



**INVESTIGATING ETHICAL PARADIGMS AND VALUES:
POTENTIAL INFLUENCES ON DECISION MAKING BY
ELECTED REPRESENTATIVES**

Exploring governance and leadership
opportunities for NSW Local Government

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Acknowledgments

This small contribution to potential public governance opportunities for NSW local government provided me with a unique opportunity to reflect on my personal and political journey over the past twenty years.

I was an elected representative for the City of Ryde for 8.5 years (2004-2012). During that period I had the privilege of working with many talented professionals and local residents who (like me), are passionate about the important role of local government in supporting our communities. There were good times, and some not so good – but I look back on my local government career with a lot of pride, many wonderful friendships and enormous respect for all those that work in the local government sector as either elected representatives or council officers.

Thank you to all my friends in ‘local government land’ - my former peers on council and from other councils, council staff, my political ‘maates’ from the ALP (c’mon, it is NSW after all!) as well as my friends from across the political spectrum.

Thank you to the many wonderful lecturers and other Masters students at UTS Centre for Local Government that have guided, informed and encouraged me in my studies these past three years.

There are a few people however, who have had a profound influence on me and have travelled this journey step by step – they deserve a special mention.

Firstly, my darling husband Greg – you are my guiding light and the love of my life. Thank you for letting me laugh, vent and cry – for believing in me, loving me and urging me on. To my darling children, Fabian and Françoise for your cheeky smiles and laughter every day.

Thank you Dr. Joseph Drew and Dr. Bligh Grant for your constant support, friendship and encouragement of my fledgling academic endeavors. I look forward to learning more...

Thank you Professor Lee Pugalis for your feedback and strong encouragement.

Thank you to my wonderful family for patiently listening to at least a million stories about local government: Matt & Margaret Campbell, Julie & Jayson Hawke, Michelle & Jamie Livanes, Kathleen Campbell, Mary & Ben Favelle, Patricia & Greg Joce, Matthew Campbell, John Campbell.

To my feisty and wonderful friends; Ed, Susan & Liam Watts; Naomi Alletson; Dr. Teresa Wong; Gabrielle O’Donnell; Paul & Samantha Grainger; Alison McLaren; Adam Searle; Helen Westwood; Lisa Carey; Barbara Perry; Ron Norman; Peter Primrose; Paul Lynch; Sophie Cotsis; Geraldine O’Conner; Sophi Bruce; Professor Alan Morris; Catherine Hastings; Ron Woods; Dr. Tim Robinson; Anthony O’Reilly; Christine Del Duca; Marcus Schintler; SallyAnne Hunting; Vicki Scott; Darria Turley; Wayne & Cath Tupackovski. Thank you Karen Davis and Chris Eccles.

Thank you John Neish for your vision, your leadership and your friendship during challenging times at Ryde.

Thank you Joan Kirner – always in my heart.

EXECUTIVE SUMMARY

This dissertation seeks to understand the extent to which ethical paradigms (consequentialist, deontological, aretaic, post-modern) and personal values influence decision making processes by elected NSW local government representatives.

The selection of elected local government representatives as the specific focus for this investigation is deliberate. There is a wealth of literature regarding ethics in government, business and public administration (Ur, 2005; Applbaum, 1999; Crane and Matten, 2010; Ferrell et. al, 2015) but specific focus on the ethical behaviour of actors at a sub-national level is nascent field of research (for recent research see: Manion and Sumich, 2013; Macaulay and Lawton, 2006; van de Waal et. al, 2016).

The investigation (which comprised both qualitative and quantitative data) also explored councillors' perceptions of the organisational culture and governance processes within their council.

The aim of the investigation was to identify potential governance and leadership opportunities to support NSW elected local government representatives in their roles as democratically elected community leaders.

A detailed literature review was augmented by a voluntary and anonymous survey distributed to all current (and retired) NSW local government councillors. A total of 111 surveys were completed, representing approximately 10% of NSW local government councillors.

The survey data revealed the dominant ethical framework selected by respondents reflected the "Golden Rule"; "treat others as you would like to be treated yourself" (which reflects a non-consequentialist ethical approach and is recognised as a strong tenet of many religions).

However, when the same respondents were provided with five fictional decision making scenarios, adherence to the "Golden Rule" was often displaced in favour of a deontological 'rules' or 'duty-based' ethical paradigm.

This would suggest that the dominant administrative paradigm within NSW local government (which is a mix of bureaucratic and NPM) may be an influence on the way in which decisions are considered by elected representatives. Certainly, the existing compliance driven approach to governance in local government is more reflective of bureaucratic/NPM paradigms than a local governance approach.

There was no observed influence of gender in terms of the ethical decision making scenarios. This result would seem to dispel the common perception that women are more

pre-disposed towards feminist ethics – i.e. that women ‘care more’ or are ‘more ethical’ than their male peers.

However there was a strong response from the gender sub-cohort in relation to the organisational culture of council. There are clear challenges for the NSW local government sector to address in this regard.

Trust relationships between councillors and council staff are critical if the intended shift to an operational form of local governance as an administrative paradigm is to be realised.

The conclusion to this investigation highlights a number of training opportunities for the NSW local government sector.

A suggested model for moving towards local governance based on a foundation of trust and mutual respect is also provided.

Chapter One

Chapter Overview

Chapter One defines some key terms: government; governance, morality; ethics, and ethical paradigms. This Chapter provides an overview of the major ethical paradigms and identifies a range of factors that (to varying degrees) may influence ethical decision making. The rationale for this investigation and the research questions posed are also outlined.

Introduction

Ethical decision making and its place within government and public administration is a growing area of academic discourse (see Applbaum, 1999; Uhr, 2005; Crane and Matten, 2010; van de Waal 2016; Ferrell et al, 2015) however the study of ethics or ethical based decision making has, to date, not been the subject of specific attention by the NSW Government or the NSW local government sector.

“Government refers to the formal institutions of the state. Government makes decisions within specific administrative and legal frameworks and uses public resources in a financially accountable way. Most important, government decisions are backed up by the legitimate hierarchical power of the state. Governance, on the other hand, involves government plus the looser processes of influencing and negotiating with a range of public and private sector agencies to achieve desired outcomes. A governance perspective encourages collaboration between the public, private and nonprofit sectors to achieve mutual goals” (Hambleton 2004:50 in Pillora and McKinley, 2011:5).

The above distinction between government and governance is an important starting point for considering how ethical paradigms and personal values may influence decision making by NSW local government representatives.

