 amalgamation. ~~Thus,~~ for example, Byrnes et al. (2008) investigated the plausibility ~~and~~
11 ~~mechanics~~ of issuing bonds to supplement council income. Similarly, Dollery et al. (2013)
12 explored the possibility of instituting a national bond bank modelled on similar institutions in
13 New Zealand and British Columbia.
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20 The third sub-type within the academic literature is less concerned with evaluating
21 ~~specific~~ programs of amalgamation and more interested in providing an account of
22 structural reforms as an element of *overall* reforms ~~to local government across Australian~~
23 ~~jurisdictions~~. For example, in his ~~watershed~~ account, Aulich (1999; 2005) distinguished
24 between collaborative and technocratic state jurisdictions in the implementation of New
25 Public Management (NPM) reforms, of which ~~municipal consolidation~~ amalgamation was a
26 core element:
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35 The differences in emphases ... has resulted in a divergence between local
36 government systems, resulting in polarisation between New South Wales,
37 Queensland and Western Australia, which continue to work collaboratively
38 with local government and retain a high commitment to local democracy, and
39 Victoria, South Australia and Tasmania, where economic efficiency has
40 supplanted local democracy as a key value (Aulich 1999: 16-17).
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49 However, this conceptually neat distinction between 'collaborative' and 'technocratic'
50 jurisdictions has subsequently been eroded as we ~~briefly~~ document in the next section.
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3. Recent episodes of structural reform in Australian local government

Indeed, ~~AL~~ local government amalgamation has continued to capture the imaginations of policy-makers at the level of state and territory governments ~~across the country~~ as well as the lion's share of public attention when it chooses to focus upon local government. For instance, at present in NSW the prospect of forced or coerced amalgamations across the state, in particular within the Sydney Metropolitan Region (SMR) have garnered the overwhelming weight of both scholarly work and media attention (see, for example, Abelson and Joyeux 2015; Drew and Dollery 2015; Drew, Kortt and Dollery 2015a; Grant, Ryan and Lawrie 2015b; Robertson and McKenny 2015; McKenny 2015; Robertson 2014). While at the time of writing the outcomes of this particular episode of consolidation are by no means clear, the NSW Government and its agencies, ~~in particular the NSW Office of Local Government (OLG) and the Independent Pricing and Regulatory Tribunal (IPART)~~ have been ~~severely~~ criticised on the grounds of a lack of due process (Drew and Dollery 2015a) as well as on the basis of misleading claims as to the financial unsustainability of councils ~~in that state (see, in particular, Ableson and Joyeux 2015)~~. This has been the case to the extent that at the behest of several non-government parties in the NSW Parliament the Legislative Council is ~~at present~~ conducting ~~an~~ public inquiry into the process ~~writ large~~ (Legislative Council 2015).

Further, Western Australia has historically been all but immune from voluntary, coerced or forced amalgamation programs (~~see, for example~~ Grant, Dollery and Westhuizen 2012) despite extended processes of inquiry and reform (see, for example, Dollery and Grant 2009). Thus, the 'Final Report' of the 'Metropolitan Local Government Review' (MLGRP 2012) recommended that the number of councils in that city be reduced from 30 to 16.

~~However, f~~Following concerted community pressure and academic criticism ~~of the~~ mooted reforms ~~based upon the application of several econometric models to the financial data of the affected councils~~ (Drew and Dollery 2014a) the program ~~of consolidation~~ was 'put

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7 on hold' by the government pending approval from individual councils on a case-by-case
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9 basis, (although ~~(again)~~ at the time of writing the Barnett Government still planned to
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11 introduce a 'City of Perth Act' (Barnett and Simpson, 2015)). Yet despite the ~~eventual~~ non-
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13 execution of a program of amalgamation, its shadow has ~~nevertheless has~~ fallen long over
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15 both local governments and state governments in that jurisdiction.

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17 Similarly, the prospect of council amalgamation in Tasmania since the last round of
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19 consolidation in 1993 has rested outside the public policy agenda of successive state
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21 governments. However, the idea of amalgamating councils in the Southeast (including ~~those~~
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23 ~~LGAs comprising~~in the Greater Hobart Region) and around the Northeast City of Launceston
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25 have both been investigated by a range of interest groups since that time, including the
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27 Southern Tasmania Council Authority (see, for example, STCA 'Munroe Report', 2011) and
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29 the Northern Tasmania Regional Development Board (Dollery 2012). In step with these
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31 investigations, in 2011 the Property Council of Australia engaged Deloitte Access Economics
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33 (DAE) to examine the possible benefits of a program of council amalgamation across the
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35 state. The DAE report, ~~'Local government structural reform in Tasmania'~~ (DAE 2011: i)
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37 claimed that '[s]tructural reform of councils in Tasmania could allow for efficiency gains of
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39 up to 35%'. The analysis was criticised by Drew, Kortt and Dollery (2013b) who *inter alia*
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41 claimed that the underlying assumption of the DAE analysis was untenable.

