

## 'They're Not Like Us' – The De-amalgamation of Delatite Shire

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### **Abstract**

The compulsory amalgamation of Victorian local governments under the Kennett government in the mid 1990s led to a major period of upheaval and reform across the entire sector. Forced into 'mega councils' with appointed administrators and cuts to rate income, all councils struggled to merge political and administrative systems and cultures, manage service delivery, and move to new public management principles of contract management and privatisation of council functions. While most municipalities grudgingly accepted the new centrally-determined boundaries, Delatite Shire in North-East Victoria saw ongoing resistance to the amalgamation from its southern community of Mansfield, bitterly opposed to the amalgamation with Benalla and the perceived loss of services and government staff from their region. From the formation of a locally-based residents' association, the first democratically-elected council of the new Shire was largely replaced by one comprised of pro-de-amalgamation representatives, who successfully lobbied the State government for the opportunity to present a case for splitting the Shire. Following ongoing community consultation, the Council has been given the opportunity to split, an administrative exercise that will increase rates and create a new Shire dependent on contracted services from surrounding municipalities. Examining the case, this paper explores the public debate and political strategies employed to advance and realise the de-amalgamation policy, examining the problems associated with forming a community of interest within the new Shire. Overall, the case presents an interesting comparison

with other pro-autonomy movements, the theoretical analysis of which is generally confined to ethnic separatism. The paper concludes that, while practical limitations in effective public administration resulted from the ill-considered merger of Benalla and Mansfield, much of the political debate surrounding de-amalgamation were based on the essential premise that separation was the only solution for significant financial and structural problems within the council. Thus political arguments were constrained within this 'pre-framed' debate.

### **Introduction – Local Government Reform in Victoria**

In the mid-1990s the Kennett Government in Victoria reduced the number of councils from over two hundred to seventy-eight. For the local government sector in Victoria, these reforms came as a bombshell from the new conservative government. Prior to election, the Premier, Jeff Kennett, had talked about the need for local government as the key interface between the public and local administration, while advocating a consultative arrangement for boundary changes and a flexible position on the introduction of new public management instruments, such as Compulsory Competitive Tendering (CCT). Once in government the nature of these reform ideas changed dramatically. The *Local Government (General Amendment) Act 1993* gave the Governor-in-Council the power to make boundary changes to local government, and removed rights of appeal to the Supreme Court<sup>ii</sup>. With these new legislative powers in place, the Minister for Local Government could act without reference to the desires of local councils or public input. Combining CCT reforms with boundary changes, the Government quickly acted to remove the standing councillors and appoint administrators to oversee a range of amalgamations recommended by the new Local Government Board<sup>iii</sup>. While this approach was seen as less problematic for metropolitan councils (where boundaries between local governments were somewhat arbitrary and populations fluid and less tied to specific councils, rather than specific localities<sup>iv</sup>), rural and regional councils did tend to fall between natural population centres (often focused on major rural cities or towns), making amalgamation of Shires a question of determining which population centres would be brought together, where 'natural' communities of interest and interaction occurred, and the problems associated with determining how larger population centres would interact with smaller towns that had been brought into their domain<sup>v</sup>.

The stated intention of the amalgamation process was to increase the efficiency of local government through the increase in municipal coverage and the reduction in administration<sup>vi</sup>. Combined with this, the increasing scale of council operations was seen as a beneficial way to realise cost savings in service delivery – via elimination of redundancy and sharing of equipment and infrastructure – as well as an effective way to aggregate service demands for CCT implementation. Because of these assumptions, and the political need to realise demonstrable benefits for the public from the reform agenda, the appointed Commissioners were given a directive to reduce expenditure by twenty-percent upon taking office. Given that these administrators were required to fund the process of amalgamation, develop strategies for the introduction of CCT, and realise efficiencies within their newly merged administrative systems, the loss of a substantial part of the local government revenue base was particularly damaging to the financial position of councils, and their capacity to maintain services to their communities. With the re-introduction of democratic government within the new cities and shires, the Minister for Local Government converted this cost reduction requirement to a rate cap of an identical amount. These expenditure constraints forced the Commissioners to make tough decisions about what services to support, and what and whom to cut<sup>vii</sup>.

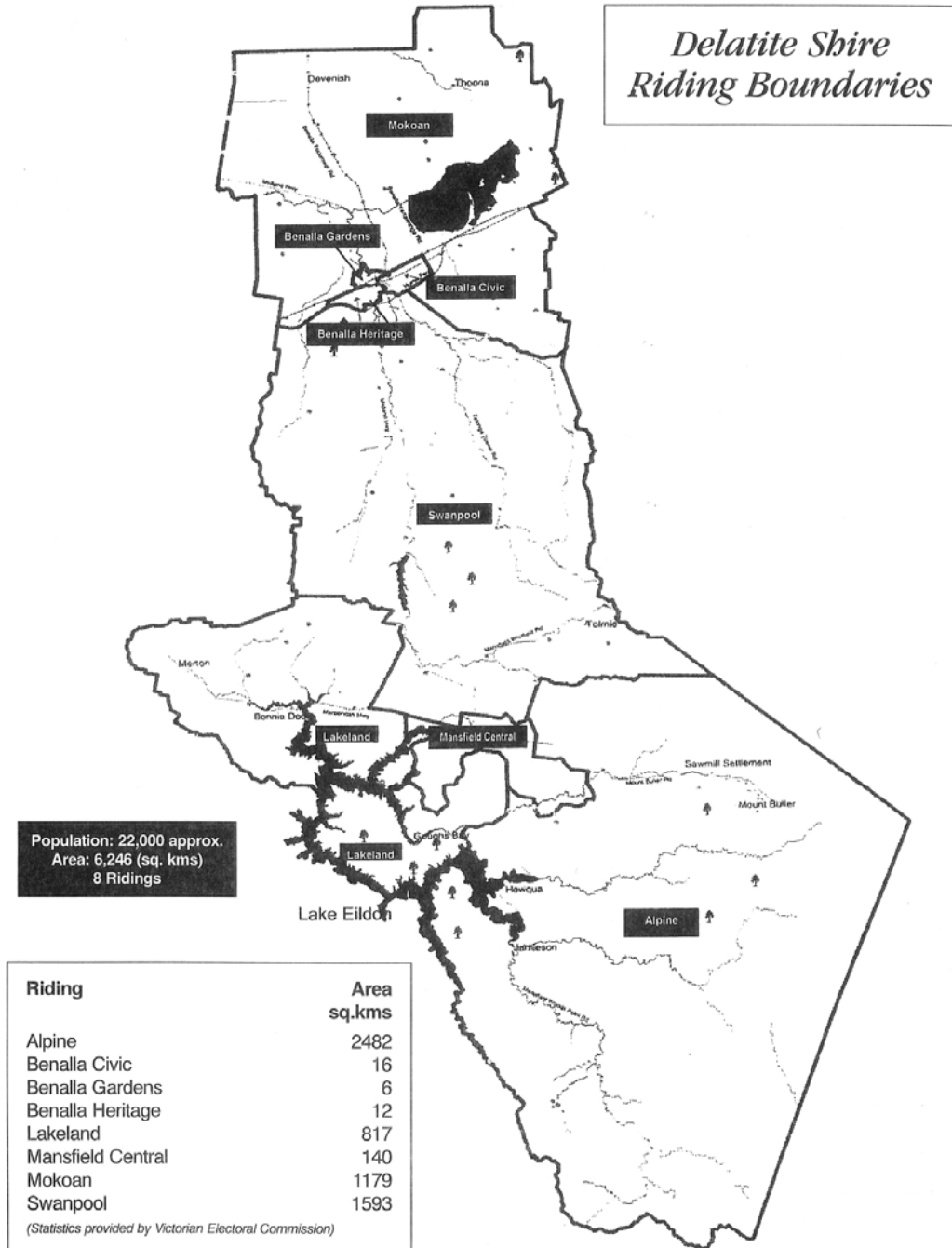
While much has been said about Kennett's authoritarian style<sup>viii</sup>, the question remains: why did the Coalition use a sledgehammer to crack the local government nut? The explanation for the process, ironically, lies in Kennett's own experience with local government reform in the mid-1980s. Following the findings of the Bains Committee of Inquiry in 1979, the issue of reform became one that the incoming Cain Labor Government became attached to through the internal political interest of the then Minister for Local Government<sup>ix</sup>. The Cain Government's strategy was based on the acceptance of a need for boundary reform to replace 'obsolete' small councils with larger ones<sup>x</sup>, capable of managing their resources in an effective manner. The core strategy of the government was the use of the Local Government Commission to review options for boundary reform, and hold formal inquiries that would present alternatives for ministerial decision making. Importantly, through the use of hearings and polling of residents, the process was open to public input and resistance. As public resistance to some of the proposals developed and became more public,

Kennett, then Leader of the Opposition, saw the opportunity to attack the government in areas of Coalition support and Labor heartland, and declared that the Coalition parties would oppose forced amalgamations. This approach proved successful and, combined with specific pockets of noisy resistance to the Governments' agenda, the Premier backed down the restructuring. This reform attempt illustrated that local government reform could be an issue that would cause political haemorrhaging at the state level if allowed to wander through the long process of public negotiation and consultation. This lesson served as the basis for Kennett's political strategy in the 1990s, reversing his views on forced amalgamations and doing away with public consultation and input into the process.