Ethical decision making involves both individual and situational influences (Crane and Matten, 2010; Uhr, 2005). As such, the prevailing administrative management paradigm operating within a council will have a situational influence on the decision making processes of its elected representatives (although the extent of this influence may vary).

RATIONAL FOR THIS INVESTIGATION

This investigation seeks to understand the extent to which ethical paradigms (consequentialist, deontological, aretaic, post-modern) and personal values influence decision making processes by elected NSW local government representatives. This

dissertation also explores councillors' perceptions of the organisational culture and governance processes within their council.

The aim of the investigation is to identify potential governance and leadership opportunities to support NSW elected local government representatives in their roles as democratically elected community leaders.

The requirement that elected representatives must make ethical decisions is implicit in s3.1 of the Model Code of Conduct (Office of Local Government (OLG), 2015) and in the recent amendment to the NSW Local Government Act regarding councillor misconduct (NSW Local Government Act, 1993), however ethics or ethical decision making is not defined in either instrument.

Similarly, in recent decades research has identified personal values as having a significant influence on ethical decision making (see Aristotle in Ross and Brown, 2009; Crane and Matten, 2010), but the extent to which a values driven culture has been implemented within the NSW local government is unknown. Indeed, at present the study of values or ethics is not given explicit focus in terms of incoming councillor induction programs provided by the NSW Office of Local Government or Local Government NSW.

Research questions

The investigation will generate unique empirical data that will be analysed to elucidate ethical decision making processes by elected NSW local government representatives. Five specific questions are posed:

1. Does decision making by councillors reflect a particular ethical paradigm?
2. If so, is this ethical paradigm consistently applied in decision making?
3. To what extent (if any) might gender or length of tenure influence ethical decision making by elected representatives?
4. What are the influences on ethical decision making associated with:
 - a. the prevailing administrative paradigm;
 - b. personal values; and,
 - c. organisational culture?
5. What potential opportunities to strengthen governance frameworks might be identified through this investigation?

MORALITY, ETHICS AND ETHICAL DECISION MAKING

Crane and Matten provide a concise definition for morality, ethics and ethical theories (or ethical paradigms):

“Morality is concerned with the norms, values and beliefs embedded in social processes which define right and wrong for an individual or a community. Ethics is concerned with the study of morality and the application of reason to elucidate specific rules and principles that determining right and wrong for a given situation. These rules and principles are called ethical theories.” (Crane and Matten, 2010: 8)

Summary of major ethical paradigms

Historically the academic discipline of ethics evolved from ancient philosophical writings on normative and absolutist theories that made assumptions about the world and subsequent assumptions about the actions of people (Crane and Matten, 2010, Uhr, 2005).

Consequentialist theories such as utilitarianism and egoism were advanced by Adam Smith, Jeremy Bentham and John Stuart Mill amongst others and judge the ‘rightness’ of an act by the results produced (Brennan, 1992).

A competing and compelling alternate theoretical position was advanced by the non-consequentialists including Immanuel Kant and Thomas Nagel (Crane and Matten, 2010; Ross and Brown, 2009) who proposed a core focus for ethical behaviour that was aligned with the concepts of duties (deontology)¹ (Constantin, 2014). In essence, consideration of the *“desirability of the principles, and based on those principles, deduce a ‘duty’ to act accordingly in a given situation, regardless of the desirability of the consequences”* (Crane and Matten, 2010, p. 98).

By way of contrast, virtue ethics, or aretaic ethics, emphasise the moral character of the agent themselves (Crisp and Slote, 1997). That is, *“morally correct actions are those undertaken by actors with virtuous characters. Therefore, the formation of a virtuous character is the first step towards morally correct behavior”* (Crane and Matten, 2010 pp: 118).

In his seminal work, *Nicomachean Ethics*, Aristotle nominates happiness as being *‘the highest of all goods attainable by action... ‘The highest good must be wanted for itself; it must consist in activity, be self-sufficient and lacking in nothing...happiness is rational activity in accordance with virtue. Moral virtue is ‘an acquired state of character disposing us to feel and to choose to act appropriately’* (Aristotle in Ross and Brown, 2009, pp: x, xiv).

¹ Divine command is a particular strand of deontology that emphasises duty according to a religious code (aka ‘the Golden Rule’).

Moral virtues include many personal values such as honesty, courage, loyalty, patience and are not something imbued in an individual at birth – virtues are acquired through learning and social relationships with others throughout life (MacIntyre, 1984, in Crane and Matten, 2010).

A summary of the major ethical paradigms is provided in Table 1 below:

Table 1 Summary of major ethical paradigms

Ethical Theory	Definition of a moral action
Egoism (consequential)	An action is morally right if the decision-maker freely decides in order to pursue either their (short-term) desires or their (long-term) interests (one’s own interests).
Utilitarianism (consequential)	An action is morally right if it results in the greatest amount of good for the greatest amount of people affected by the action (social consequences)
Ethics of duty (non-consequential)	Consideration of obligations (duties) to others (or God). A duty to act accordingly irrespective of the desired consequences.
Ethics of rights (non-consequential)	Natural rights are certain basic, important, unalienable entitlements that should be respected and protected in every single action (entitlements of others)
Ethics of Justice (non-consequential)	Simultaneous fair treatment of individuals in a given situation with the result that everyone gets what they deserve. Defining ‘fairness’ can be seen in the context of either procedural justice or distributed justice (fairness)
Virtue ethics (aretaic)	Morally correct actions are those undertaken by actors with virtuous characters. Therefore, the formation of a virtuous character is the first step towards morally correct behavior (the virtuous self).
Postmodern ethics	An approach that locates morality beyond the sphere of rationality in an emotional ‘moral impulse’ towards others. It encourages individual actors to question everyday practices and rules, and to listen to and follow their emotions, inner convictions and ‘gut feelings’ about what they think is right and wrong in a particular situation.
Feminist ethics (ethics of care)	A moral approach that prioritises empathy, harmonious and healthy social relationships, care for one another and avoidance of harm above abstract principles (care for others and relationships).
Discourse ethics (communicative reason)	Provision of a process of norm generation through rational reflection on the real life experience of all relevant participants (resolving conflicts).

(Adapted from Crane and Matten, 2010)

WHAT IS ETHICAL DECISION MAKING?

Crane and Matten note the influence of both individual and situational factors on ethical decision making in terms of recognising a moral issue, making a judgement, establishing the moral intent and behaving in a moral way (Crane and Matten, 2010).