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43 Additionally, the consequences of the acrimonious 2007 forced amalgamation program
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45 in Queensland, which saw 157 councils agglomerated into just 73, continue to resonate in that
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47 jurisdiction. Of most salience ~~in this regard~~ have been the ~~episodes of~~ de-amalgamations
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49 embarked upon by Douglas Shire, Livingstone Shire, Mareeba Shire and Noosa Shire
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51 (Queensland Government 2013). The option for de-amalgamation formed a salient
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53 component of the (then) Queensland Liberal-National Opposition's policy platform prior to
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55 the 2012 state government election in response to the (then) Labor Government's forced
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7 amalgamation program and is one of several reasons given for the dramatic 2012 state
8 election result, which saw the Blich Labor Government reduced from a majority in the 89
9 seat parliament to just 7 seats (Grant et al. 2015a: 6). Equally, dissatisfaction with the
10 program of de-amalgamation following the election of the Liberal-National Party (LNP)
11 Government led by Campbell Newman, which saw 12 councils apply for the process to be
12 initiated to the Queensland Boundaries Commission but only four succeed in pursuing such a
13 program, is cited as a contributing factor for that Government's routing in the 2015 state
14 election, that saw the LNP retain only 42 seats with the Labor Party re-gaining office as a
15 minority government with 44 seats (Green 2015).

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24 The political ramifications of recent episodes of programs of forced amalgamation
25 extend to the Northern Territory. Amalgamations had been mooted in the Territory since
26 1999 (Tiley and Dollery 2010: 16). In October 2006 the (then) minister announced a program
27 of amalgamation that eventually commenced in July 2008 (Michel, 2015: 103). What Michel
28 (2015: 102) labelled as a process of 'sweeping regionalisation', entailing the forced
29 amalgamation of 53 community councils into eight regional shires, is offered as a primary
30 reason for the defeat of the then long-standing Labor Government in the ensuing Northern
31 Territory election held in August 2012. This linking of the amalgamation program to the
32 change of government is notwithstanding the more nuanced reasons offered for the electoral
33 result, inclusive of the Labor Government's complacency with respect to the Aboriginal vote
34 (Gerritsen 2012) and the place of Indigenous community interests in the 2008 amalgamations
35 (Michel 2015: 107-108).

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49 Three ~~general~~ points can be distilled from the above discussion ~~in sections 2 and 3 of~~
50 ~~the paper~~. First, the evidence regarding structural reform as a means to achieve both
51 operational efficiencies and financial sustainability is at best mixed. Second, as a topic for
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7 both scholarly inquiry and popular public policy debate the issue of local government
8 amalgamations looms large in Australia's municipal landscapes. Third, as a political issue
9 ~~municipal~~ amalgamation spills over to affect the governments of the ~~sovereign~~-states and the
10 Northern Territory.² Otherwise stated, the issue of amalgamation is clearly 'bigger' than local
11 government itself.

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16 However, it is also possible that as an issue municipal amalgamation 'fuels its own
17 fire': That the importance it assumes in the scholarly literature *and* as a political issue is
18 greater than is warranted. The question of whether amalgamation is as hotly a contested or
19 heart-felt issue in the broader community as an element of local government generally has not
20 been thoroughly investigated ~~to any extent~~. WIt is with this in mind that we now turn to the
21 survey.

22 4 Surveying community attitudes to Australian local government

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28 In 2013 the Australian Centre of Excellence for Local Government (ACELG)~~XXXX~~
29 commenced a research project designed to understand community attitudes to local
30 government (Ryan et al.~~xxxx~~ 2015). The focus of this on-going research is to investigate the
31 context for interactions between ~~Australian~~ communities and ~~their~~ local governments through
32 questions focused on community awareness, attitudes and participation in their local area and
33 with local government. This contrasts to previous ~~local government~~ research aimed at
34 soliciting community views that ~~has been preoccupied with the roles and responsibilities of~~
35 ~~local government or principally deployed~~ citizen satisfaction surveys (for an ~~critical~~ overview
36 ~~of the use of citizen satisfaction surveys~~, see Ryan et al.~~xxxx~~ 2015). In 2014 ACELG
37 implemented a national survey ~~was implemented in late 2014~~ as 'Sstage Oone' of a larger
38 stage mixed methods research project².

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54 ² The ACELG's 'Why Local Government Matters'~~XXXX~~ social research project's qualitative phase, involving
55 focus groups held nationally across a range of local government area types, is being undertaken at time of
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THEORY

The development ~~and refinement~~ of ~~the~~ conceptual framework for the ~~research~~ project involved an extensive literature review, consultation with the local government sector and a steering group of research staff and associates (Ryan et al. ~~xxxx~~ 2015). Based on this work, four key areas of enquiry emerged:

1. Local government's role as a 'place shaper' and its importance in meeting the needs of citizens that drive attachment and satisfaction with the area in which they live;
2. The preferences of communities for how their services are delivered at the local level and the ability of local governments to offer flexible and community specific service delivery;
3. Theories of governance, particularly community beliefs concerning large versus small government and its role in the market; the appropriate role for the private sector in local service provision, the preferred extent of public participation in government decision-making, and preferences for the realisation of public value, and
4. Community knowledge of local government, the ranked importance of services that can be delivered by local government in different jurisdictions, and attitudes about amalgamation.