### **The Case of Delatite – The 'Second Best' Option**

The Shire of Delatite was created on the 18<sup>th</sup> of November 1994 through the amalgamation of the City of Benalla and significant parts of the Shire of Benalla (the 'two Benallas'), the Shire of Mansfield, and a proportion of the Shire of Violet Town (the Warrenbayne district). The name 'Delatite' was associated with the Mansfield end of the Shire, from a local river. From the outset the amalgamation of two Benallas and Mansfield reflected many of the tensions behind the lack of specificity of aims and objectives of the reform process. In presenting its interim report on amalgamations, the Victorian Local Government Board<sup>xi</sup> stated '[t]he combination of Mansfield with the two Benallas may seem an unusual one at first ... Benalla Shire considers this an "exciting" option because it united three distinct yet complementary kinds of economic activity – agriculture in rural areas, urban services in Benalla City, and tourism in Mansfield.'. The exact reasons why agriculture and tourism, for example, would be considered complementary economic activities, however, was not specified by the Board, and, while the pre-existing City of Benalla and the surrounding rural shire did share many close economic links, the relationship between the northern section of Delatite and the Mansfield region was limited, reflecting the different economic bases of the northern and southern ends of the new Shire, but also the unusual geography that made up Delatite – a very long and thin municipality stretching approximately 155 kilometres from end to end.

Figure 1: The Shire of Delatite, Victoria



Source: Delatite Shire, Annual Report 1999/2000

Even before amalgamation tensions were evident in the proposed union. The former Councils of Mansfield, Benalla City and Benalla Shire, when asked for options for amalgamation, favoured mergers that excluded Mansfield from an amalgamation. In Mansfield, the option of standing alone was favoured by the Council, with the proposal for the formation of Delatite seen as the second best option and one that was

eventually forced upon the hesitant Council. As former Mayor of Delatite and a Councillor in the Shire of Mansfield, Tom Ingpen (interview: 30/04/2002) observed:

*We were never given a choice. The choice the Government said was 'Standing alone was not an option, you are going to be amalgamated. So take the next option as a council.' Our second option financially was Delatite. The only problem was, the proposal for the Delatite Shire that we got was not the one that was proposed ... political interference came in to the process with the Shire of Strathbogie, and Delatite Shire initially was to include Violet Town and Euroa. Which would ... give a population base of about 30,000 residents ... The economies of scale of that would have made Delatite, economically, get on its feet a lot quicker. And that didn't happen. Political interference came, Strathbogie was created because the Deputy Premier lives in Strathbogie and he wanted to carve out his niche. And a lot of resentment came on that front, but also the new Strathbogie economically and numbers wise was the same as the old Mansfield. So the old Mansfield, the government was saying 'You're not allowed to exist'. They create the new Strathbogie that is exactly the same size, without the potential that Mansfield had. So here we start off in a new framework of Delatite Shire with a lot of resentment in the community.<sup>xii</sup>*

Thus, State politics had a hand in shaping Delatite, with the then Deputy Premier interested in a local government structure more suitable for managing his electorate than having to deal with a number of local governments<sup>xiii</sup>. The reaction to this decision in Mansfield was strongly negative, with between 700 and 1,000 residents undertaking a protest in the main street of the town<sup>xiv</sup>. Regardless of this, however, and reflecting the style of reform brought in under the Kennett government, amalgamation proceeded with the dismissal of the three Councils and appointment of three Commissioners to administer the new Shire.

### **From Commissioners to Council – The First Term**

Transition to democratic government in the Shire of Delatite was problematic. With the hand over from the Commissioners to the first elected council in 1997, a number of new and ongoing problems dovetailed. Under the term of the Commissioners, the

government of the Shire had been developed, but a number of administrative practices remained un-resolved. During the critical first term, the Shire's CEO departed to seek new opportunities in another municipality, and the Council reacted by elevating the positions of members of their existing senior management team, rather than appointing a new CEO<sup>xv</sup>. Because of the rate cap, unexpected costs of amalgamation, and a large superannuation liability, the Shire had neglected spending on infrastructure as a short-term measure to prevent increased debt accumulation. Inexperienced management and problems with co-ordination led to a number of poor planning decisions with regards to the construction of new infrastructure projects. Because of the lack of spending on road resurfacing (exacerbated by a number of additional factors unrelated to amalgamation<sup>xvi</sup>), what was a convenient way to deferring expenditure became a major economic and service delivery problem as the Shire's road base began to deteriorate rapidly<sup>xvii</sup>.

As these problems emerged, members of the Mansfield community continued to criticise the new Council, arguing that the merger had not been successfully considered or implemented. As resources that had previously been spent of service delivery were diverted towards finalising the amalgamation process, these complaints began to take the form of a call for de-amalgamating the Shire. Caught up with immediate problems, however, the Mayor didn't see the de-amalgamation option as either administratively acceptable to the Shire's problems or likely to find political support from the Minister for Local Government. Focused on serious problems associated with the decline of services, the Mayor was forced to spend increasing amounts of time lobbying the State and Federal Governments for assistance. While this effort added to the rural pressure that would result in special funding programs for road repair (the Federal Government 'Roads to Recovery' program that wouldn't be realised until after the next council election), this distraction from unfolding political events meant that dissatisfaction within the Mansfield community continued to build, largely unchecked by his press releases and issuance of economic breakdowns of the Shire's position. Because this wasn't seen as a practical solution, the Mayor's attention was drawn away from the growing dissent within his own riding. A distraction that would lose him the coming election in early 2000.

In response to these criticisms, and the sense of disenfranchisement in Mansfield, some actions were taken to alleviate Mansfield's concern that their services were in continual decline as part of the ongoing process of administrative review. For then Councillor, and later Mayor, Ken Whan (interview: 26/04/2002), the solution for southern concerns could be addressed with some assurance that services were to be overseen by a local council manager of sufficient rank:

*We were sort of working towards: 'Let's have something more than a shopfront down there. Let's appoint a community manager ... he or she could work as a de facto CEO'. That might have been a weakness of the plan. We were trying to work through that, but there was an accommodation problem. There was no room for people here and up there there was room of course.*

While plans to rationalise the administration of the Shire were seen by the Council as a politically-neutral administrative change, any holistic review of staffing would have put practical pressures on the Council to re-locate senior decision makers into Benalla. As Councillor Brewer described (interview: 26/07/2002), the division between north and south in terms of administration was somewhat impractical and created inefficiencies where managers had to travel to meet and discuss the business of the day. While the Council retained the commitment to ensure some staff remained in Mansfield, it was likely that some form of reorganisation would be the inevitable result of any review of accommodation, a change that Mansfield residents saw as a diminution of staffing levels in the southern end of the Shire<sup>xviii</sup>.

The issue that caused general dissatisfaction with service decline to turn into a wholesale attack on the first Council came from a decision to review staff accommodation in Benalla with the aim of purchasing a new administration building and retiring a number of older facilities that were either overcrowded or in need of significant repair. Within Benalla, the former State Electricity Commission (SEC) Building had come up for sale, and the new Council considered that a purchase of the property would allow staff to be located together. The building, which features prominently on the main street, had the space needed for all of the staff located within Benalla and was seen to be up for sale at a reasonable price. The Council's decision was that a low bid would be put in for the building, based on the belief that little other interested in a large office building of its kind would be found from within the



Community. Within Mansfield, however, this review looked like a plan to relocate all council staff into Benalla, and resistance immediately surfaced in the form of Dr Will Twycross (later Councillor Twycross) who demanded access to the Council meeting to complain about this purchase and the closed nature of the discussions surrounding the proposed purchase<sup>xix</sup>. Support for the purchase from Mansfield-based councillors was deemed to be complicity with an overarching plan to centralise the administration of the Shire in the north at the direct expense of ratepayers in the Mansfield area.

That the extent of this change may not have resulted in the closure of the Mansfield office, however, was not something that the council managed to communicate effectively. The last Delatite Mayor, and member of the pro-de-amalgamation movement in Mansfield, Don Cummins<sup>xx</sup> (interview: 26/04/2002) observed that this issue brought the various disconnected problems of the Shire to a head politically:

*[Present Councillor Will Twycross] previously extracted out of the Commissioners a commitment to leave twenty-four people in an office over [in Mansfield]<sup>xxi</sup>. They were going to break that deal. Because when the new Council came in the first thing the new Mayor said was 'of course we're not bound by that'. And Twycross got extremely worried, and then they went into closed session to discuss the purchase of this building. Of course going into closed discussion to discuss the purchase of a building there's no problem there. It's commercial-in-confidence. But doing it was the problem. If they were going to do that then Mansfield's office was going to close. And that was the catalyst.*

The dispute over the SEC building was quickly resolved. News of the potential purchase of the site led speculators in Benalla to purchase the property at an increased price, possibly under the belief that the building would be profitably leased back to the Council. As the Council's strategy was to bid below the reserve price, believing there would be little competition, this development scuttled plans for the accommodation review (the SEC building remained empty as of 2002) – but did not prevent the anti-Delatite movement developing from a few disparate individuals into a unified political force that began to refine their arguments about the poor management of the Shire, and a belief that Mansfield had become a 'subject fiefdom' (Cummins) of the north: a cash cow subsidising large infrastructure projects in Benalla<sup>xxii</sup>.