In addition, Crane and Matten suggest that a decision can be defined as having an 'ethical dimension' if the decision is:

- likely to have significant effects on others
- likely to be characterized by choice (i.e.: alternative courses of action are available)
- perceived as ethically relevant by one or more parties

(Crane and Matten, 2010 pp: 141-142)

Individual influences on ethical decision making

Crane and Matten note three significant individual influences on ethical decision making as being:

- Personal values
- Integrity
- Moral imagination

Rokeach describes personal values as being an:

'enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state. Values are persistent over time, they influence conduct and end-state behaviour and they are concerned with individual and/or collective wellbeing' (Rokeach in Crane and Matten, 2010 pp: 158)

The personal quality of Integrity is recognised as a hallmark characteristic of the 'virtuous self'. Integrity describes an individual who applies a consistent *'adherence to moral principles or values'* in their actions and does not compromise their personal belief system for personal gain or other benefits (see Brown, 2005, in Crane and Matten, 2010 pp: 157).

Moral imagination is described by Werhane as the ability to have *'a sense of the variety of possibilities and moral consequences of their decisions, the ability to imagine a wide range of possible issues, consequences, and solutions'*. That is, the capacity of an individual to reflect creatively in determining their actions in response to a particular ethical challenge (see Werhane 1998 pp: 76 in Crane and Matten, 2010 pp: 159).

Uhr references moral imagination in his construct of prudential leadership:

"Prudence or practical wisdom is a virtue of insight rather than interest... Prudence is an intellectual virtue associated with 'moral imagination', the virtue enabling one to see things for what they really are, associated with the leadership skill of appreciating the big picture of

political justice and most valuably, discerning innovative ways of making justice come alive” (Uhr, 2005 pp: 67).

Psychological theories have also been used as a basis for developing ethical decision making models. Two recognised theories that consider individual influences include:

- Locus of Control (see Trevino and Nelson 2007, in Crane and Matten, 2010); and
- Cognitive Moral Development (see Kohlberg 1968, in Crane and Matten, 2010).

The locus of control theory can simply be described as the extent to which an individual believes they have control over the events in their life. A person with a high internal locus of control considers their actions directly influence the events of their life. By contrast, a person with a high external locus of control considers their life events are shaped by others, or by external influences beyond their control (Crane and Matten, 2010 pp: 155).

Research by Trevino and Nelson (see Trevino and Nelson 2007 in Crane and Matten, 2010) suggests that a person with high internal locus of control has a greater appreciation for the consequences of his/her actions on others.

Cognitive Moral Development (CMD), was postulated in 1968 by Lawrence Kohlberg and is widely applied in ethical decision making models (Crane and Matten, 2010). In essence, CMD attempts to explain the different levels of reasoning that an individual might apply to any ethical issue. There are three levels with two specific stages within each level:

Table 2 Stages of Cognitive Moral Development

CMD LEVEL	EXPLANATION OF THE MORAL REASONING
Level 1 (Pre-conventional)	Self-interest is the key influence on decision making Stage 1: Right and Wrong defined in terms of expected rewards and punishment Stage 2: Instrumental purpose and exchange – self-interest still dominant, with increasing focus on the ‘fairness’ of exchange to deliver the self-interested outcome
Level 2: (Conventional)	Stage 3: Conformity with peer norms of ‘expected’ behavior Stage 4: Deeper consideration of broader social concerns beyond immediate peers
Level 3: (Post conventional)	Stage 5: Individuals expand ethical considerations to consider right and wrong in the context of basic rights, justice, and values Stage 6: Autonomous decisions are made on self-chosen universal ethical principles

(Kohlberg, adapted from Crane and Matten, 2010 pp: 153-154).

As people develop greater ethical awareness their decision making capacities are enhanced beyond initial self-interest and then peer conformity to embrace a 'higher level' of moral reasoning – the 'higher' the moral reasoning, the more ethical the decision. (Kolhberg in Crane and Matten, 2010 pp: 153).

Most people apply a CMD Level 2 in considering the ethics of a decision – which is significant in terms of the strong influence that peer networks exert on an individual's interpretation of ethical behaviour (Crane and Matten, 2010).

If one considers the associations between both of these psychologically based ethical theories, it suggests that an individual with a higher locus of control may have an increased level of moral awareness (beyond CMD Conventional Level 2, Stage 3) and a greater sense of their 'virtuous self' than an individual who believes his/her life events are influenced predominately by external factors.

Further, an individual with high personal integrity coupled with moral imagination (or capacity for prudential leadership) would be likely to reflect a high locus of control and a post-conventional level of Cognitive Moral Development (i.e.: Level 3 CMD) (Crane and Matten, 2010; Uhr, 2005).

Situational influences on ethical decision making

Ethical decision making in a situational context will be influenced by the importance attached to a particular issue (moral intensity). Jones proposed six factors to determine the moral intensity of an issue:

- Magnitude of consequences (consideration of the total impact and total benefits arising as a consequence of the action taken by the decision maker)
- Social consensus (level of agreement by others as to the ethics of the action)
- Probability of effect (likelihood of harms or benefits occurring due to the action)
- Temporal immediacy (timeframe for the action - immediate impacts are considered more morally intense than actions occurring far into the future)
- Proximity (the nearness of the impact to the decision maker)
- Concentration of effort (will the action impact heavily on a few people or lightly on many?)

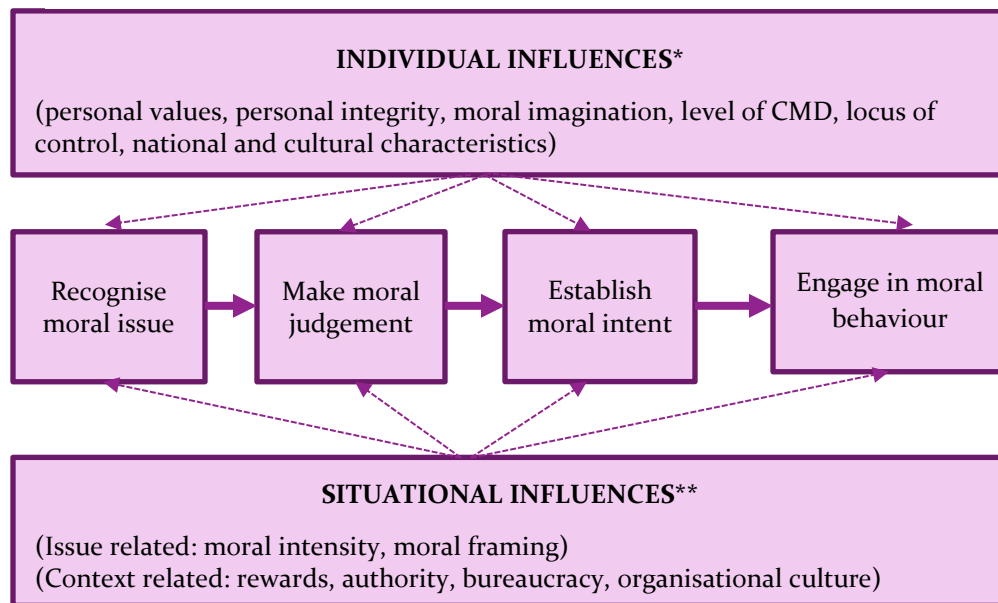
(Jones, 1991 in Crane and Matten, 2010 pp: 164)