Further, the attributes of individuals that were theorised to influence their attitudes and beliefs about each of the areas above, inclusive of demographic factors, levels of community participation, ~~and~~ personal values and political leanings were incorporated into the empirical strategy (Ryan et al. ~~xxxx~~ 2015).

METHODOLOGY

A telephone survey company was commissioned from October-November 2014. The survey used a sample frame of randomly selected landline telephone numbers from all states and

writing. In 2016, a revised version of the cross-sectional survey will be repeated to serve as national base-line data for future waves and data collected by researchers in state or local government area jurisdictions.

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7 territories of Australia (~~with the exception of~~excluding the Australian Capital Territory which
8 does not have a local government structure). Responses to the survey were collected from
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10 2,006 people aged 18 years and over using a computer-aided telephone interview mode. A
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12 quota for type of local government area in which each respondent resided was set to allow
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14 meaningful comparisons to be made between those living in rural and remote areas, regional
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16 urban areas, and city councils of four types using the Australia classification of local
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18 governments (see DIRD 2015).
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20 Within a longer survey designed to solicit attitudes concerning place attachment,
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22 service delivery and governance, respondents were asked a question about a hypothetical
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24 amalgamation of local governments:
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28 Imagine that your local government is to be merged or amalgamated with
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30 another to form a new local government area. For each of the following, tell
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32 me if the amalgamation would make things much better, better, no different,
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34 worse or much worse?²
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37 Each of the four sub-questions focused on different dimensions of the possible impacts of
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39 amalgamation on the respondent, namely: [i] political representation, [ii] the cost of rates;
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41 [iii] the way services are delivered, and [iv] the impact on a sense of local community.
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43 Additional demographic, values, community participation and local government knowledge
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45 variables from the survey were selected for investigation on the basis of a hypothesised role
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47 in influencing the responses to questions concerning amalgamation.
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49 Following ~~the an~~ construction inspection of a correlation matrix of these variables and an
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51 inspection of the results of Chi-square tests for association with each of the amalgamation
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53 questions, a short list of variables was determined for inclusion in multinomial logistic
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7 regression analysis of the amalgamation questions. These variables are summarised in Table
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9 A1 (see Appendix).

10 11 FINDINGS

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13 The research findings are presented here in two tranches. First, we examine the reported
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15 impact of amalgamation across the four areas of importance specified by the methodology
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17 ([i] political representation; [ii] rates; [iii] impact on sense of community and [iv] the way
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19 services are delivered). Second, we analyse the variations in response according to the
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21 characteristics of each respondent using regression. Figure 1 shows the distribution of
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23 responses to each of the four statements under analysis (excluding 'don't know' answers).

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31 Examining Figure 1, generally respondents reported being most concerned about the impact
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33 of amalgamation upon how their interests are represented by councillors, with 52.2%
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35 reporting that representation by councillors will get 'worse' or 'much worse' following
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37 amalgamation. Respondents were more ambivalent about the impact of amalgamation on
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39 their sense of local community, with 57.0% reporting that it will make no difference. Only
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41 35.7% reported that amalgamation would make their sense of community 'worse' or 'much
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43 worse'.

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45 The perceived impact of whether amalgamation would impact upon both the cost of
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47 council rates and the way services are delivered solicited a more divided general responses.

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49 Examining Figure 1, c Compared to other questions, a larger proportion of respondents
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51 reported being optimistic about the impact of amalgamation, both on the cost of council rates
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53 (-with 20.6% responding that the cost of council rates would be 'better' or 'much better') and
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55 the way that services would be delivered (how services are delivered, with just over 20%

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believing that both will become 21.5% reporting that service delivery would be 'better' or 'much better'. Yet, however, approximately 54.3% reported that the cost of council rates would be 'worse' or much 'worse', while 39.6% reported that they believed service delivery would be rendered 'worse' or 'much worse'. In particular, there was a marked diminution in the ambivalence toward the perceived impact that amalgamation would have on the cost of council rates with only 29.1% selecting the 'no different' response, for the same question.

Tables 1a and 1b present the output table for our multinomial regression models across two parts. Table 1a contains the odds ratios and 95% confidence intervals associated with 'much better/better' responses; Table 1b contains those associated with 'no difference' responses. The reference category in both cases is 'much worse/worse'. In order to allow comparison across the four dimensions of amalgamation affects, each of the questions has been modelled using the same variables³.