Thus, in the charged atmosphere surrounding the purchase of the SEC building, the capacity for a discussion about the accommodation of staff was unable to proceed in a detached manner. The Mayor, Tom Ingpen, became increasingly unable to manage complaints, either at the political level, or in terms of his credibility with his own riding:

*There's been a fantastic propaganda campaign ... the Mansfield [residents] group are masters at it. I'll run through the list. When I was Mayor of Delatite there was enormous numbers of people coming up to me and saying 'Isn't it a shame Benalla's stole all the money from Mansfield'. Use the word 'stole'. I said, 'Well what are you talking about?' 'Well Mansfield had \$750,000 in the bank, which was stolen by Benalla.' I said, 'Just stop. Mansfield Shire had a debt of 1.2 million dollars. I was a Shire Councillor. There was no money in the bank, it had a debt.' 'No that wouldn't be right because ...'. I said, 'Hang on, I was a Shire Councillor. You know, it's public record, go and have a look.' 'Oh', they'd wander off. This was coming all the time. 'Mansfield rates are the dearest in the State. Both metropolitan and farm.' Fact, completely wrong, Mansfield has the lowest. So I was on the defensive, putting out a series of press releases, justifying where we are, but prominent people kept on saying 'Mansfield is worse off. We are paying for the Benalla Art Gallery.' Fiction. The Benalla Art Gallery got a bequeath of 1.2 million dollars ... This sort of propaganda and generates with emotion, and 'We should stand alone. Because they're stealing our money.' And what happened ... when people launch on a propaganda campaign then fact and emotion and fiction get very blurred.*

While these complaints might have declined as the Shire completed its reorganisation and located alternative sources of funding for outstanding problems like roads, in 1999 the Victorian State election ousted Jeff Kennett and replaced him with Steve Bracks's Labor Government.

If the SEC building issue activated political dissent within Mansfield, the October State election was the catalyst for active campaigning for dissolution. With the replacement of the Coalition government and the election of Steve Bracks, members

of the Mansfield community began to feel the option of de-amalgamation may be seriously considered. As David Parsons (interview: 30/04/2002) stated:

*At that stage there was the feeling that we would never have got anywhere if Kennett was still in power because of the pressures that they had this system, this amalgamation system and they weren't going to change it no matter what people said. When Bracks came into power there was at least a possibility that they would consider it ...*

*The Labor Party had nothing to lose by backing [the move for de-amalgamation] because they could say 'well this was a Liberal policy, it's obviously not worked, we'll go in and fix it up.'*

With this possibility in mind, members of the Mansfield community met to form the Mansfield and District Residents' and Ratepayers' Association (MADRRA), selecting Parsons as President in early 2000, with the intention of running candidates for Council in mid-2000 under a de-amalgamation platform. MADRRA organised incredibly quickly, forming local committees in each Mansfield riding (including Swanpool, which, while straddling both Benalla and Mansfield, was generally considered a 'Benalla' riding) to locate and endorse candidates that would run under their banner.

From the outset MADRRA has two basic objectives: ensure that enough pro-de-amalgamation Councillors were elected to force the issue at the local government level, and second to pressure the State government to be receptive to the de-amalgamation idea. That the issue of de-amalgamation could have State-level political implications would be highlighted by the 2000 by-election in the Benalla seat, with Denise Allen (originally an endorsed MADRRA candidate, but who withdrew for State parliament when the by-election was announced) able to win the seat with a margin of 0.8% following the distribution of preferences<sup>xxiii</sup>. Previously, the National Party, under Deputy Premier Pat McNamara, had held the seat by a margin of 14.28% at the 1999 State Election<sup>xxiv</sup> and this reversal of fortune showed not only the lack of personal support afforded the new conservative candidate, but also the strong support by members of the Mansfield community for a candidate who supported their independence<sup>xxv</sup>. Dr Kelly, President of the Benalla residents' and ratepayers's group Benalla First: Town and Country (interview: 26/04/2002) speculated that:

*... part of the deal for getting Denise in, getting her elected, was the support given to her from the Mansfield end of the Shire [in exchange for] the current Labor Government allowing the de-amalgamation to proceed. And if the de-amalgamation didn't go ahead they would actively campaign against her.*

Regardless of the accuracy of this (and both pro- and anti-de-amalgamation groups have testified that Allen is a conscious member who gives time to representatives from both sides of the debate), the swing of over fourteen percent in a by-election highlighted the importance of local issues in determining the outcome of the seat.

### **Swanpool Riding Goes South – The Second Term**

The political impact of MADRRA in the politics of Delatite was considerable. Prior to the formation of the group, local candidates in the Shire had run as individuals, using low level campaign strategies and personal resources to achieve election. Within the ridings of Alpine, Lakeland, Mansfield Central, and Swanpool, MADRRA riding committees endorsed candidates, prepared election materials, and visited households to gain popular support. For Swanpool (which would become Cummins Riding), winning the seat would require more than simply activating the anti-amalgamation sentiment of the Mansfield end of the Shire. Cummins attacked the incumbents personal style and used criticisms of the administration of Delatite, rather than the strict MADRRA policy of de-amalgamation to win over the ridings residents:

*Mansfield was not getting a planning scheme that they could work with and nor were they getting the sort of services they used to have. In many cases these things are not real, who can be sure if they are getting those things or not? Can anyone be sure that they are getting them under the new arrangements? Sometimes nostalgia presents the view in the background that things were better in the old times. So I never actually took those arguments as being very valid, I did know that the planning scheme that we had was disastrous for Mansfield. The town couldn't progress, in fact couldn't even handle what was happening to it at the time under the planning scheme that was driven from [Benalla].*

The results of this approach surprised candidates from the north. While the previous Council had been split five-three in favour of Benalla-based representatives,

Cummins managed to win Swanpool. As MADRRA candidates secured all the remaining 'traditional' Mansfield ridings, the political composition of the Shire was radically altered. While the first term had seen the council comprised of individuals of limited affiliation to each other, the second term saw the balance of power move to even representation north and south, with the southern representatives acting as a tight, co-ordinated team, with the overarching political objective of political separatism.

Dragadze<sup>xxvi</sup>, writing about ethnic separatism, identifies self-determination movements as those organizations 'whose aim is to acquire power to govern without reference to the central power from which they want to secede'. For Dragadze, these groups use arguments to support their claims for 'special separateness' based on the tight composition of their unit and community identity<sup>xxvii</sup>, and that – even if some form of commonality can be identified<sup>xxviii</sup> – the central power has lost the moral authority to govern them. This approach to understanding pro-autonomy movements is very relevant to the Delatite case, with both the Mansfield community asserting a cultural, economic, and political difference to Benalla, and the loss of confidence in the Delatite Council to effectively administer on their behalf. While this theory is drawn from attempts to understand the kinds of political movements that have developed in other nations, particularly 'balkanisation', political separatism is not unknown to Australia, but has roots in the formation of the colonies as a nation, and within colonial and post-colonial government structures. One of the most enduring and ongoing calls for separation in Australia comes from Northern Queensland, which had a strong separatist movement during the late 19<sup>th</sup> century<sup>xxix</sup>. In her historical study of this movement, Doran<sup>xxx</sup> reduced the complex separatist argument to four basic propositions that we see reflected in the Delatite case: the geographical distance of Queensland made management unwieldy, expensive, and slow; a natural boundary existed between the two communities; the smaller community of the north could never achieve adequate political representation in government; and the nature of the people and activities of the north and south were fundamentally different and incompatible. For Doran, these claims were reflected in a lack of clear and unambiguous political dialogue between the north and south, with incompatible competing financial indicators of which side of the state benefited from the others' taxation revenue.

Each of Doran's factors came to play in Delatite, with the political impasse between north and south cemented structurally through the composition of Council. Disputes over revenue sharing, development of infrastructure, the location of staff, and the possibility of ensuring permanent representation for Mansfield that would not be eroded with future Council elections led the second Council term quickly to deteriorate. Seeking some form of working agreement, seven of the eight Councillors reached an understanding<sup>xxxix</sup> over the fundamental management of the Shire and de-amalgamation early in the term that would allow the issue of division to be considered, while continuing with necessary governance of the Shire. Called the 'Swanpool agreement', this Commitment of Understanding determined that a revolving Mayor be appointed between north and south (later determined to be Ken Whan and Don Cummins), limitations be agreed on the use of the deciding Mayoral vote, and that the Shire approach the Minister for Local Government for his support for a review of the Shire<sup>xxxix</sup>. Seeing support for this position, but concerned that a precedent might be set by allowing de-amalgamation (a number of other Victorian municipalities have had similar, but unsuccessful, calls for de-amalgamation or boundary review), the State Government allowed for a review of the Shire, with the provisos that the Council would have to fund the study and that the review comprehensively examine the costs associated with de-amalgamation, the impact of boundary changes on service delivery and governance, and ascertain community support for the proposed changes (Cameron, letter: 15/02/2000). Based on this support, the firm of Miriam O'Brien Consulting<sup>xxxix</sup> were commissioned in late 2000 to undertake the review.

