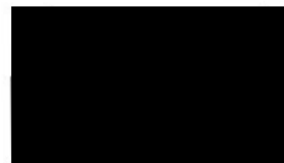


Minister Nic Street
Parliament house
Hobart



RECEIVED
04-05-23^{CU}

Hi

Why and who is it that continues pushing for council amalgamations?

It is claimed that efficiencies can be obtained by doing so. This is not the criteria upon which services provided by council should be based. The criteria should be one of rate payer satisfaction, the financial viability, and that of the employment of people that these councils provide. There is no efficiency obtained by displacing people from employment by amalgamations. The idea that there will be no job losses is a short term view, as this is usually the case in these situations. To perpetuate this idea is a lie, for always, jobs will disappear in the longer term.

While government may be congratulating itself on the level of employment at present, let us consider that of the working population 185,805 are full time, and a shameful 106,813 are part time, that is , many of them are underutilises. (there is a proportion of these may not be looking for more work)
Data : Flinders University Labour market Brief

It would appear that from news reports that amalgamation are something of a fait accompli. This is not the way things should be.

Any decisions regarding council amalgamation should wholly be the decisions of the rate payers.

Some years back our council polled the rate payers on the subject of amalgamation, the result was no. It is to be expected that if this were to be done again the result would be the same.

While it is difficult to ascertain exactly, it cost Launceston rate payers about \$18 each to employ the city manager and the mayor for a year. To put this into some form of perspective, somebody earning a modest \$50, 000 per year, it would take them 18 years to earn the combined income that these two individuals would get in 12 months. To increase the size of some councils will only increase the income of a few executive council personnel at the expense of others.

It is far better to have a larger number of people earning a lesser amount than a few earning more, as would happen with larger councils.

Consider this: Why have I chosen to write this letter, when I could have more easily sent you anmail? Sending a letter has added economic benefits, the manufacture of stationary, the printing of postage stamp, the usage of Australia Post, all in their own small way contributing to the employment of those who are both directly and indirectly involved.

It is for the same reason that council consolidations will lead, ultimately to a loss of employment. All this comes back to a variation of the **Keynesian Paradox of Thrift**. The presupposed benefits, or savings in the long term will not be there. For in addition to the employment losses there is no longer the need to purchase, lease or hire equipment for council requirements; (based on economies of scale) this flows back to the private sector in a loss of business.

Economic efficiency is not an open ended proposition. As you would have already read, there are already 106,813 partime workers eking out a marginal living. (this increased by 7.4% over the last year).

Rising levels of homelessness and demands being placed upon charities for the necessities of life are at an all time high. (excepting the Great Depression)

I look forward to your response.

