NSW local government amalgamations: Data key to community support

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When change occurs in government, it is often large, complex and disruptive; amongst the most complex and disruptive changes are those that occur during local government amalgamations.

Local government amalgamations involve the transition of corporate memory, systems and up to 140 years of records into a new or merged entity, while continuing to provide seamless local service delivery and minimise the cost of the change to the community.

These competing challenges were highlighted during the 2008 Queensland local government amalgamations and the subsequent de-amalgamations of four local governments in 2013.

New South Wales has recently embarked on its own journey of local government reform. This paper provides insights that Glentworth has gained through its work with Queensland councils post local government reform that directly relate to the use and impact of local government data.

Data and a justification to amalgamate

Australia’s local governments are facing significant economic challenges, created by a combination of rising costs and falling revenue. This well-known fact was, and is, a major driver for amalgamation and the major focus of economic assessments.

The case for council amalgamation in Queensland was largely built on an economic assessment – the benefits of economies of scale through reduced duplication and overlap. This included both the integration and where possible the streamlining of underlying data and information systems.

While on paper the figures may show a positive return, the complex nature of the modern public sector in the information age means that the reality can be very different. This approach to local government reform risks inadequate consideration of the closeness of local governments to their communities or the direct impacts that these reforms can have on the provision of services – such as waste collection, burial and cemetery services, rates, land zoning, building applications and development – to the community.

The case for local government amalgamation should be based on efficiencies that provide tangible benefits to the community, such as lower rates and improved services. It is important to understand that these community benefits also contribute to community cohesion which is of critical value, and often difficult to measure.

It is essential during any large-scale reform to ensure all views are heard, sentiment is understood, and compromises are made as needed. In the information age there are now ways to measure, analyse and manage how a community is feeling through methods such as sentiment analysis and data insights. Application of the tools and expertise available to us today during periods of local government reform in Queensland could potentially have saved significant angst and money.

Queensland saw the greatest resistance to amalgamation in the smaller communities that were fearful of their services and voice diminishing at the hands of a larger community. For many Queensland communities these fears were realised with the closure of local customer service centres. The closure of service centres rightly gave these communities the impression that local service delivery was no longer a priority. While the economic assessment made sense, the changes immediately impacted on the proposition of a united region and sowed the seeds for ongoing distrust of the new Queensland local governments.
Respecting the data and the need for planning a transition

Once a decision is made to amalgamate there must be a level of planning to ensure a successful transition. As a consequence of poor planning, many councils in Queensland are still paying a high price (cost, time and reputation) for not planning the integration of their information and data.

Learning from that experience, it is essential that the integration of core data systems is well planned. This is a specialist area that needs a combination of expertise in community engagement, data analysis and public sector administration. Of primary importance is engaging companies that have the capacity to gather and interpret data using the best tools available to interpret community sentiment.

The need for strong, informed, local leadership

Another message from the Queensland experience is that leadership matters. Whether it be mayors, councillors or the administration, decision makers in newly amalgamated local governments need to proactively address any perceived bias that one community is benefiting more than another. In the Queensland experience, one of the main factors that continually intensified the cause for de-amalgamation was the perception that smaller communities were getting a raw deal.

These perceptions were further exacerbated when community concerns were dismissed with sterile economic arguments without evidence. Instinctually, and perhaps logically, council leaders sought to defend their performance and dispute claims of bias. However, in some areas the lack of data and information planning saw the smaller community having to wait longer as their old council integrated with the larger community information and data systems. While often relegated to back office functions, not being able to find basic details of the community in the digital age is unacceptable and is a major cause for community angst.

Don’t forget the people you’re elected to serve

The final point is very much about the people and the emotional elements. Communities experiencing amalgamation do not necessarily see cost of living savings as the most significant factor when judging the merits of amalgamation. We have come to this opinion on the back of the results from the de-amalgamation votes in Queensland. In this case all four communities given a vote chose overwhelmingly to break away from the larger entity.

In each case there was some form of information made available to these communities that showed the potential for significant increases in costs due to de-amalgamation. While supporters of de-amalgamation rightly disputed this information because it lacked consistency, the size of the vote leads us to believe that people were prepared to risk higher costs in an effort to protect their sense of community and quality of community services.
Long-term benefits

There is no doubt that under some circumstances amalgamations must happen. The financial challenges facing local government mean that small-scale local government areas do not make sense in the long term and will lead to severe shortages in infrastructure and service delivery.

There is also no doubt that the process must involve more than just an economic rationalist argument. Local government is different to other levels of government – it is the level of government that communities engage with directly on a daily basis. Local governments are ingrained in the social fabric of communities and so there is a significant emotional connection between communities and their local governments.

Queensland’s experience has shown us that understanding community sentiment directly from local data used to inform decisions prior to amalgamation, and planning for the large scale integration of information systems and services to not only ensure continuity of service delivery, but to offer tangible benefits to the community, is paramount to success.

Economic benefits derived by amalgamation need to be realised over the long term, not the short term. Local governments should not seek to realise economic benefits immediately at the expense of creating a new cohesive community. There will be no long-term economic benefits if the communities are ungovernable because of division.

Guest editors:

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