While the election of the MADRRA endorsed candidates and the Swanpool agreement illustrated commitment to the de-amalgamation issue among the Council and the Mansfield community (at least at the level of serious consideration of the proposition), the appointment of Miriam O'Brien Consultants highlighted the seriousness of the southern end of the Shire to Benalla residents. With the release of a Green paper and a call for submissions from the consultants, dormant political interests in Benalla became active in the form of two groups<sup>xxxix</sup>: The Benalla and District Residents' Association (BADRA) headed by John Brownstein, a local teacher, and the Benalla and District Residents' and Ratepayers Association with a local

Doctor as President (BADRRA, later to become Benalla First<sup>xxxv</sup>). Both groups formed almost simultaneously in recognition of the lack of political representation within the Benalla community, and the need to have formalised input into the review process to counter-balance the position put by MADRRA, which had been dominating political debate. That the two groups had similar names, however, did not reflect similar composition or positions. From the outset Benalla First took the view that de-amalgamation was to be opposed, while BADRA took no position on de-amalgamation and focused its attention on issues of local governance, democracy, and the quality of decision making and community consultation within the northern end of the Shire. While they each engaged in substantial debate over the administration of the Shire and the de-amalgamation, their late entry into the issue meant they had no impact on the way that the community review was developed or undertaken, restricting their political engagement to community meetings, input into the review, and intra-group debate and conflict.

Between Council and the interest groups, some interesting relationships formed. While Councillors generally constrained their representational activities to within their personal ridings, key interlocking representatives like the Mayor were required to liaise between both sections of the Shire. For Mayor Cummins, his position was somewhat more pragmatic on the issue of de-amalgamation than that of his sponsoring association, MADRRA. Committed to de-amalgamation, Cummins was concerned about the impact of governance and the untenable Council structure on quality of life issues for the Mansfield community. Because of this, and general concerns over decisions reached by the previous two administrations, Cummins was led towards greater acceptance of the positions of BADRA (who he called 'Good BADRA', as opposed to Benalla First as 'Bad BADRRA'), essentially because of similar concerns about governance, but also because of their flexible position on de-amalgamation. Benalla First, on the other hand, initially opposed to de-amalgamation, remained outside the Mayors circle of immediate interest and coalition building. Thus while Benalla First maintained some contacts with councillors like Whan, BADRA, based on a fundamental criticism of the Council, formed limited links with Councillors representing the northern end of the Shire.

At the inter-group level, the interactions between Benalla First, BADRA, and MADRRA were distant, though not without valuable political outcomes. For Benalla First and BADRA the relationship began and remained somewhat toxic. The formation of two residents groups in Benalla, independent of each other and with little initial reference to each others' political strategies and agendas (which continues to the present time) also highlights the lack of cohesion within the Benalla community. Mansfield, as a smaller community, was able to maintain a single, unified voice on issues of amalgamation and governance. Within Benalla, on the other hand, the community became initially split between BADRA and Benalla First, a situation that led to initial confusion among residents and tension that spilled over into public debate. For John Brownstein (interview: 25/04/2002), criticism of his group came out in the local newspaper:

*They don't name the names. They don't say 'this Brownstein character's too negative, talking down the place all the time', but that's the line their running, they're running the line that 'all this is so destructive' and yet they're not willing to accept that [the way the current Council is administering the Shire] is pretty destructive ... so they're trying to create that public tension, that we're all just a bunch of knockers and we're not building anything up*

These internal tensions led to conflict between Benalla First and BADRA, which Brownstein associates with the relationship between Benalla First, Action Benalla – the local chamber of commerce – and the press:

*Action Benalla has taken a very strong political line with the de-amalgamation issue. The links go deeper than that. The manager of the local paper, the Benalla Ensign, is the chairperson of Action Benalla. The editorial line that the paper took on the de-amalgamation issue was very strong. The Mansfield Courier is a far better paper<sup>xxxvi</sup>, it canvases opinions, the journalists there actually would ring me up for comment. The journalists here have never contacted me, not once.*

For Paul Kelly, this conflict is regrettable, but one that resulted from his view that BADRA:

*... have this black and white view, and if you don't agree with them your wrong ... and therefore you're totally wrong. It's one of my fundamental regrets ... this apparent divergence of views.*



Because of the lack of rapprochement between the two groups, points of conflict and difference, both minor and major, tended to be fought out through the press, highlighting the tensions between BADRA and Benalla First, and increasing the sense of tension and acrimony. These tensions, however, could have been greater had Benalla First been active on issues of concern to BADRA, such as the Winton Raceway issue (a long standing conflict within the north of the Shire between residents of the Town of Winton and the racetrack management), a local feedlot dispute, and debate over the development of the towns gaming club. For Brownstein, the nature of Benalla First, run via central committee rather than direct membership surveying, was objectionable to his views on the need for increased direct democratic participation within the Shire.

While for MADRRA, the appearance of the groups was politically valuable. Parsons explains that:

*By having that group over in Benalla, it meant that the Benalla [community] were getting an alternative view from within their community. Before they came out it was basically Mansfield people telling Benalla people what to do, which wasn't going down well.*

Thus, regardless of the differences of opinion between MADRRA and Benalla First over de-amalgamation, the formation of competing groups provided the political discourse that allowed both communities to feel represented in the debate. In addition, the difference of opinion between Benalla First and BADRA helped to undermine any view that the de-amalgamation debate could be entirely construed as a north versus south conflict.

In contrast to the intra-group rivalry and conflict of Benalla, within Mansfield the connection between the MADRRA and the Mansfield and District Tourism Association (MDTA) was strong and supportive. For the MDTA's President, Simon Ritche, his personal belief that the amalgamation had created a 'local government that was no longer local' (interview: 26/04/2002) coincided with concerns about the resourcing of the Shire's tourism development officer. Under the previous Shire of Mansfield, the Officer had given Mansfield tourism operators their complete attention, however with the amalgamation, some of this work was re-directed to exploring tourism opportunities for parts of the Benalla area. While the amount of

time this officer spent in the northern segment of the community was less than in Mansfield, the loss of even part of this officer's time was noted. This approach was in line with the developments underway in Benalla to enhance its character for visitors, but also was consistent with Ingpen's personal view that, unlike other industries within the Shire, tourism was slow in shaking off its need for specialised Council assistance. For the MDTA, a return to the structure of Mansfield would provide the Association and tourism operators greater influence over Council's industry assistance. As Ritche stated: 'Once we become New Mansfield the focus will be particularly on tourism.'. As the MDTA wants its board to replace the existing advisory board for tourism within the new shire of Mansfield, the achievement of a Shire dependent on tourism for its economic development places the Association in a stronger political position.

Overall, the election of the Bracks government and formation of MADRRA and its successful electoral strategy placed the de-amalgamation issue firmly on the political agenda early in the second term of the Delatite Council. While the State Government had placed high barriers for the community review in an attempt to fend off the split while appearing open to community self-determination, the review process gave substance to what had been a vague call for division. Overall, the debate within the community in the lead up to the community review lacked substantive character, taking on many of the characteristics of separatism found in other nations, but predominantly driven by a dissatisfaction by the peripheral community of Mansfield to what was seen as dominance by the centralised administration in Benalla<sup>xxxvii</sup>. The formation of rival Benalla-based residents' groups added to the base of opinion found in the political debate. These groups both divided the northern community's views on de-amalgamation and provided legitimacy for the de-amalgamation position as no longer one of strict inter-communal conflict. Thus, while the community review siphoned debate into the formalised research methodology of Miriam O'Brien Consulting, much of the eventual success of the separatist movement lay in the formation of MADRRA and the establishment of the issue on the Council's political agenda. Given that the outcomes of the community review were likely to favour division, many of the key elements of the policy were established well before the public received the initial discussion paper on structural options for the proposed two new Shires.

### **Apathy and Energy - The Community View**

Community input was central to the process of review specified by the Minister and adopted by Council in the terms of reference for the Miriam O'Brien contract. Thus, in addition to the development of a Green Paper and preliminary economic assessment of the viability of two new Shires, the review methodology utilised by the consultants emphasised the importance of community views in the final report. This took three forms: First, a series of community meetings were held in the north and south of the Shire, soliciting input based on the release of the Green Paper; Second, these open forums were supplemented with more detailed written submissions to the review group, and; Third, a survey of community attitudes to council service delivery and de-amalgamation was undertaken. In the final report, Miriam O'Brien<sup>xxxviii</sup> concluded that the majority of Delatite Shire were supportive of a division of the shire, and that seventy-seven percent of the Mansfield community would be willing to pay an additional ten percent in council rates to de-amalgamate, while forty-six percent the Benalla community would support separation at the level of rate increase.

The survey findings themselves, and the way they have been used as a definitive indication of the community of Delatite's views on de-amalgamation do need to be questioned. Firstly, the survey was never intended as a referendum on the proposed division, but as a means of balancing out spoken and oral submissions on the issue with a broad review of community attitudes. Because of this, ten percent of the Shire was sampled for the survey, and the questions asked remained exploratory, rather than definitive. Secondly, in the presentation of the findings, the consultants were somewhat elusive about the different levels of support for de-amalgamation based on economic grounds. Thus, while the initial economic analysis paper<sup>xxxix</sup> indicated that de-amalgamation would require rate increases of approximately eight percent for Benalla and twenty-three for Mansfield, the report's main findings only compares support for de-amalgamation based on the ten percent rate increase figure. In the detailed analysis of survey findings in the final report's appendix, a rate increase of twenty percent would only have attracted support of forty-six percent of the Mansfield community, a less than ringing endorsement of the proposed model presented by the Council and their consultants.