However, the moral intensity of an issue can be masked (deliberately or inadvertently) as a consequence of the language used to describe the ethical issue being determined, which is described as moral framing. Moral framing can also be used to 'justify' the impact of the decision taken (Crane and Matten, 2010).

In addition, context related issues (reward systems, the administrative paradigm operating in the organisation, perceptions of authority, work roles, organisational norms and culture as well as peer behavior can influence the extent to which the ethics associated with a particular decision are considered. (Crane and Matten, 2010).

Figure 1 summarises the individual and situational factors that can influence each element of ethical decision making (Crane and Matten, 2010).

Figure 1 Model of ethical decision making (individual and situational influences)



** Mixed results regarding the influence of age, gender, education and employment.*

***Limited data regarding the influence of work roles and national context.*

(Figure adapted from Crane and Matten, 2010 pp: 145, 149, 161)

Chapter Two

Chapter Overview

Chapter Two provides context for the selection of NSW local government representatives as the study cohort. This Chapter provides a brief overview of NSW local government in terms of its functions and changing administrative paradigms over time. Comparisons between administrative paradigms, leadership styles and the evolution of business ethics are also examined. The Chapter concludes with an overview of the identified governance challenges within NSW local government sector as well as a summary of current governance mechanisms.

Introduction

The selection of NSW elected local government representatives as the specific focus for this investigation is deliberate. There is a wealth of literature regarding ethics in government, business and public administration (Ur, 2005; Applbaum, 1999; Crane and Matten, 2010; Ferrell et. al, 2015) but specific focus on the ethical behaviour of actors at a sub-national level is nascent field of research (for recent research see: Manion and Sumich, 2013; Macaulay and Lawton, 2006; van de Waal et. al, 2016).

So what is Local Government? And how does local government 'fit' into the Australian system of government?

Commensurate with its broader functions of jurisdictional integrity, macro-economic stability and distributional equity, Watt (2006 pp: 4) described governments' core function as being: *'the provision of local public goods matched as closely as possible to local tastes and preferences'*.

Local government can be considered, both jointly and severally, as *'a legal entity; a representative body; an agency of other levels of government; a service body; an organisation with a history; a place where people work; and/or a local body'* (Colebatch and Degeling 1986 pp: 11).

Australia is a federated constitutional democracy with three tiers of government: Federal; States and Territories; and approximately 535 local government authorities (ALGA, 2016).

In New South Wales there are approximately 112 Local Government Authorities with approximately 1,000 current elected representatives (who serve fixed four year terms)².

² Refer Appendix 1 for details regarding the recent reforms to NSW local government.

The functions of NSW local government broadly include: infrastructure and property services; facility administration; provision of parks and recreational facilities; environmental and health inspection services; provision of community and cultural services; planning and development approvals and building services (ALGA, 2016)

In 2005 Aulich outlined six characteristics of Australian local government, which a decade on, still accurately reflect the circumstances of the NSW local government sector:

1. Part of a complex three tiered federation of central and jurisdictional governments
2. Huge diversity in terms of scale (area, population, socio-economic profile, local issues)
3. Disproportionate number of rural and regional councils that require central government funding to maintain services
4. Significant constraints on local government powers by State and Territory legislation
5. Limited revenue raising capacity (beyond the rate-base of unimproved properties³)
6. Lower levels of participation by its citizenry in local government elections

(Aulich in Denters and Rose, 2005 pp: 194)

PUBLIC ADMINISTRATIVE PARADIGMS IN LOCAL GOVERNMENT

As a component of its respective State/Territory, local government sectors are influenced by changing normative frameworks of their jurisdictional public administrative paradigm.

The three administrative paradigms that have shaped bureaucratic practice in local government over the last century are summarized in Table 3.

³ The NSW Independent Pricing and Regulatory Tribunal (IPART) has recently released a review into NSW local government rating systems that recommends a move towards rating structures based on the capital improved value of land. This recommendation is yet to be adopted but could see a significant increase in revenue streams to NSW Councils if implemented. See: (IPART, 2016)

