



Merging councils may cost ratepayers: LGA President Angela Evans

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Following is an opinion piece by LGA President Mayor Angela Evans.

Would you be better off if your council amalgamated with one – or several – of its neighbours?

Would your rates go down each year? Would your local library be as well-funded, or your local park as regularly-maintained?

Council amalgamations can work when they are based on the facts – not on opinion.

The reality is that they are very expensive and don't always deliver efficiencies and savings.

The NSW Government's 2016 policy of local government amalgamations actually resulted in an 11 percent increase in council costs, and a 15 percent increase in staff expenses.

Where were the cost cutting efficiencies boldly promised by the champions of amalgamations?

Rather than reducing employee costs, they created a new layer of middle management, and new positions to coordinate systems and processes.

We've seen similar results in Queensland, where some forced amalgamations have been reversed, resulting in costly de-amalgamation processes.

It's been suggested that establishing one council for metropolitan Adelaide could reduce the number and cost of employees, delivering savings for ratepayers.

A quick glance at Brisbane City Council's annual report though shows nine executives earning between \$400,000 and \$800,000 who are collectively responsible for around 8,000 staff.

That's on top of 26 councillors and a mayor – each earning between \$160,000 and \$265,000 a year plus entitlements.

A single council for Greater Adelaide also raises the question of what the State Government would actually be responsible for, given the metropolitan area is home to 75% of our population – another big difference between SA and eastern states with very large regional populations.

Before we seriously look at large scale amalgamations, we need to follow the evidence to find whether there's a problem that needs solving.

Last year the Productivity Commission found SA councils are already achieving a high level of relative efficiency.

They work together across a range of programs and services, including waste collection and public health.

My own council – the City of Charles Sturt – recently partnered with the City of Port Adelaide Enfield to plan to build and operate our own Material Recovery Facility, so we can take control of our recycling processes and reduce our costs.

Councils collaborate on projects and services when it makes financial sense, but bigger isn't always better when it comes to council size.

In 2018 the LGA commissioned the University of Technology Sydney's Centre for Local Government to measure the relative technical efficiency of our State's councils.

What they learned was that there are relatively few councils in South Australia that might be expected to achieve efficiency gains from increasing their size.

This means wide-spread amalgamations probably wouldn't increase efficiency, and could actually do the opposite.

The LGA supported the establishment of the Local Government Boundaries Commission in 2019 as a body to independently assess proposals for council boundary changes including amalgamations if they are supported by impacted communities.

As a result, there's now an independent process in place to investigate proposals for boundary adjustments, where there's strong community support for change.

Every council – big or small - should always be looking at ways to improve the value it provides to its community, but amalgamations won't always be the answer.

And that's not just an opinion.

LGA President Mayor Angela Evans



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