<< Please draw in Tables 1a and 1b here >>

Perceived changes to representation by councillors

Examining Tables 1a and 1b, reported political affiliations were associated with differences on the question of amalgamation. Thus, compared to Liberal/National coalition voters, respondents who reported as typically voting for the Greens (OR=0.44, 95% CI 0.20 to 0.96)

³ Odds Ratios are a measure of explanatory variable effect size where the response variable is categorical. In this analysis, the output of Table 1a contains the odds ratios, or effect size, of a number of explanatory variables on the likelihood of respondents answering 'better/much better' rather than 'worse/much worse' for each question. In the simplest case, taking (for example) the variable for sex (male or female), the odds ratio describes the odds of men responding 'better/much better' compared to the odds of women (the reference category) responding 'better/much better' to the same question. In basic terms, the odds ratio is the ratio of the number of men who responded 'better/much better' to the number of men who responded 'worse/much worse', divided by the ratio of the number of women who responded 'better/much better' to the number of women who responded 'worse/much worse'. An odds ratio of less than one indicates that men are relatively less likely than women to respond 'better/much better'. An odds ratio of more than one indicates that men are relatively more likely than women to respond 'better/much better'. An odds ratio of one signifies that there is no difference between the response patterns of women and men (see Menard 2002: 42-68).

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7 or who reported changing their vote from election to election (OR=0.58, 95% 0.34 to 0.99)
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9 were less likely to think amalgamation would make representation by councillors better.
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11 Those who reported a tendency to vote for independents and minor parties (OR=0.19, 95% CI
12 0.04 to 0.82) were even less likely, whilst Labor (OR=1.03, 95% CI 0.69 to 1.55) and
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14 Liberal/National voters showed no real difference of opinion. Otherwise stated, people who
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16 reported voting Green, independent or for minor parties as well as those that who reported as
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18 swinging voters thought they have more to lose through amalgamation, in terms of their level
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20 of representation, compared to those who reported as voting for the major parties.
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23 Second, respondents who could accurately give the name of their local mayor
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25 (OR=0.70, 95% CI 0.48 to 1.01) were also less likely to think that amalgamation would
26
27 improve representation; as were people who had lived in the area longer (e.g.: 5 to 10 years
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29 OR=0.36, 95% CI 0.14 to 0.91 compared with those less than 2 years). This suggests that
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31 residents who are more invested in their local area are most concerned about the impacts of
32
33 amalgamation on their representation by councillors. Third, certificate or diploma level (i.e.:
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35 vocational) qualifications (OR=0.60, 95% CI 0.38 to 0.94) were also associated with higher
36
37 levels of pessimism about the effect of consolidation, compared with those who reported as
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39 having only-school-only level qualifications.

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41 Fourth, people who reported as speaking a language other than English at home
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43 (OR=2.22, 95% CI 1.23 to 4.00), or who reported as unemployed (OR=1.85, 95% CI 0.93 to
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45 3.65) rather than employed for wages were more likely to be optimistic about the effects of
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47 amalgamation on representation by councillors. Fifth (and perhaps surprisingly), compared to
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49 those living in large metropolitan and capital city councils, people in rural and remote areas
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51 (OR=1.81, 95% CI 1.02 to 3.20) were somewhat more likely to think representation would
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53 improve after amalgamation.
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7 *Perceived changes to the cost of council rates*

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9 | [Party-political considerations](#) played less of a role in determining people's views about
10 council rates compared to the question on representation by councillors. As illustrated in
11 Table 1b, people who reported as voting for minor parties and independents (OR=0.54, 95%
12 CI 0.32 to 0.91), or who reported as changing their vote from election to election (OR=0.70,
13 95% CI 0.52 to 0.94), were less likely to answer 'no difference' (rather than 'worse/much
14 worse') compared to Liberal/National voters. However, as seen in Table 1a, political
15 affiliation did not have a significant effect in moving people from a 'worse/much worse' to a
16 'better/much better' response. Second, again people who had resided locally longer (e.g.:
17 more than 10 years OR=.25, 95% CI 0.09 to 0.70 compared with those less than 2 years), or
18 who reported as having postgraduate (OR=3.10, 95% CI 1.65 to 5.83) or certificate/diploma
19 (OR=0.56, 95% 0.33 to 0.96) rather than school level qualifications, were less likely to think
20 amalgamation would make the cost of council rates better.
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32 Third, compared to employed people, those reporting as unemployed (OR=3.14, 95%
33 CI 1.44 to 6.86) and students (OR=2.72, 95% CI 0.87 to 8.57) were much more likely to
34 believe that the cost of council rates would improve; as were people who reported speaking a
35 language other than English at home (OR=3.10, 95% CI 1.65 to 5.83). Fourth, residents of
36 both rural/remote (OR=1.94, 95% CI 0.97 to 3.89) and urban regional councils (OR=1.84,
37 95% CI 0.90 to 3.75) were more likely than those in large metropolitan and capital city
38 councils to think council rates would improve.
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45 *Perceived changes to service delivery*