In addition, while MADRRA representatives have downplayed the importance of economic costs in shaping residents' views on division (see next section), the survey was somewhat leading, beginning with general questions about the quality of service delivery in the Shire and leading towards twenty-two detailed questions about support for de-amalgamation framed in a manner that highlighted the benefits of division (see figure 2). Options for not dividing the Shire, however, remained limited to one question pertaining to the establishment of local committees, rather than alternative structures, like a single multi-member electorate for Delatite (which, given the level of political activism in the south, may well have politically favoured the Mansfield community). With regards to the survey, Whan's view was that 'I think if you sent that survey out into any local government area you'd get same result. The services are never right, because that comes out in every survey'. However, in reading the survey, it is interesting to note that the legitimacy of the survey findings of the Miriam O'Brien community consultation process has not been questioned, especially with regards to the differential support for de-amalgamation offered by the Mansfield and Benalla ends of the Shire. This raises a question of both undue minority influence over the majority that is problematic with the general conception of democratic practices<sup>xi</sup>, had divisions not emerged within the Benalla community that undermined the north - south dichotomy, the southern secession movement would not have appeared to have the moral legitimacy<sup>xli</sup> that would be so influential with the Minister for Local Government.

**Figure 2:** Extract from the Delatite Shire Community Survey

| If Delatite Shire were divided, then for <b>YOUR NEW SHIRE</b> . . .<br>On a scale of 1 ( <b>Totally Disagree</b> ) to 5 ( <b>Completely Agree</b> ), what do you think would happen in <b>your new shire</b> if Delatite Shire were divided | Totally disagree | Somewhat Disagree | Neutral | Somewhat Agree | Completely Agree | No Opinion Don't know |
|--|------------------|-------------------|---------|----------------|------------------|-----------------------|
| 23. The public would have easier access to Councillors.  | 1                | 2                 | 3       | 4              | 5                | 0                     |
| 24. There would be more local employment opportunities.  | 1                | 2                 | 3       | 4              | 5                | 0                     |
| 25. People would be able to relate more to the shire as their own local shire.   | 1                | 2                 | 3       | 4              | 5                | 0                     |
| 26. Shire rates would go down or at least stay the same.   | 1                | 2                 | 3       | 4              | 5                | 0                     |
| 27. Roads would be maintained better.  | 1                | 2                 | 3       | 4              | 5                | 0                     |
| 28. There would be a <b>greater variety</b> of shire services provided.  | 1                | 2                 | 3       | 4              | 5                | 0                     |
| 29. The services provided would be <b>better quality</b> .   | 1                | 2                 | 3       | 4              | 5                | 0                     |
| 30. Councillors would be able to concentrate more on local issues.   | 1                | 2                 | 3       | 4              | 5                | 0                     |
| 31. The shire would have to use contractors to keep costs down.  | 1                | 2                 | 3       | 4              | 5                | 0                     |
| 32. Communication between the shire and residents would improve.   | 1                | 2                 | 3       | 4              | 5                | 0                     |
| 33. Small towns (other than Benalla and Mansfield) would be better off.  | 1                | 2                 | 3       | 4              | 5                | 0                     |

Source: Miriam O'Brien Consulting

Overall, therefore, it must be recognised that response to the community review was strong, but heavily biased towards the Mansfield community. In receiving verbal presentations from residents, sixty-three speakers from the Mansfield community presented before the consultants, while Benalla could only muster fifteen speakers. This general apathy was also reflected in attendance at public information sessions conducted by the consulting firm, with Benalla fielding about 150 people to hear about the consultation process and options for the Shire, while 900 Mansfield residents came to meetings conducted in the southern end of the Shire. While all the interviewees spoke highly of the community consultation process run by Miriam O'Brien Consulting, citing its professional conduct and neutral orientation, Councillor Whan did have some concerns about the impact of the differential levels of engagement in the process between the two communities:

*I think the Miriam people were committed to come out with a non-biased opinion and decision. But I think they couldn't help but be influenced by, for example, to have the initial meeting up there and get 900 people ... and come down here and get 120 people. And the written submissions were overwhelmingly from up there. And the oral submissions, there was not time to fit them all in up there, so some of them had to come down here to fill in the gaps here.*

Overall, Whan felt that, in the face of such overwhelming support for the de-amalgamation position from one segment of the community, the community review team could not help but be influenced by the intensity of this segment of the community.

This strong, unified view of the Mansfield community has been identified as the most critical factor in support of de-amalgamation, and one reflective of the unity of purpose of the Mansfield community<sup>xlii</sup>. Certainly the number of meetings and strong attendance at these meetings by members of the Mansfield community speaks of a community that was motivated, politically-active, and instrumental in its advocacy for de-amalgamation – the type of community engagement that makes Mansfield unusual in political life in Victoria. The reasons for this level of engagement – especially when contrasted with the Benalla community – remain uncertain. Parsons holds the

view that the Mansfield community retains much of the community infrastructure of the past, reflecting its strong participatory nature:

*How many rural communities of 2,500 people have ten doctors, three banks still going, that sort of stuff is indicative of the fact that Mansfield is a vibrant and cosmopolitan sort of town.*

Cummins, similarly, holds the view that Mansfield is not only different to most communities, but distinctly different to the residents of the north of the Shire:

*If you would do your demographics on Mansfield then you would find that there is more doctors and lawyers, let's say educated people. And also passionate people: artistically driven and so on. If you did your demographics then you would find it is higher there than in similar towns ... That is very significant of course because what it means is that type of person is setting as a group being represented over here by another type of person: a more prosaic farming community. [The Benalla Community] are not excited about politics, they are not passionate about what you would call issues of form, whereas they are passionate about issues of object. They love building stuff here, it's a very pretty town. Mansfield is not a pretty town ... they have more public meetings in Mansfield than you've had hot baths. Everything's decided in public meetings.*

Australian census data does, to some extent, highlight the differences between the northern and southern ends of the Shire (see Table, below) with the Mansfield area containing more professionals and allied professionals, or managerial-level workers, and a greater tendency for high degree education. Tom Ingpen, however, while recognising these demographic differences of the Mansfield community, is strongly critical of Cummins's communitarian view of Mansfield as distinctly different to other communities:

*Ask them how the Chamber of Commerce is getting on in Mansfield? Doesn't exist, they couldn't get a quorum. Ask them how the festival committee's operating? It disbanded. This is sort of the myths about 'Mansfield is the greatest', 'We are the best'. Let's not look at the facts, it's hype.*

For Ingpen, the explanation of Mansfield's level of political activism relates more to the boredom of early retirement than to any special communitarian nature of the Mansfield area.

Table: Selected Demographics for the Shire of Delatite - 1996

| Statistical Local Area <sup>xliii</sup> | Total Population | Median Age | Median Household Income | % Un-employed | % Higher Degree | % Managers  | % Professions and Allied |
|---|------------------|------------|-------------------------|---------------|-----------------|-------------|--------------------------|
| Benalla Urban                           | 8,580            | 36         | \$300-499               | 4.56          | 0.31            | 2.19        | 9.83                     |
| Benalla Rural                           | 4,750            | 38         | \$500-699               | 3.26          | 0.65            | 11.78       | 11.38                    |
| <i>Benalla Total</i>                    | <i>13,330</i>    | <i>37</i>  |                         | <i>4.1</i>    | <i>0.43</i>     | <i>5.61</i> | <i>10.39</i>             |
| <i>Mansfield</i>                        | <i>9,163</i>     | <i>32</i>  | <i>\$300-499</i>        | <i>2.54</i>   | <i>0.84</i>     | <i>6.36</i> | <i>15.01</i>             |

Source: Australian Bureau of Statistics, Census Data 1996

In attempting to reconcile these views, Little's<sup>xliv</sup> examination of radical conceptions of community can incorporate both explanations – that Mansfield is or is not a vibrant and active communitarian society – in explaining the political cohesion of the Mansfield community in presenting a unified voice on de-amalgamation. For Little, the radical view of community is both self-defining and pluralistic. Communities can be identified by the recognised pattern of interactions between their members and the definition of who is or is not a member of the community are articulated by the population as a whole (as Doran noted, one that is often determined with reference to signifiers in the local area – such as local press, clubs and organizations, and common identification with a locality or mindset), in addition, membership of a particular community need not be exclusive, multiple memberships can co-exist. In Mansfield, both factors are present: the strong Mansfield identification – through the central community centre (the town of Mansfield), shared press, and singular economic interest – as well as a plurality of interests between the permanent residents and the region's large non-resident community of holiday home transients and absentee land owners. What is interesting, however, was the lack of dissent within the Mansfield community that was evident in Benalla.