Table 3 Summary of administrative paradigms in local government

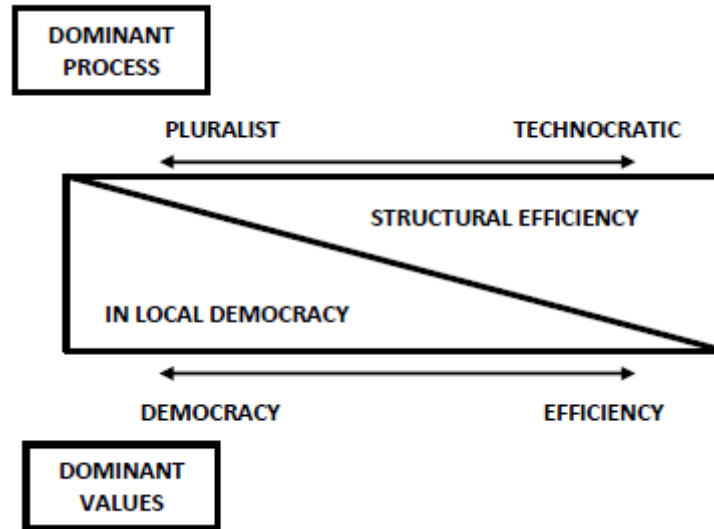
Date	Description of Administrative Paradigm	Changes to NSW Local Government Act
1920- mid 1980's	<p>Bureaucratic A 'rules' based, hierarchical ("command and control") framework articulated by Weber in the 1920's that clearly separated administrators from politicians. Strong focus on ensuring political neutrality and bureaucratic efficiency.</p> <p>Civil servants had strong job security and promotion was based on seniority⁴ There was little autonomy or personal accountability. (Harrington 2005; O'Flynn 2011; Grant et al. 2014).</p>	<p>Local Government Act 1918: Strong hierarchical structure. Mayor had extensive operational controls over the council as an organisation. Highest council officer role "Town Clerk".</p>
1980-2000	<p>New Public Management (NPM) NPM was strongly influenced by the then prevalent neo-liberal political economic agendas of the UK and United States of America.</p> <p>NPM had a strong focus on outsourcing, commercial contestability, corporate planning; customer service, and performance management. Economic outcomes were prioritised ahead of environmental, social and longer-term governance considerations (O'Flynn, 2011, Grant et al. 2014).⁵</p>	<p>Significant revision to the NSW Local Government Act reflected the influence of NPM.</p> <p>Change from the 'Executive-Mayor' leadership to 'Council-Manager' (see Grant, Dollery and Gow 2011).</p>
2000	<p>Local Governance – creation of 'Public Value' Emergence of local governance as an alternate administrative paradigm was influenced by dissatisfaction with NPM in terms of improving operational efficiencies and a need to address social inclusion, intergenerational equity and environmental considerations (Pollitt, 2000).</p> <p>Local governance enables to participate as 'shareholders' in their community and expected to have an active role in decision-making beyond merely electing local government representatives (Horner and Hazel, 2005 in O'Flynn, 2011; Grant et al. 2014).</p> <p>Local governance shifts the internal focus of council outwards; encouraging participation in decision making; collaboration, and co-creation of services (see Moore's Strategic Triangle Theory in O'Flynn 2007; Ansell and Gash, 2007).</p>	<p>Legislative changes included:</p> <p>Introduction of the Model "Code of Conduct" for council staff and councillors (2005)</p> <p>Introduction of the Integrated Planning and Reporting Framework (IPR) in 2009</p> <p>Councillor Misconduct provisions (2015) – streamlining processes for compliance investigations; introduction of sanctions for councillor misbehaviour.</p> <p>Pecuniary interest amendments (2015).</p>

⁴ Exemplified by the inscrutable character of "Sir Humphrey" from the popular BBC comedy, "Yes Minister".

⁵ Exemplified by the economic rationalist General Manager, Greg Dominelli, in the TV series "Grass Roots".

When considering local government reform (and administrative paradigms) the tension between local governance and bureaucratic/NPM is well illustrated by Aulich's models of local government reform:

Figure 2 MODELS OF LOCAL GOVERNMENT REFORM



(Aulich 1999b pp:20, in Denters and Rose 2005 pp 198)

Aulich assigns the dominant traditional democratic values in the model as being: responsiveness; representativeness; accountability and access (Aulich in Denters and Rose 2005 pp: 198-199)⁶.

Research conducted by Queensland's Crime and Misconduct Commission (2011) identified "accessible"; "efficient" and "effective" as being the values generally expected by Australians in their interface with government employees (see CMC, 2011 in Ryan et.al, 2015). This would seem to broadly align with Aulich's model in terms of: responsiveness and access.

There are no values assigned to the 'efficiency' side of the model – which indicates the narrow focus of bureaucratic or NPM as administrative management paradigms – both of which prioritise administrative and economic efficiency over consideration of social values (Aulich in Denters and Rose, 2005 pp: 199).

Aulich noted *"...there have been significant attempts to incorporate community participation into council strategic plans through revisions to local government Acts across all jurisdictions"* (Aulich in Grant and Fisher, 2011) However in Australia this paradigm

⁶ Aulich also noted a relationship between various administrative paradigms and periods of major reform to NSW local government legislation (Aulich in Denters and Rose, 2005 pp 199-200). This has relevance to the sub-cohorts (length of tenure) examined in this investigation as many of the longer term councillors were elected representatives during these periods of legislative reform and had to adjust to changing administrative paradigms.

shift has been quite slow and whilst local governance is the dominant *theoretical* paradigm for public administration, NPM is still the dominant management approach across the NSW local government sector (O'Flynn, 2007)⁷.

Influence of administrative paradigms on leadership styles by councillors

The changed leadership role of mayors in the revision of the NSW Local Government Act in 1993 NSW Local Government Act was a clear demonstration of the influence of NPM on the sector. Up until 1993 mayors had were recognised as “Executive Mayors” and had the key leadership role in the operational management of the council (Grant, Dollery and Gow 2011). Leadership styles by mayors at that time generally reflected a traditional ‘command and control’ approach (typical of many hierarchical, bureaucratic organisations (Sinclair, 2007)).

The 1993 NSW Local Government Act was explicit in reframing roles and responsibilities and making the General Manager responsible for the management of the organisation and the mayor and councillors responsible for setting the overall strategic direction and policy for the council. This Council-Manager approach was similar to local government administrative arrangements in the USA (however the Australian approach is weaker as a consequence of State government control and as such does not reflect the high level of autonomy USA councils) (Grant, Dollery and Gow 2011).

The change in the leadership role for NSW councillors (although it occurred over twenty years ago) still appears to be a source of tension for some pre 1993 councillors and their General Managers today. This is significant because: *“a significant 94% of mayors have previous experience as a councillor. Over two-thirds of them have served on a council for two terms or more, as was the case in 2008 and 2004”* (OLG, 2014, pp: 5).

The shift in executive control in NSW councils in 1993 does not appear to have been accompanied by training and support to elected representatives on their changed role and the need for councillors to adapt their leadership approach. As a consequence, relationship breakdowns between the GM and the Mayor are a common hallmark of dysfunctional councils (see ICAC, 2014; ICAC, 2008; Daly, 2005; Daly, 2003; Kibble, 2004; Simmons, 2006; Willan, 2007; Colley, 2008; NSW Audit Office, 2012).

⁷ Note: some NSW councils have moved further towards local governance particularly in the evolution of their engagement approach to working with their communities to develop their Community Strategic Plan. In particular, the City of Canada Bay’s approach to participatory budgeting is an example of a more engaged and responsive approach to addressing identified community needs and building a trust-relationship.

When relationships between a Mayor and the General Manager break down there are potentially significant impacts on the council in terms of lost productivity, morale issues, a risk averse culture and the stifling of innovative thinking (Martin and Aulich, 2012).