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47 Examining Table 2a and 2b for perceptions in changes to service delivery, demographics
48 yielded interesting variations. Men (OR=1.82, 95% 1.37 to 2.43) reported as more likely than
49 women to expect benefits from amalgamation, as were younger people, with 19-29 year olds
50 (OR=4.94, 95% CI 2.22 to 10.99) much more likely than those over 70 years to think
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7 amalgamation would make service delivery better. Second, those who reported as voting
8 Labor (OR=0.65, 95% CI 0.46 to 0.90), Greens (OR=0.55, 95% CI 0.32 to 0.95) or as
9 'swinging' voters (OR=0.49, 95% CI 0.32 to 0.75) were less likely than those who reported
10 as voting Liberal/National to think service delivery would improve. Third, respondents who
11 could name their mayor (OR=0.72, 95% 0.54 to 0.96) were a little less likely to think service
12 delivery would improve.
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18 *Perceived changes to sense of local community*

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20 Men (OR=2.08, 95% CI 1.55 to 2.77) were more likely than women, and 18-29 year olds
21 (OR=2.93, 95% CI 1.35 to 6.33) were more likely than those aged 70 years or more to think
22 their sense of local community would improve with amalgamation. Second, there was also
23 here a strong correlation with political affiliation, with respondents who reported as voting
24 for Labor (OR=0.59, 95% CI 0.42 to 0.83), minor parties/independents (OR=0.43, 95% CI
25 0.19 to 0.93), and those reporting as swing voters (OR=0.64, 95% CI 0.42 to 0.95) being less
26 likely to think that their sense of local community would improve compared to
27 Liberal/National voters. Third, being a local resident for more than 10 years (OR=0.49, 95%
28 CI 0.22 to 1.08), compared to under 2 years was associated with being less likely to think a
29 sense of local community would improve.
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40 **5. Recapitulation and implications**

41
42 This paper commenced by observing the salience of the issue of amalgamation in the
43 Australian local government context, arguing that the issue has been a central feature of both
44 governmental inquiries examining options for local government reform as well as the issue
45 dominating the academic literature in that regard. We also argued that the conjecture and
46 refutation surrounding amalgamation centred on arguments that amalgamation can achieve
47 both scale and scope economies, and more recently 'strategic capacity' (ILGRP 2013: 15), set
48 against arguments that it cannot achieve these public policy goals. We noted as well that two
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7 political arguments accompanied the anti-amalgamation empirical claims, albeit often in a
8 latent way: First, that amalgamation erodes or destroys extant communities; second that
9 processes of amalgamation are undertaken with insufficient consultation.
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12 The details of the empirical research – designed to understand community attitudes to
13 local government broadly – were then briefly specified. ~~This included the theorising behind
14 the project that identified (1) place attachment; (2) preferences for service delivery; (3) the
15 role of the public and private sectors in service delivery and (4) community knowledge and
16 expectations of local government as broad concerns that framed questions for the survey
17 instrument. The methodology for the interviews of 2,006 individuals by (landline) telephone
18 was described and the question regarding amalgamation was specified, as were the variables
19 included in the regression (see Table A1).~~
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28 The general results reported in the first tranche in relation to Figure 1 stand in contrast
29 to the salience of the issue of amalgamation in both the public and academic literature,
30 particularly with respect to the first *political* claim of anti-amalgamation advocates, namely
31 the importance of a sense of community. On the contrary: 57.0% of respondents reported that
32 it would make ‘no difference’ to their sense of community. However, amalgamation proved a
33 divisive issue, with 35.7% reporting that amalgamation would make their sense of
34 community it ‘worse’ or ‘much worse’. Taken as a whole, these responses raise the
35 possibility that for many individuals their sense of community might be distinct from local
36 government.
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45 Similarly, over 20% believed that the cost of rates would improve and service delivery
46 would improve; yet approximately 40% reported ‘worse’ or ‘much worse’ for the same
47 question. Again, amalgamation was divisive rather than definitive. Further, the 52.2%
48 reporting that representation by councillors would be worse, while also indicative of this
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7 division, might indicate that a majority of people have a service-delivery orientation to local
8 government rather than a 'political' view.
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10 For the second tranche of results incorporating the regressed variables for individual
11 respondents, we found that the views of respondents concerning the possible effects of
12 amalgamation were dependent on both their reported personal attributes and the perceived
13 impact of amalgamation that was being tested in each question. However, stepping back from
14 the detail provided in the discussion above, some general patterns are discernible. First, what
15 might be called 'localism' across the sample, broadly defined as an attachment to the local
16 area (marked by length of residency and the correct identification of mayors) and a general
17 disapproval of council amalgamation across the four questions, was notably affected by
18 party-political preference: Voters unaligned to the major parties (Liberal, National and Labor)
19 were more likely to be pessimistic about the impacts of amalgamation, particularly with
20 respect to the representation of their interests by councillors.
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31 Second, measures of socio-economic disadvantage, including reported levels of
32 education, employment status and whether a language other than English was spoken at home
33 all correlated less with a dislike of amalgamation. Further, the age profile of respondents was
34 important, with younger people being less averse to amalgamation compared to older people
35 (70 +) being more averse to amalgamation. Third, there was no evidence of a marked
36 increase in dislike of amalgamation in rural and remote areas; on the contrary: With respect
37 to the questions of perceived changes to their representation *and* the perceived effect on rates,
38 rural and remote individuals were less averse to amalgamation than their counterparts in
39 larger metropolitan local government areas.
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49 In general ~~however,~~ what is most revealing about the results is the relatively high
50 proportion of respondents across all sub-questions who believed that amalgamation would
51 make minimal difference to council costs, service delivery, the representation of their
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7 interests by councillors or their sense of local community. This suggests that debates
8 concerning amalgamation do indeed ‘fuel their own fire’: Those closest to the heat of change
9 – elected representatives and the staff who stand to lose their positions, for example – may be
10 virulently anti-amalgamation and attract subsequent media attention, yet this sentiment is not
11 echoed in the broader community. This conclusion can be set against evidence presented in
12 section 3 of our discussion, that suggested that the political consequences of amalgamation
13 reforms – both executed (Queensland, for example) and threatened (Perth) – resonate
14 politically at the state and territory level. However, this apparent tension may be at least
15 partially explained by the suggestion that amalgamation (and local government reform
16 generally) might only draw the attention of voters when it happens to them. Otherwise stated,
17 a nationally representative sample such as the one sourced for this survey might not capture
18 the locally based vexation about the issue.
19