In examining the question of dissent, Ingpen felt that the strong campaign by MADRRA discouraged the presentation of competing views to arise within the Mansfield community. Councillor Whan presents a similar view:

*I don't know how they do it but the first town meeting, some said 700 some said 900 but there was a big crowd there ... But the interesting thing that happens at those meetings is that nobody puts the opposing view. And*

*that's why these people feel they'd be inhibited from putting their view because they'd be immediately hooted down. When I was Mayor I was occasionally getting out in the community down there and some quite important people in the community pull you aside and say 'what's going on this can't work' and yet they wouldn't say anything publicly.*

This view is supported by the late calls in the first half of 2002 by a small number of members of the Mansfield community for a referendum on the de-amalgamation decision. Overall, the speed at which the issue progressed from the election of the second council, through the community consultation process and into the Local Government Review Panel may have served to limit the ability for dissent to emerge. Thus, while Whan and Ingpen point to the problem that some members of the community face in speaking out against what appears to be overwhelming support for the de-amalgamation decision, it was also likely that some members of the community, hesitant about the decision, did not realise the importance of either the second term election or the findings of the community review process. Therefore, while the Miriam O'Brien research was presented as a survey of general community views, for pro-de-amalgamation supporters, such as MADRRA and its councillors, the strong finding in favour of division was taken as a defining vote that reiterated the outcome of the 2000 council election. What is ironic, however, is that while the MADRRA councillors and their supporters in BADRA presented a strong argument for the return of grass-roots democratic participation in the Shire as part of their overriding political philosophy, the use of a survey of ten percent of the Shire's population could hardly be seen as a referendum on the topic. For Mayor Cummins, the cost of this activity was presented as the reason for a referendum not to proceed<sup>xlv</sup>.

Little's approach to the concept of community also has relevance for explaining the lack of political unity within Benalla. For Benalla, the issue of de-amalgamation was one that didn't fire the imagination. Dr Kelly noted that:

*... we were bigger and didn't have the passion that Mansfield has. And people thought 'well bugger them, if they want to go let them. That's their problem'. So we had to work hard in a sense to convince them there was actually a case for staying together ... most people really couldn't care less about Mansfield. It was a non-event. Mansfield really didn't influence Benalla ... the holes in the road might not have been fixed quite*



*so quickly, most of the services were maintained. To the average person in Benalla, nothing changed. I suspect for the average person in Mansfield nothing much changed, except for the passionate few.*

However, one of the interesting things to note in the debate is that, while the Benalla residents are portrayed, on both sides of the Shire, as lacking community engagement, the fact exists that a lot of projects within the Benalla community stem from the activities of the residents. Thus, funding of the Art Gallery from a bequeath and the development of the heated swimming pool, which was largely funded by monies raised by its administering committee, speak of the outcome of social capital<sup>xlvi</sup> that, in popular discussion in Delatite, it attributed more to Mansfield.

That differences in the relative political-engagement between the two communities is evident can not be denied. However to paint Benalla as an entirely apathetic community is inconsistent with the observable level of community-supported infrastructure projects in the north of the Shire. For Brownstein and Cummins, however, this is consistent with the focus of Benalla on development and action, rather than process in administration. John Brownstein commented that:

*Benalla doesn't seem to have a great tradition of this sort ferment, or critical comment. Looking at issues in a critical way and saying 'well why are you making this decision?', putting our councillors on the spot. Some of the councillors have a political mindset that they are elected for three years and they can make the decisions.*

While one possible explanation for the lack of political mobilisation at the northern end of the Shire could be that it resulted from the merger of the two Benalla communities and lack of interaction between the city and rural populations, Councillor Brewer sees this as unlikely. Because of the close historical connection between the Shire and City (the Shire maintained its council offices within the City boundary, and its residents regularly availed themselves of services located in the City), Brewer notes that the merger of the two Benallas was long overdue. A more significant factor explaining the relative political apathy of the Benalla residents relates to the size of the community of Benalla, the increasingly transient nature of its residents, and its mixture of economic activity.

Thus, while both Benalla and Mansfield retained a sense of separateness from the retention of pre-existing local signifiers and social networks, Benalla retained a more pluralistic political community that inhibited the strong unity of position found in Mansfield. Whereas in Mansfield the lack of widespread community differences led to political unity and the suppression of dissent, in Benalla, the combination of political differences and apparent satisfaction with the *status quo* did not activate political engagement with the de-amalgamation issue. This plurality of views added to the complexity of Benalla's presumed apathy through the lack of co-ordination between the Benalla-based councillors and their two residents' associations.

Councillor Whan observed that:

*Benalla First have sought community input by having public meetings. For example, the Miriam O'Brien first meeting, they thought 'a good idea would be to have a public meeting, get people together to let them know what is happening'. So they got 350 people at the bowls club there, the night before the Miriam O'Brien meeting. You'll never get people to come out two nights in a row, anybody knows that. So that was great, everybody got up to grandstand. So of course the night that we wanted that crowd to show their support we only got 120 people.*

Therefore, while the interaction between MADRRA and their endorsed councillors was ongoing and close (the Mansfield-based councillors of the second term were participants in MADRRA strategic planning meetings), the political participants in Benalla that opposed de-amalgamation were sometimes at cross-purposes.

Overall, the Miriam O'Brien report, and the process that surrounded its commissioning was fundamental to the success of the de-amalgamation move. The reports findings, combined with this survey data, presented the view that de-amalgamation was an over-riding preference of the Shire, and a move that could be taken without significant backlash from either community. Because of this apparently expert, neutral report, the Community Review stifled dissent from within Benalla, causing Benalla First to conclude that de-amalgamation was inevitable and that it should re-position its strategy to ensuring a favourable outcome when, rather than if, the Shire was divided. Overall, however, the report remains a curious document and not one that can be read without criticism of method or content: reading the survey of ten-percent of the population as a definitive referendum on de-amalgamation prior to

the development of realistic plans for de-amalgamation did not significantly provide the population of either Benalla or Mansfield with an informed way of determining their view on de-amalgamation, and the use of complaints about service delivery as a proxy for dissatisfaction with governance both under-informed and conflated a number of problems within the Shire and invariably led to a report supportive of de-amalgamation. That the report's influence in framing the political debate has been so influential, however, is evident in the report of the Review Panel established by the Minister for Local Government to provide analysis of the feasibility of de-amalgamation. In their opening statement, the Panel stated that<sup>xlvii</sup>:

*We met with key community organizations and stakeholders to ascertain their views and the issues they believed should be considered. However, we did not undertake an extensive community consultation as this has already been done by the Delatite Shire Council in 2001 and we felt there was no need to repeat this process.*

Thus, for the State government, the irrefutable nature of the Miriam O'Brien report was cemented as fact. For the residents of both Mansfield and Benalla, however, questions remain as to whether or not they grasped the full political importance of the community consultation process at the time the community review was undertaken. Without the definitive determination through referendum, the answer to this question will remain indeterminate.

### **'At Any Cost' – The Price of De-amalgamation**

The de-amalgamation of Delatite Shire will necessitate a rate increase of approximately twelve percent for New Benalla and sixteen and one half percent for New Mansfield<sup>xlviii</sup>, not allowing for increases due to inflation or any real improvements in service delivery. From the perspective of the Kennett government, this move would be a travesty of inefficiency – a return to two smaller and less economically viable Shires. If economic efficiency had been the sole motivation of the communities of Benalla and Mansfield, then the issue of de-amalgamation would never have got on the agenda. However, it is important to note that while groups like MADRRA and their endorsed Councillors hold the view that pure economics was never the core motivation for de-amalgamation, the issue of service delivery, costs of

de-amalgamation, and economic efficiency will remain ongoing problems for both local governments post separation.

Indeed, one of the core exacerbating problems associated with the failure of Delatite Shire remained the level of service delivery to the community. Under the period of rate capping, service decline was evident in both communities. Because of the political tensions that this created, the Council became increasingly locked into a policy environment where it had difficulty developing strategies to counteract the real and perceived differences in services, and identify a just situation where the rates of both parts of the Shire reflected the economic needs for maintaining services and developing needed infrastructure. This problem was most clearly evident in the rate differential between the two parts of the Shire, with Benalla paying higher rates than Mansfield – a situation that Delatite acquired during its merger and one that was supposed to become equalised through gradual adjustment. This decision, combined with the deliberate Council policy not to engage in cross-subsidisation between Benalla and Mansfield (to prevent claims of cross subsidisation on both sides of the Swanpool division), limited the ability of the council to improve services to the Mansfield area. Had the rate differential been attacked sooner, Mansfield services might have been addressed earlier, limiting community disquiet in the southern end of the Shire.

For Eric Brewer this problem exacerbated the public view that "If Benalla's got [these services, such as the pool or Art Gallery], then we want them.' But [Mansfield residents] were not prepared to put their rates up to pay for them'. In the end, however, the residents of Mansfield were willing to accept an increased cost to accommodate their desire for self-determination. Brewer saw the Mansfield councillors and MADRRA take the position that 'they wanted to separate no matter what it cost them. Now that was a pretty bold statement to make'. Don Cummins holds a similar, yet slightly different perspective:

*They tried to buy the SEC building and get the whole council over here. Because it's more efficient. There's no question it's more efficient. The trouble is the arguments we try to maintain is that we're not interested in efficiency if that means you lose democracy.*

Democracy remains an expensive form of government. However, the principle that the people have a right to determine their own democratic arrangements is a normative good that is often difficult to apply in practice. That the people of Mansfield would accept and pay for autonomy supports both the actions taken by the Delatite Shire Council in developing the de-amalgamation policy, and the State Government of Victoria in supporting their decision. That Benalla would also be required to incur a rate increase to fund de-amalgamation and retain their service level, however, is somewhat more problematic.

