



KEEP COUNCILS LOCAL

MEDIA RELEASE

Thursday 26 March 2015

EXPERT SAYS FORCED MERGERS WON'T DELIVER BENEFITS

The **Keep Councils Local** campaign has welcomed independent economic analysis which confirms that forced council amalgamations won't deliver cost-savings or other efficiencies to ratepayers and businesses in Sydney's north.

After meeting with representatives of Ryde, Hunter's Hill and Lane Cove Councils this week, Professor Brian Dollery from the University of New England, said that forced mergers are "not only very expensive but have seldom achieved their proclaimed outcomes," pointing to the failure of council mergers in Queensland

Professor Dollery's comments coincide with costings released from the NSW Parliamentary Budget Office showing a reduction in the number of NSW councils will cost \$445 million, with forced amalgamations "significantly higher".

"We know from the 2008 Queensland experience of compulsory amalgamation that the average cost of a council merger was about \$8.1 million in current value after only the first two years," Professor Dollery explained.

"This has to be paid for by ratepayers of merged municipalities and comes at the price of either higher rates, fees and charges, or fewer services.

"We also know from hard-won experience that while advocates of amalgamation make all sorts of grand claims about cost savings, efficient improvements, and enhanced council financial viability from mergers, these are almost never met in practice," Professor Dollery said.

The Mayor of the City of Ryde, Bill Pickering said that Professor Dollery's comments were a dire warning to communities in Sydney's north about the true impact of forced council mergers under the State Government's Fit for the Future package.

"The rationale for forced mergers is that councils are supposedly losing money, but Professor Dollery's analysis clearly shows that amalgamating councils won't achieve any cost savings and actually have the opposite effect, costing ratepayers hundreds of millions of dollars to implement," said Mayor Pickering.



The Mayor of Hunter's Hill, Richard Quinn said: "This is further reason why financially viable councils like Hunter's Hill, Ryde and Lane Cove should not be forced to merge if the Government is re-elected on March 28.

"Whilst our councils are committed to working together to deliver shared services and programs, the mounting evidence demonstrates that forced amalgamations simply don't work," Mayor Quinn said.

**CONTACT: Angela Jones-Blayney, Manager Communications and Media, City of Ryde
0407958023**