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21 Notwithstanding this speculation, the data and analysis presented here suggests that the
22 issue of amalgamation is overdone in the government and academic literature compared to
23 perceptions of the issue more broadly. Moreover, the study suggests what is valuable for
24 individuals about local government, namely the services and amenities they provide, over and
25 above (or under and below) it being a political institution grounded in organic ideas of
26 community.
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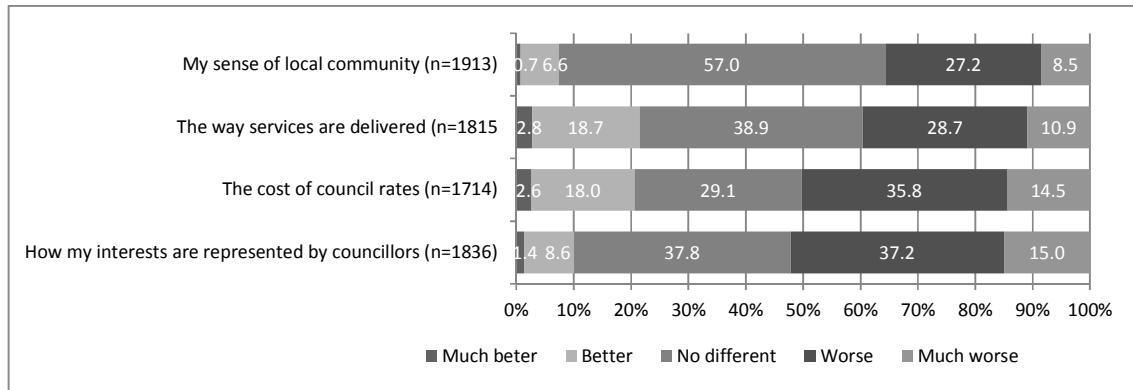
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Figure 1: Relative perception of impact of amalgamation



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Table 1a: Multinomial regressions associated with ‘much better/better’ responses