The paradox of this outcome, however, lies in the concept of autonomy and self-determination for the Mansfield community. Autonomy is an interesting notion, bundling the concepts of self-determination and government, but also the idea of independence from outside constraint. In accepting the de-amalgamation move, the Shire of New Mansfield, as the significantly small portion of Delatite (in terms of population and the level of development of the Shire) will invariably be dependent upon services purchased from surrounding municipalities. Tom Ingpen agrees with this assessment, and adds the view that:

*We do not have any of the vehicle infrastructure that we had. We're relying on other Shires for services ... We do not have any economies of scale, in a huge physical area, if you put the old shire of Mansfield over the city of Melbourne and see how it stretches, it's a huge area. It's predominantly underdeveloped. We're not like a Queenscliffe, where it's generally, fairly high population in a small area. We are a low population in a big area. So the cost of servicing these sort of things are fairly high.*

During initial interviews in the Shire, the view was put that, because of the lack of infrastructure in Mansfield, and the large staffing levels in Benalla, de-amalgamation could only reasonably proceed if a range of services were guaranteed to be purchased by New Mansfield from New Benalla (limiting financial losses associated with New Benalla carrying redundancy costs for excessive staffing). In initial submissions to the review panel, Delatite proposed this model, however the Shire subsequently reviewed the position to conclude that New Mansfield would only purchase community (health and welfare) services from Benalla (though within the report, the intention of Mansfield to use their waste facility for all waste has been rejected on

environmental grounds, requiring Mansfield to purchase some waste transfer facilities from Benalla in the medium term<sup>xlix</sup>).

Regardless of where some of these services are acquired from, however, New Mansfield's rates will increase, and service levels are likely to remain static without some way of developing alternative revenue generation. Because Council services will need to be purchased from other Shires, the Shire of New Mansfield will remain subject to the management decisions and financial imperatives of other shires (including a likely 15% surcharge on services purchased from other municipalities to pay for their administrative costs and overheads). Thus, while the Shire will have its own Council, name, and democratic autonomy, the independence of the Shire from those that surround it (and commercial service providers) will be somewhat curtailed. Comparatively, Mansfield will become one of the smallest local governments in Victoria, still subject to the tyranny of distance, but dependent on one primary source of industrial production (tourism). However, what should be noted with regards to the understanding of the long-term success of separatist movements, is that the political stability rests on the government's ability to 'avert problems and redeem promises'<sup>l</sup>. Whether the community of Mansfield will accept this outcome in the longer term remains questionable. While MADRRA represents the view that the sixteen percent rate increase for de-amalgamation is something the community can accept, the New Mansfield Council will need to be sensitive to the problem of service levels in the community. This possible divergence of opinion is itself evident in the survey findings of the community review. Structured around questions about service delivery, and leading towards de-amalgamation, the review inherently linked de-amalgamation with poor Council performance. Should service levels remain relatively static (as would reasonably be accepted given the financial position of the New Shires), a question remains as to how long the ideal of autonomy will suppress practical dissatisfaction with the current levels of service delivery<sup>li</sup>.

## **Epilogue and Conclusion**

Delatite received notice on 22<sup>nd</sup> of July 2002, with the Premier, Steve Bracks announcing that the Shire would be wound up, administrators appointed, and elections held in March of 2003. While reiterating the government's commitment to

consultation with local communities – a core plank of the public agenda of the Labor government's distancing from the previous administration and a useful strategy for securing Denise Allen's second term in the electorate of Benalla – the Premier was cautious enough to remind the new Shires that their success or failure would not be attributable to his government. In announcing the decision, the Premier reminded the two communities that they had '... pursued this change despite the financial cost of establishing the new municipalities'<sup>liii</sup>. Overall, the costs associated with the failure of Delatite cannot be measured. Two structural changes, loss of services, infrastructure, productivity (both at the administrative and political levels), and the investment of substantial time and money into the community review process compound the failings of the Kennett Governments reforms in the region to develop a municipality that was both economically efficient, and politically governable. In the end, two Shires have been developed that will have long term permanency, but which could have been introduced without the eight years of conflict and acrimony that have surrounded the life of Delatite.

The character of the de-amalgamation debate illustrates two things. First, the effectiveness of grassroots community organizations in achieving significant political outcomes, and second, the way that strategic decisions with significant impacts can be made early in political debate and shape or frame on the structure and outcome of policy making. Overall, the political strategy of the MADRRA group and its endorsed Councillors brought the de-amalgamation issue onto the formal political agenda well before either the Mansfield or Benalla communities had seriously considered the implications of the proposed separation. In constructing the community consultation process as one that led inevitably to de-amalgamation as its sole focus, few alternative propositions were considered in the same depth as separation, and the use of survey data as a proxy indicator for a referendum remains questionable in terms of the actual democratic input into the process. Because of the early success of the MADRRA group, countervailing interests from Benalla activated too late to influence the community review structure, and, combined within internal conflict within Benalla, limited the impact of the northern community on the review process. Overall, while the community review was presented as a strong endorsement for separation, closer reading of the report questions this view. With limited support either way among the Benalla community, and support for de-amalgamation flagging

with higher than ten percent rate increases, the case challenges the general perception that Mansfield presented a truly unified view on dissolution. Overall, the case does reflect the conceptual complexity of separatist debates, and hold with models of separatism found in other parts of Australia, and within ethnic separatism throughout the world. That the general tenor of the debate was limited to views of disadvantage and desires for independence from central administration, however, is not outside of the general orientation of much of the political dialogue within Australia.

## List of Interviews 2002

**Mr John Brownstein**, President, *Benalla and District Residents Association*, 25<sup>th</sup> April.

**Cr Eric Brewer**, *Delatite Shire Council* – 26<sup>th</sup> April.

**Cr Don Cummins**, Current Mayor, *Delatite Shire Council*, 26<sup>th</sup> April.

**Mr Tom Ingpen**, former Mayor, *Delatite Shire Council*, 30<sup>th</sup> April.

**Dr Paul Kelly**, Chairman, *Benalla First*, 26<sup>th</sup> April.

**Mr David Parsons**, President, *Mansfield and District Residents and Ratepayers Association*, 30<sup>th</sup> April.

**Mr Simon Ritche**, President, *Mansfield District Tourism Association*, 26<sup>th</sup> April.

**Cr Ken Whan**, former Mayor, *Delatite Shire Council*, 26<sup>th</sup> April.

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<sup>i</sup> The author would like to extend sincere thanks to the members of the Benalla and Mansfield communities who participated in interviews on this subject. The time afforded by the interviewees was generous. Thanks also to Dr Rosemary Kiss of the Centre for Public Policy, for her kind input into the development of this paper.

<sup>ii</sup> Kiss, R, 1999, "Local Government to Local Administration", *The Kennett Revolution: Victorian Politics in the 1990s*, Costar and Economou (eds.), University of New South Wales Press, Sydney.

<sup>iii</sup> Only one local government area, the Borough of Queenscliffe, was spared amalgamation.

<sup>iv</sup> This was more prevalent in the older areas of Melbourne, especially where specific localities were tied to Australian Football League Teams. However, by the mid-1990s, even AFL affiliations with local populations were being eroded by commercial priorities associated with the nationalisation of the game.

<sup>v</sup> Warring, D, 1994, "Super Council Under Review", *Directions in Government*, March, pp. 20-1.

<sup>vi</sup> Jones, M, 1994, "Restructuring Victorian Local Government", *The Australian Municipal Journal*, 73(1079), p. 5.

<sup>vii</sup> Boyle, R, 1999, "Amalgamation of Local Councils in Victoria: Its Impact on the Employment of Town Planners", *Urban Policy and Research*, 19(3), pp. 376-8.

<sup>viii</sup> D'Cruz, D, 2000, "The One that Got Away", *Institute of Public Affairs Review*, 52(1), pp.19-21.

Gross, D, 2001, "The Victorian Experiment", *Local Government Management*, 34(6), p. 13. Mayne, S, 2000, "Kennett and the Media: How it Worked", *Australian Rationalist* 1990(52), pp.12-20.

<sup>ix</sup> Morris, S, 1998, "The Attempted Reforms of the 1980s", *Local Government Reform in Victoria*, Galligan (ed.), State Library of Victoria, Melbourne.

<sup>x</sup> As of 1985, eighty-two municipalities in Victoria had populations of less than 5,000 people. Victorian Grants Commission, 1985, *Report by the Victorian Grants Commission on the Prospective Financial Advantages of Restructuring Local Government in Victoria*, June.



