

Chapter 10

Forced Amalgamation: Lessons from Victoria

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10.1 Introduction

In 1993, the Kennett Government introduced a radical reform agenda that fundamentally altered the Victorian local government landscape. It was modelled on the 1989 New Zealand program, and it dramatically reduced the number of local government units in Victoria from 210 to 78. Over two decades later, with the exception of a single merged council, the Victorian forced amalgamations remain in place. Chapter 10 deals with the effects of the Victorian program of council amalgamations and attempts to draw lessons from the Victorian experience to inform future local government reform elsewhere.

Chapter 10 is divided into four main parts. Section 10.2 provides an overview of the rationale for structural reform in Australian local government. Section 10.3 reviews the radical program implemented by the Kennett Government during the 1990s. Section 10.4 considers the broader policy lessons that can be drawn from the Victorian amalgamation experience. Chapter 10 ends with some brief concluding remarks in section 10.5.

10.2 Rationale for structural reform

In common with similar local government systems abroad, Australian local government has experienced considerable reform in the past 20 years (see, for instance, Denters and Rose 2005; Dollery, Garcea and Le Sage 2008). A curious feature of the Australian experience has been its extensive reliance on structural reform to reduce the number of councils through forced amalgamation. The penchant for structural reform in Australia is demonstrated by the fact that compulsory council consolidation has occurred in all States

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to reviewing and reordering internal and external priorities. At the same time, local councils were also required to focus on the development of mission statements and long-term strategic planning. In developing strategic plans councils were required to cultivate a shared sense of purpose and direction with relevant stakeholders.

In developing these strategic plans, councils also needed to consider multiple perspectives and scenarios and have input and agreement from relevant stakeholders. Moreover, these strategic plans also needed to be easily articulated and adaptable to previous experience and new information. While long-term planning is laudable, this additional requirement stretched resources, especially given the overriding pressure in the short-term to implement the key reforms.

10.5 Concluding remarks

The Victorian local government amalgamation episode represents a key turning point in Australian local government history. The sheer magnitude and speed of the reform process was remarkable. While the Kennett reforms were successful in reducing the number of councils from 210 to 78, it needs to be borne in mind that the reforms were hurriedly implemented and did not 'involve intense consultation with councillors, staff and communities of amalgamating councils' (Vince 1997, p 160).

The Kennett reforms also focused on 'resources management' and competitive service delivery to reinforce the 'view of local government primarily as an efficient provider of resources' to the communities concerned (Aulich 1997, p 208). In essence, this represented 'a shift away from the traditional political view of local government and local democracy with its values of representativeness, responsiveness and participation (Aulich 1997, p 208).

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