Better/Much Better	Representation		Council Rates		Way services delivered		Sense of local community	
	Exp (B)	95% C.I. Exp (B)	Exp (B)	95% C.I. Exp (B)	Exp (B)	95% C.I. Exp (B)	Exp (B)	95% C.I. Exp (B)
Male	1.24	[.86, 1.79]	1.29	[.83, 2.00]	1.82***	[1.37, 2.43]	2.08***	[1.55, 2.77]
Age 18-29	1.82	[.71, 4.71]	1.19	[.37, 3.77]	4.94***	[2.22, 10.99]	2.93***	[1.35, 6.33]
30-39	1.02	[.42, 2.46]	.68	[.23, 2.07]	2.09**	[1.02, 4.28]	1.24	[.61, 2.54]
40-49	.92	[.40, 2.12]	.89	[.33, 2.41]	1.65	[.83, 3.27]	1.51	[.77, 2.97]
50-59	.87	[.41, 1.86]	.77	[.31, 1.91]	1.79*	[.96, 3.34]	1.59	[.86, 2.93]
60-69	1.05	[.58, 1.93]	.62	[.30, 1.31]	1.84**	[1.08, 3.13]	1.62*	[.96, 2.73]
70 plus								
Politics Change between elections	.58**	[.34, .99]	.75	[.40, 1.40]	.49***	[.32, .75]	.64**	[.42, .95]
Labor	1.03*	[.69, 1.55]	.94	[.57, 1.56]	.65***	[.46, .90]	.59***	[.42, .83]
Greens	.44**	[.20, .96]	.79	[.34, 1.82]	.55**	[.32, .95]	.80	[.47, 1.36]
Other	.19**	[.04, .82]	.38	[.11, 1.37]	.64	[.32, 1.28]	.43**	[.19, .93]
Liberal/National								
Knowledge of the name of Mayor	.70**	[.48, 1.01]	.84	[.54, 1.30]	.72**	[.54, .96]	.92	[.69, 1.22]
NESB	2.22***	[1.23, 4.00]	3.10***	[1.65, 5.83]	.86	[.52, 1.43]	.90	[.54, 1.50]
Education Postgraduate	.59*	[.31, 1.11]	.32***	[.14, .75]	1.51*	[.94, 2.42]	1.76**	[1.10, 2.82]
Bachelors/	.78	[.48, 1.26]	.71	[.40, 1.27]	1.71***	[1.14, 2.55]	1.31	[.87, 1.96]
Certificate/diploma	.60**	[.38, .94]	.56**	[.33, .96]	.91	[.62, 1.34]	.92	[.62, 1.35]
School level								
Employment Unemployed	1.85*	[.93, 3.65]	3.14***	[1.44, 6.86]	.83	[.45, 1.53]	.89	[.48, 1.64]
Retired	1.09	[.56, 2.11]	1.18	[.51, 2.72]	.73	[.44, 1.22]	.77	[.46, 1.29]
Student	1.59	[.58, 4.39]	2.72	[.87, 8.57]	1.05	[.46, 2.38]	1.49	[.61, 3.60]
Homemaker	1.50	[.65, 3.50]	1.68	[.63, 4.52]	.78	[.38, 1.61]	.64	[.29, 1.45]
Self-employed	.95	[.51, 1.79]	.97	[.43, 2.18]	.61**	[.37, 1.01]	.75	[.47, 1.21]
Employed for wages								
Resident > 10 years	.45*	[.19, 1.03]	.25***	[.09, .70]	.62	[.28, 1.36]	.49*	[.22, 1.08]
5 to < 10 years	.36**	[.14, .91]	.36*	[.12, 1.12]	.78	[.34, 1.79]	.56	[.24, 1.30]
2 to < 10 years	.42*	[.16, 1.12]	.38	[.12, 1.26]	.65	[.27, 1.57]	.54	[.23, 1.30]
< 2 years								
ACLG Rural and remote	1.81**	[1.02, 3.20]	1.94*	[.97, 3.89]	1.06	[.67, 1.67]	.83	[.52, 1.31]
Urban regional	1.25	[.68, 2.31]	1.84*	[.90, 3.75]	.86	[.54, 1.37]	.67*	[.42, 1.07]
Urban fringe	1.56	[.88, 2.79]	1.18	[.57, 2.44]	1.49*	[.95, 2.32]	1.21	[.79, 1.88]
Urban dev. small	1.12	[.61, 2.07]	1.10	[.53, 2.30]	1.37	[.89, 2.13]	1.20	[.78, 1.85]
Urban dev. large & capitals								