“The quality of their working relationship influences the quality of local governance in their community.” (Martin and Simons, 2002 pp: 65)

The need to address the leadership capacity of elected local government members is a priority for the NSW local government sector if the legislative intent is to move towards local governance as the operational reality in NSW.⁸

Crosby and Bryson have a comprehensive list of the qualities needed for ‘leadership for the common good’:

1. Leadership in context – understanding the social, political, economic and technological ‘givens’.
2. Personal leadership – understanding self and others.
3. Team leadership – building productive work groups.
4. Organisational leadership – nurturing humane and effective organisations.
5. Visionary leadership – creating and communicating shared meaning in forums.
6. Political leadership – making and implementing decisions in legislative, executive and administrative arenas.
7. Ethical leadership – adjudicating disputes and sanctioning conduct in courts.
8. Policy entrepreneurship – coordinating leadership tasks over the course of policy change cycles. (Crosby & Bryson, 2013)

WHERE DOES ETHICS FIT INTO ADMINISTRATIVE PARADIGMS?

There are clear parallels in shifting public administration paradigms and the evolution of business ethics over the last four decades.

The traditional business management model is hierarchical and closely reflects bureaucratic administration where all actors (shareholders; suppliers; customers and employees) feed into the company. The only two-way interaction is with the shareholders and the primary purpose of the ‘business’ is to generate profit (Crane and Matten, 2010).

⁸ The explanatory notes for the proposed revision to the NSW Local Government Act have flagged that the Integrated Planning and Reporting Framework and the development of co-created Community Strategic Plans will be a central focus of the proposed local government legislation.

This 'profit before people' management approach was blamed for many of the significant industrial disasters that have occurred over the last half-century⁹.

The 'stakeholder model' for business management (on which NPM was based) still has the business (and profit) at the centre but there are two-way interactions between the company and its actors (government; customers; suppliers; shareholders; employees; competitors; and community) (Crane and Matten, 2010)¹⁰.

The Network Model for business is similar to Local Governance in that there are multiple interactions and greater transparency across all actors – thus creating opportunities for broader communication; co-creation and collaboration (Crane and Matten, 2010).

Increased access to information via the internet, the 24 hour media cycle and the rise of social media (particularly over the last two decades) has enabled the general public to understand (and form a moral judgement) about the ethical, social and environmental failures of many large multinational organisations (Crane and Matten, 2010). This increased public scrutiny has accelerated the development of corporate social responsibility policies within businesses.

The dominant business management model is probably a hybrid between networked governance and the stakeholder model, however there are many businesses (like councils) that still operate using a very traditional business management approach.

⁹ Exxon Mobile – destruction of the Niger Delta since the 1970's; Union Carbide – 1984 Bhopal gassing disaster; Exxon Valdez oil spill (1989); BP – Gulf Oil spill (2010); Texaco (1964) – destruction of Laga Agrio, Amazon; Chisso Corporation – 1950-60's Minamata Bay; Hooker Chemicals – (1940-1970) toxic waste dumping at Love Canal;

¹⁰ Other multinational failures included: BHP – 1984 –tailings dam collapse at Ok Tedi; Fukushima nuclear disaster 2011.

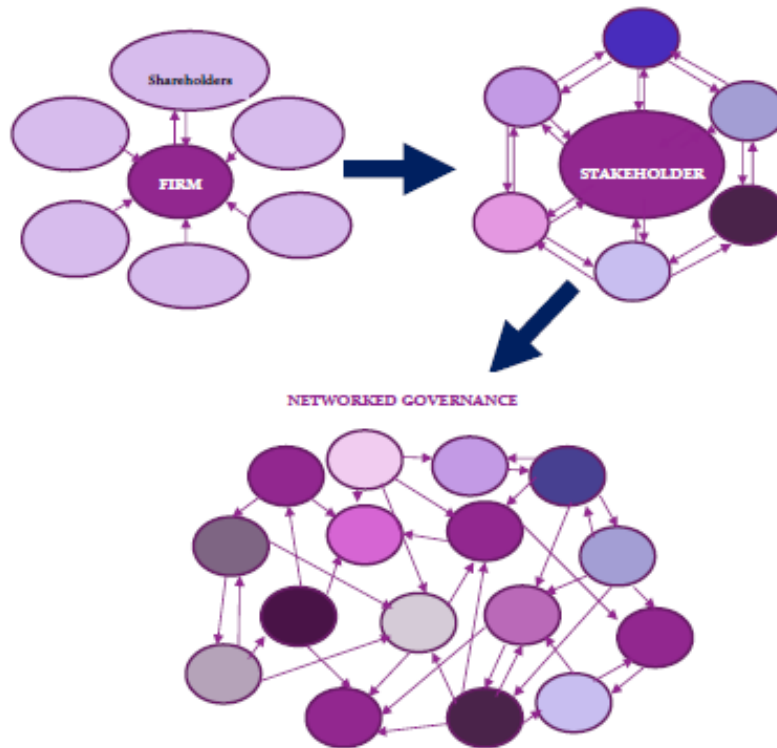


Figure 3 Evolution of Business Ethics

(Figure adapted from Crane and Matten, 2010 pp: 63)

IDENTIFYING ETHICAL CHALLENGES WITHIN NSW LOCAL GOVERNMENT?

Councillors should endeavor to make informed, objective, evidence-based decisions. They should also consider local community values, interests and priorities and balance public needs against public wants..... The principles of social justice in terms of access, equity, participation and rights are ethical considerations for elected decision makers (Chandler, 2010; Fainstein 2010; Colebatch and Degeling 1986).

Of course governance challenges within NSW local government do not occur solely as a consequence of behavior by elected councillors¹¹. However, the focus of this investigation is specific to exploring insights from NSW local government elected representatives in

¹¹ Past and current investigations conducted by the NSW Independent Commission Against Corruption (ICAC) include several examples where council officers or NSW State Government public servants have acted corruptly with no involvement of elected representatives. For the full list of ICAC investigation outcomes refer <http://icac.nsw.gov.au/investigations>
<https://www.icac.nsw.gov.au/investigations/past-investigations>

terms of their approach to ethical decision making as well their identification of their personal values.

At a local government level in NSW antics comparable to those observed in the NSW Parliament (the “Bear Pit”) may be less frequent in news media cycles however there are reports that are indicative of ethical and cultural challenges occurring inside NSW council chambers^{12 13}.