- <sup>xi</sup> Victoria Local Government Board, 1994, North-East Victoria Review – Interim Report, September.
- <sup>xii</sup> A question remains, however, if the previous Mansfield Council took the amalgamation issue as seriously as they should have, especially during the early stages of the debate. In March of 1994, no Councillor volunteered to attend a series of forums on the amalgamation process, leaving Council staff to attend on their behalf. Mansfield Courier, 1994, "No Council Takers for Amalgamation Forum", Mansfield Courier, 2<sup>nd</sup> March, p. 3.
- <sup>xiii</sup> Strong, G, 2000, "Unhappy Council Merger Heads for Divorce", The Age, September 25.
- <sup>xiv</sup> Mansfield Courier, 1994, "Rally Sends Gov't a Message", Mansfield Courier, 28<sup>th</sup> September, p. 1.
- <sup>xv</sup> Robert Hauser was the first Delatite CEO who was replaced by Robert Dobrzynski (originally appointed in 1995 as the Corporate Support Manager of the Shire).
- <sup>xvi</sup> Increased tourism traffic on secondary and unsealed roads, introduction of new "Double B" road trains that seriously impacted on the integrity of old bridges and road shoulders, and the maturation of timber stocks that required large vehicles to remove and process the timber.
- <sup>xvii</sup> Roads that are not resurfaced regularly become increasingly expensive as the surface gives way to the road base. Once the road base has been damaged, the road must be rebuilt at significantly greater expense than simple re-surfacing.
- <sup>xviii</sup> Mansfield Courier, 1995, "Cloud Over Future of Council Offices", Mansfield Courier, 8<sup>th</sup> March, p. 1.
- <sup>xix</sup> Complaints about closed Council meetings to determine major purchasing decisions was not unique to Delatite Shire. Under the previous Shire of Mansfield, there had been criticisms about similar meetings over the purchase and sale of High Street buildings operated by the municipality. Mansfield Courier, 1994, "Council Moves on Disclosure", Mansfield Courier, 12<sup>th</sup> January, p. 9.
- <sup>xx</sup> Cummins was not a councillor in the first Delatite Council, he was elected in 2000.
- <sup>xxi</sup> The commitment, in broad terms, was reported in the local paper. Mansfield Courier, 1995, "Group Presses for Strong Shire Presence in Mansfield", Mansfield Courier, 11<sup>th</sup> January, p. 1.
- <sup>xxii</sup> Two projects in particular became the centre of attention: the indoor pool in Benalla, and the development (only partially finished, and without funding) of a gaming and leisure centre for the area.
- <sup>xxiii</sup> Pat Power, the Labor Local Government spokesperson, had previously identified the ALP with local government fears about amalgamation process. Mansfield Courier, 1994, "Councils 'Fear Changes by Local Gov't Board'", Mansfield Courier, 31<sup>st</sup> August, p. 3.
- <sup>xxiv</sup> Victorian Electoral Commission, Benalla District 2000 By-Election Results, [http://www.vec.vic.gov.au/Elections/WP\\_Results/Electorate\\_{302DF2D5-A7D0-11D4-AA3C-0040AC4C6FCB}.htm](http://www.vec.vic.gov.au/Elections/WP_Results/Electorate_{302DF2D5-A7D0-11D4-AA3C-0040AC4C6FCB}.htm), [access date: 26/07/2002]
- <sup>xxv</sup> McNamara's loss of political support in the area was also related to the perceived lack of good faith in which the Kennett Government undertook community consultations. Previously McNamara had committed the Government to listen to community views on amalgamation, however his written support for the Benalla merger option gained the ire of the southern community (Mansfield Courier, 1994, "We Will Listen: McNamara", Mansfield Courier, 18<sup>th</sup> May, p. 2; Mansfield Courier, 1994, "McNamara's Role in Merger Plan Queried", Mansfield Courier, 12<sup>th</sup> October, p3). Thus, while the local branch of the Liberal Party endorsed the "stand alone" option and attempted to distance themselves from the amalgamation process (Mansfield Courier, 1994, "Liberals Back Shire's 'No Merger' Position", Mansfield Courier, 13<sup>th</sup> July, p. 1.), Government Ministers who visited the Shire during the latter half of 1994 were exposed to the public dissatisfaction with the amalgamation process. (Mansfield Courier, 1994, "Meeting Turns the Heat on Ministers", Mansfield Courier, 19<sup>th</sup> October, p. 1; Mansfield Courier, 1995, "I Will Not Intervene: Kennett on Council", Mansfield Courier, 22<sup>nd</sup> March, p. 3.)
- <sup>xxvi</sup> Dragadze, T, 1996, "Self-determination and the Politics of Exclusion", Ethnic and Racial Studies, 29(2) pp. 341-51.
- <sup>xxvii</sup> Ahmed identified geography as playing an important part in the composition of groups that feel extraneous to the mainstream community. Ahmed, I, 1998, "The Nature and Structure of Ethnic Conflict and Separatism in South Asia", People's Rights: Social Movements and the State in the Third World, Mohanty, Mukherji, and Törnquist (eds.), Sage Publications, New Delhi.
- <sup>xxviii</sup> As in the case of Delatite, where both Benalla and Mansfield residents would identify themselves as Australians, Victorians, and members of rural communities. A strong term community association within the dialogue of Australian political life.
- <sup>xxix</sup> This movement persisted in fits and spurts through the 20<sup>th</sup> century, and occasionally resurfaces at the present time.
- <sup>xxx</sup> Doran, C, 1981, Separatism in Townsville, 1884 to 1894: "We Should Govern Ourselves", Studies in North Queensland History, No. 4, James Cook University of North Queensland, Townsville.

- <sup>xxxii</sup> Councillor Brewer (of Benalla) was the only Councillor not to sign the agreement. Brewer attempted to become Mayor in the second half of the term, however his bid was rejected by the rest of Council, still supporting the terms of the original agreement. Strahan, N, 2001, "Mayor Targets Delatite 'Flaws'", Mansfield Courier, March 29.
- <sup>xxxiii</sup> Delatite Shire, 1999, Commitment of Understanding.
- <sup>xxxiii</sup> A Melbourne-based management consulting firm formed in 1991, Miriam O'Brien consulting has a range of work experience in the local government domain.
- <sup>xxxiv</sup> Roberts, G, 2001, "Delatite Shire Review Spawns Rival Residents Groups", Mansfield Courier, March 7.
- <sup>xxxv</sup> The name change was motivated by the confusion caused by the similarity of names between the two groups.
- <sup>xxxvi</sup> The Courier did publish a range of views on the amalgamation issue, from both Mansfield and Benalla residents (Peasnell, W and J, "No Gain in Merger", Mansfield Courier, 14th September, p. 2; Burchall, RL, 1994, "Could be worse off", Mansfield Courier, 28<sup>th</sup> September, p. 2.), including an long open letter from a Benalla resident complaining of the hostility towards northern residents being demonstrated in the anti-amalgamation debate. Carswell, D, 1994, "Open Letter to the People of Mansfield", Mansfield Courier, 5<sup>th</sup> October, p. 2.
- <sup>xxxvii</sup> Hiller, H, 1987, "Western Separatism in Australia and Canada: The Regional Ideology Thesis", Australian-Canadian Studies, 5(2), pp. 39-54.
- <sup>xxxviii</sup> Miriam O'Brien Consulting, 2001, Delatite Shire Council Report of Community Review: Community Attitudes to Possible Restructuring of Delatite Shire, June.
- <sup>xxxix</sup> Miriam O'Brien Consulting, 2000, Delatite Shire Preliminary Economic Analysis: Shire Restructure, March.
- <sup>xi</sup> Mayo, HB, 1960. An Introduction to Democratic Theory, Oxford University Press, New York.
- <sup>xii</sup> Schaeffer, RK, 1997, Understanding Globalisation: The Social Consequences of Political, Economic, and Environmental Change, Rowman & Littlefield Publishers, Lanham.
- <sup>xiii</sup> During deliberations of the local government board, 461 Mansfield residents wrote to the Committee to express concerns about their deliberations. Mansfield Courier, 1994, "Residents Say 'No' in Letters to Board", Mansfield Courier, 21<sup>st</sup> September, p. 5.
- <sup>xiii</sup> The statistical local areas used to generate this table closely match the division of the Shire, with limited exception of the areas around the Swanpool riding (reference: SLA Codes 21951;21954;21955).
- <sup>xiv</sup> Little, A, 2001, The Politics of Community: Theory and Practice, Edinburgh University Press, Edinburgh.
- <sup>xiv</sup> Dunlop, P, 2002, "Referendum Cost too High, Says Mayor", The Mansfield Courier, April 24.
- <sup>xvi</sup> Putnam, R, 2000, Bowling Alone: The Collapse and Revival of American Community, Simon & Schuster: New York.
- <sup>xlvii</sup> Local Government (Delatite Shire Council) Review Panel, 2002, Review of the Possible Restructuring of Delatite Shire, July.
- <sup>xlviii</sup> The actual names of these two Shires has not yet been determined. "New Mansfield" and "New Benalla" remain in popular usage as shorthand in the community, however the final names are likely to differ (with Benalla likely to become the Rural City of Benalla and Mansfield residents seemingly in favour of the original name of the Shire of Mansfield).
- <sup>xlix</sup> The waste management issue was an ongoing point of debate between Mansfield and Benalla councillors, with Benalla councillors arguing that putrescible waste should be disposed of in Benalla's facility because of the decision of the Environmental Protection Authority that the Mansfield facility was not suitable for anything other than hard waste. Mansfield councillors, on the other hand, wanted a local facility for all waste. The need for a new waste facility for Mansfield (if agreement cannot be reached to move this waste to Benalla) will incur further capital expenditures not included in the 16.5% rate increase.
- <sup>i</sup> Schaeffer, *op. cit.*
- <sup>li</sup> Delatite Shire, overall, was rated 75<sup>th</sup> out of the 78 councils in terms of community satisfaction with its services.
- <sup>lii</sup> Bracks, S, 2002, "Panel Report Gives New Shires the all Clear", Media Release, July 22.



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