

**Merger Success Factors - An Examination of the Australian Not-for-Profit Aged and Community Care Sector**

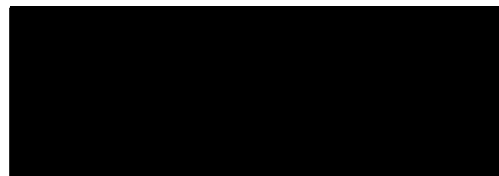
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I certify that the substance of this thesis has not already been submitted for any degree and is not currently being submitted for any other degree or qualification.

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## ABSTRACT

*This research investigated the drivers and success factors for mergers in the Australian not-for-profit aged and community care sector. In response to increased demand for aged and community care services and changing expectations of an ageing population, the Australian government is embarking on significant national health reforms to deliver a more market driven service. For a sector dominated by the not-for-profit providers, this new competitive paradigm will be an industry shock of such magnitude that it will transform how the sector operates in the future. A literature review of the corporate and health sector confirmed that restructure through mergers is one way for a sector to adapt to industry shocks. An examination of the national profile of the Australian aged and community care sector confirmed that mergers are occurring. Between 2003 and 2010, the sector consolidated by 10% whilst the number of operational services/outlets increased by 23%. The drivers and success factors of mergers in the sector were investigated by drawing on data from an online questionnaire of the not-for-profit aged and community care providers in NSW and ACT, as well as in-depth interviews of six industry CEOs. Mergers and amalgamations are perceived to deliver financial sustainability and allow organisations to position themselves strategically, enabling organisations to adapt to the industry shock of the national health reforms and deliver better client outcomes. The literature review and data collected from CEO interviews emphasised that post-merger integration is critical in realising the anticipated merger gains. This research demonstrated that the industry will be required to balance the tension between external environmental forces, internal governance activities and internal relationship challenges to maximise the probability of a successful merger.*

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