Governance challenges in NSW Local government

The growth in councillor misconduct and political donations complaints has increased over the last five years (OLG, 2016). The number of formal investigations by the OLG into councillor misconduct and political donations has also grown which provide *prima facie* evidence that ethical challenges are occurring at the councillor level.

Table 4 highlights the nature and frequency of complaints against NSW councillors over the period 2010-2015.

¹² NSW Audit Office, 2012

¹³ See Burke, 2012; Champion, 2013; Robertson, 2016; McCallum, 2016, Robertson, 2016, Samson, 2015, Ranke, 2015, McKenny and Patty, 2014.

Table 4 Summary of NSW Councillor complaints 2010-2015

Year	Number of complaints	Number of informal pecuniary interest complaints	Number of formal pecuniary interest complaints	Number of councillor misconduct and political donations complaints	Matters determined by NSW CAT	Sanction applied
2014-2015	1,011 ¹⁴	37	2	33 6 formal investigations commenced.	3 misconduct matters determined 2 Pecuniary interest matters determined 2 misconduct matters referred.	Supreme court overturned NCAT decision to suspend one councillor
2013-2014	1097	61	1	53 9 formal – investigations commenced 2 misconduct complaints resulted in sanctions being applied by CEO OLG.	0 misconduct matters referred 2 pecuniary interest matters referred 1 matter (CEO sanction) dismissed	NCAT set aside one decision by CEO on a misconduct matter.
2012-2013	1068	57	1	28 7 formal investigations	2 matters referred. One breach upheld	Suspension of councillor for 2 months
2011-2012	1175	53	6	15 4 formal investigations	0 for misconduct but 1 matter referred 2 pecuniary interest matters determined.	One councillor reprimanded One councillor counselled.
2010-2011	1130	43	1	7 4 formal investigations	2 investigations	Counselling of one councillor and reprimand of one councillor

Source: NSW Ombudsman's Office (2010-2015); OLG, 2016; NSW Civil and Administrative Tribunal (2010-2015)

¹⁴ NSW Ombudsman's Office reported an 8.5% increase in councillor complaints in 2014-15.

In terms of alleged corruption in local government, the predominant issue appears to be in relation to land development – and ethical challenges are often focused on the relationship between elected councillors and property developers.

Whilst property developers are legally prohibited from donating to local government candidates (refer *s9GAA, NSW Electoral Funding and Disclosure Act (1981)*), property developers are able to nominate, self-fund their campaign and serve as local government councillors. This has raised ongoing concerns about potential conflicts of interest^{15 16}

In addition to consideration of ethical decision making in relation to potential issues of corruption it is also important to consider ethical behavior as being consistent with social norms relating to respect and tolerance of a diversity of views.

The 2012 social research project “Influencing Change” (Manion and Sumich, 2013) highlighted some clear indications of cultural challenges in local government from a gendered perspective. This data is important as it is not necessarily captured in formal misconduct complaints.

Table 5 Summary of Influencing Change results relating to the culture of debate in the council

Survey Question	Female respondents	Male respondents
Sometimes I feel bullied by other councillors during meetings	25% agreed	7.5% agreed
Any harassment or bullying is effectively managed	22% disagreed	13% disagreed
I often feel that my input is not valued by other councillors	27% agreed	13% agreed

(Adapted from Manion and Sumich, 2013, pp: 26-27; n=357)

Statistics from the NSW Office of Local Government indicate that costs incurred by councils to investigate breaches of the Code of Conduct (as a specifically identified misconduct issue) by NSW councillors increased by over 36% (between 2012/13 – 2013/14) (Toole, 2015).

¹⁵ Auburn Council; the City of Ryde; Tweed Shire Council are examples of councils where concerns have been raised about the relationship between councillors and property developers and the impact on land development matters. See Robertson, 2016; Dalzell, 2016; ICAC, 2014; ICAC 1998; Daly, M., 2005

¹⁶ See Nicholls, 2015

Managing governance issues in NSW councils

In New South Wales there exists an extensive range of local government legislative mechanisms and council regulated policies designed to ensure appropriate governance by both elected representatives and council staff.

Many NSW councils have adopted a Code of Meeting Practice, which outlines the expectations of respectful and acceptable behavior by councillors, council staff and participating community members.¹⁷

The Model Code of Conduct (introduced across all NSW councils from 2005 and progressively revised since then) outlines a range of normative behavioural requirements of council staff and elected representatives (OLG, 2015). It is mandatory for all Councils to adopt a Code of Conduct that is consistent with the Model Code of Conduct under s440 NSW Local Government Act (1993).

Ethical behaviour is sought from all councillors and council staff in the Model Code of Conduct (OLG, 2015), however it is not defined within the document itself. The language of the Model Code of Conduct is framed in a consequentialist manner, of which some 'consequences' were strengthened in an amendment to the NSW Local Government Act (1993) in 2015¹⁸. Sanctions can be brought against councillors for:

- breaching the NSW Local Government Act (or Regulations);
- breaching Council's Code of Conduct
- failing to comply with an order issued by the Chief Executive of the NSW Office of Local Government;
- committing an act of disorder at a council or committee meeting (including actions that prevent the proper or effective functioning of a council) (NSW Local Government Act, 1993; OLG, 2016).

Sanctions can include:

- Requiring a councillor to comply with a compliance order (specific to a particular councillor) or face suspension
- Withdrawal of the councillor's functions as a councillor for the duration of the compliance order
- Withdrawal of a councillor's electoral allowance;

¹⁷ It is proposed that a Model Code of Meeting Practice be mandated in the pending revision of the NSW Local Government Act (see OLG, 2016).

¹⁸ The 2015 amendment to the NSW Local Government Act did not include a definition relating to ethics or ethical decision making (NSW Local Government Act, 1993).

- Withdrawal of access to and use of council facilities for the duration of the compliance order
- Requiring a councillor to comply with any Performance Improvement Order issued to their council or face suspension.
- Disqualifying a councillor from holding civic office for a period of 5 years where they have been suspended for misconduct three times (NSW Local Government Act, 1993; OLG, 2016).

The NSW Local Government Act 1993 also contains ministerial intervention provisions (s430 and s438U) which can be applied in the event that the conduct of the council is deemed to be having a significant impact on the community. A public inquiry (s438U) is generally required before a council can be put under Administration (OLG, 2016).

A summary of public investigations by the NSW Independent Commission Against Corruption (ICAC) and public inquiries into particular NSW councils commissioned by the NSW Minister for Local Government is provided at Appendix 3.