Reference Category is: Worse/Much Worse; *p<0.1; **p<0.05; ***p<0.01

Table 2: Multinomial regressions associated with ‘no difference’ responses

No Different	Representation		Council Rates		Way services delivered		Sense of local community		
	Exp (B)	95% C.I. Exp (B)	Exp (B)	95% C.I. Exp (B)	Exp (B)	95% C.I. Exp (B)	Exp (B)	95% C.I. Exp (B)	
Male	1.16	[.94, 1.44]	1.19	[.96, 1.47]	1.13	[.90, 1.42]	1.58***	[1.25, 2.01]	
Age 18-29	1.19	[.65, 2.16]	1.21	[.66, 2.22]	1.67	[.86, 3.25]	.84	[.42, 1.68]	
30-39	.95	[.58, 1.58]	1.15	[.70, 1.91]	1.34	[.78, 2.31]	.98	[.57, 1.71]	
40-49	.93	[.57, 1.50]	.88	[.54, 1.42]	.89	[.53, 1.50]	.76	[.44, 1.29]	
50-59	.95	[.61, 1.47]	1.07	[.69, 1.64]	.81	[.51, 1.29]	.83	[.51, 1.33]	
60-69	1.13	[.79, 1.62]	1.05	[.74, 1.49]	.98	[.67, 1.43]	1.02	[.70, 1.51]	
70 plus									
Politics Change between elections	.80	[.59, 1.08]	.70**	[.52, .94]	.83	[.59, 1.15]	1.00	[.72, 1.40]	
Labor	1.14	[.89, 1.47]	.82	[.64, 1.05]	.95	[.73, 1.24]	.96	[.73, 1.27]	
Greens	.65**	[.43, .97]	.73	[.50, 1.08]	.94	[.61, 1.44]	1.27	[.81, 1.99]	
Other Liberal/National	.66	[.38, 1.13]	.54**	[.32, .91]	.72	[.40, 1.29]	.47**	[.24, .93]	
Knowledge of the name of Mayor	.74*	[.60, .91]	.82*	[.66, 1.01]	.81*	[.64, 1.02]	1.00	[.78, 1.26]	
NESB	1.19	[.78, 1.81]	.69*	[.45, 1.06]	.57**	[.36, .92]	.60**	[.37, .99]	
Education Postgraduate	.81	[.57, 1.15]	.69**	[.49, .97]	.96	[.66, 1.41]	1.48**	[1.00, 2.19]	
Bachelors/	.81	[.60, 1.09]	.79	[.59, 1.06]	1.08	[.78, 1.49]	1.28	[.92, 1.79]	
Certificate/diploma	.86	[.66, 1.13]	.74**	[.56, .98]	.72**	[.54, .97]	.82	[.60, 1.12]	
School level									
Employment Unemployed	1.04	[.65, 1.65]	1.38	[.85, 2.25]	1.03	[.62, 1.69]	.95	[.57, 1.61]	
Retired	.96	[.66, 1.41]	.79	[.54, 1.15]	.91	[.60, 1.37]	.92	[.61, 1.40]	
Student	1.06	[.52, 2.17]	1.53	[.73, 3.21]	.92	[.44, 1.96]	1.62	[.70, 3.78]	
Homemaker	1.32	[.80, 2.19]	.97	[.59, 1.62]	.92	[.53, 1.59]	1.13	[.64, 1.99]	
Self-employed	.77	[.54, 1.11]	1.01	[.71, 1.43]	1.01	[.68, 1.49]	.79	[.53, 1.19]	
Employed for wages									
Resident > 10 years	1.36	[.67, 2.75]	.60	[.29, 1.22]	1.25	[.58, 2.69]	.83	[.39, 1.78]	
5 to < 10 years	1.56	[.75, 3.24]	.85	[.40, 1.80]	1.63	[.73, 3.62]	.87	[.39, 1.92]	
2 to < 10 years	1.35	[.63, 2.91]	.81	[.37, 1.77]	1.49	[.64, 3.45]	.80	[.35, 1.86]	
< 2 years									
ACLG Rural and remote	.88	[.63, 1.23]	.95	[.68, 1.33]	.74	[.51, 1.06]	.82	[.56, 1.19]	
Urban regional	.89	[.64, 1.25]	1.18	[.84, 1.64]	.76	[.53, 1.08]	.81	[.56, 1.17]	
Urban fringe	.99	[.71, 1.37]	.89	[.64, 1.24]	1.04	[.73, 1.49]	1.05	[.73, 1.51]	
Urban dev. small	.99	[.72, 1.38]	.90	[.65, 1.25]	.84	[.58, 1.20]	.93	[.64, 1.35]	
Urban dev. large & capitals									
		X ² = 85.9 p=.00; R ² =.06 (Nagelkerke)		X ² = 103.1 p=.00; R ² =.07 (Nagelkerke)		X ² = 145.0 p=.00; R ² =.10 (Nagelkerke)		X ² = 127.4 p=.00; R ² =.09 (Nagelkerke)	

The reference category is: Worse/Much Worse; *p≤0.1; **p≤0.05; ***p≤0.01

Table A1: Variables included in regression

Variables	N	percent
Male	919	45.8
Age	1087	54.2
18-29	156	7.8
30-39	284	14.2
40-49	363	18.1
50-59	457	22.8
60-69	380	18.9
70 plus	366	18.2
Political affiliation		
None – change from election to election	345	18.5
Labor	628	33.7
Greens	168	9.0
Other (minor parties and independent)	80	4.3
Liberal/National Coalition	640	34.4
Knowledge of the name of their Mayor	1042	51.9
Speak a language other than English at home	149	7.4
Education		
Postgraduate	286	14.3
Bachelors	527	26.4
Certificate/Diploma	632	31.6
School level	550	27.6
Employment status		
Unemployed	83	4.1
Retired	596	30.0
Student	53	2.7
Homemaker	94	4.7
Self-employed	207	10.4
Employed for wages	919	46.2
Time resident in local area		
More than ten years	1381	3.0
Five to less than ten years	368	9.6
Two to less than five years	192	18.4
Less than two years	59	69.1
Local government classification type		
Rural and remote (rural, agricultural and remote)	385	19.2
Urban Regional (regional towns and cities)	409	20.4
Urban Fringe (90% of population urban; on margin of urban regional and developed)	410	20.4
Urban Metropolitan Developed Small/Medium (urban centre to pop. 70,000)	393	19.6
Urban Metropolitan Developed Large/Very Large and Capital Cities (urban centre with pop. 70,000 or more and capital city councils)	409	20.4