Chapter Three

Chapter Overview

This chapter considers the concept of public trust in elected representatives. Research measuring public trust is presented which suggests the need to restore public trust in elected representatives order to move towards local governance as the dominant *operational* reality (as opposed to the dominant public administration theory).

Leadership, as a mechanism for building public trust, is also examined as well as the concepts of emotional intelligence, strategic and critical thinking.

Perceptions of ‘trust’ in Australian elected representatives

“Australian research on distrust and government tends to show that citizens continue to value the basic political system even though they increasingly distrust those politicians entrusted with the power of government”(Uhr, 2005 pp: 21).

A quick online search of any Australian newspaper or news website will reveal an abundance of stories about Australian political ‘scandals’ (at all levels of government). These includes allegations (or actual examples) of corruption and bribery in government; broken promises, betrayals, sexual liaisons, cover-ups, and numerous stories about political self-benefit (‘snouts in the trough’)¹⁹. Indeed, there is a strong industry for ex-politicians, ex- political staffers and political journalists in authoring books that document (some with apparent ‘glee’) historical incidences of voter deceptions and the dark arts of political campaigning²⁰.

Many of these ethically challenging political examples relate to NSW politicians, which is unsurprising given that NSW politics (at all levels) has been historically characterized by its adversarial and combative nature.²¹ The public now have a much more immediate window into the culture of NSW politics with the advent of the 24-hour news cycle and growing prominence of social media platforms (see Madigan, 2014).

¹⁹ The Hon. Bronwyn Bishop, former Speaker of the Australian Parliament, ALP Senator the Hon. Sam Dastyari, and former FFA Senator Bob Day are recent examples.

²⁰ See Howes, 2010; Williams, 1997; Latham, 2005; Errington and Van Onselen, 2015; Patrick, 2013 and 2016; Loosley, 2015; Madigan, 2014; Rhodes and Tiernan, 2014; Cavalier; 2010; Marr and Wilkinson, 2003; Benson, 2010; Mills, 2014; Wilkinson, 1996; McClymont and Besser, 2014

²¹ The NSW Legislative Chamber is commonly referred to by politicians and the media as ‘the Bear Pit’.

RESEARCH INTO PUBLIC 'TRUST'

Leigh (see Leigh, 2002) examined the concept of political trust using long-term data sets arising from Morgan ethics and honesty polls (taken annually since 1983). The Morgan polls measure Australian public perceptions of ethics and honesty against specific career types. Using the ethics and honesty survey question as a proxy measure for 'trust', Leigh notes that public perception of the trustworthiness of Australian politicians has (like other national governments) been persistently declining over the previous three decades (Leigh, 2002)²².

Leigh notes a number of factors that may negatively influence the level of public trust in Australian politicians:

- Declining levels of interpersonal trust generally²³
- Decline in social capital (decreased social interaction via clubs and associations in favor of watching television and as a consequence of longer working hours)
- Length of government incumbency²⁴
- Declining interest in hierarchical structures (and increasing post-materialistic tendencies – a global trend, not unique to Australians)
- Negative media portrayal of politics ("gotcha journalism"²⁵; conflict-focused, tactical political speculation)
- Increased use of negative political advertising as a campaigning tactic

(Leigh, 2002; see also Latham, 2014)

In addition, electoral disengagement by voters (either deliberate or accidental - by not enrolling to vote or voting informally) represents a major challenge for elected governments in Australia and indeed globally in terms of addressing levels of growing voter mistrust.

"Despite advances in civic engagement, apathy has become democracy's most insidious enemy in a growing number of societies...Inclusive participation helps communities develop functioning forms of democracy for Government, corporations and civil society" (Ban Ki-moon, Secretary General, United Nations, 15 September 2013).

In the Australian 2016 Federal election electoral participation was 95% (up from 92% in 2013), but this still means that approximately 1,600,000 eligible voters were either not

²² Public perceptions about the ethics and honesty of local government councillors is not tested in Morgan's ethics and honesty survey question. However there was no statistical significance between the two tiers of government in terms of their perceived low levels of trustworthiness by survey respondents.

²³ Based on two World Values survey results (1983 and 1995) which indicated a 9% decline in interpersonal trust levels by Australians (Leigh, 2002)

²⁴ Leigh notes that periodic uplifts in public trust levels are statistically relevant following a change in government; the 'honeymoon period' (which is observed at both a State and Federal level).

²⁵ Journalists were also rated low by survey respondents in terms of their ethics and honesty.

enrolled; enrolled but didn't vote; or voted informally (ABS, 2016; AEC, 2016). In the 2016 Federal election participation rate for young adults (18-24) was 86.7% and 31% of the unenrolled voters (254,432 voters) were in the 18-24 age group (AEC, 2016)²⁶.

Former Federal Leader of the Australian Labor Party, Mark Latham noted: *“People have given up on organised politics, a sharp departure from the post-war decades when the public trusted its elected representatives and the way in which decisions were made. This passive acceptance of politics as a force for good in society has deteriorated into hostility towards parliamentarians: their lifestyle, their values, their broken promises. The system now runs on public apathy, a feeling that no matter who you vote for, the outcome will be the same. Active democracy has been replaced by a new, nonchalant mode of governance – think of it as ‘apathocracy’ ”* (Latham, 2014 pp: 33-34).

It is concerning that disengagement by electors in the Australian system of government is highest for local government (identified in reduced levels of voter participation and increased informal voting levels) (see NSWEC, 2009; NSWEC 2012; AEC, 2016).

The growing proportion of voter disengagement may also complicate efforts by governing entities (particularly local government) to move towards a local governance paradigm. How do you establish (or re-establish) trust relationships with those electors who (for whatever reason) do not participate in the democratic election of their representatives?

HOW DOES LOCAL GOVERNMENT COMPARE IN TERMS OF PUBLIC ‘TRUST’?

Comparing public ‘trust’ in the various level of Australian government, data from the 2014 Constitutional Values Survey²⁷ (see Brown, 2014) reveals respondents consistently rated levels of trust and confidence in local government as being higher than for either State or Federal Governments. However this rating does not differentiate between council as an organisation and councillors as the elected representatives.

Similarly, the “Why Local Government Matters” national survey undertaken by the Australian Centre of Excellence in Local Government (Ryan et. al, 2015) revealed that 74.7% of respondents²⁸ felt that local government was best able to make decisions about their local area.

²⁶ Whilst the 2016 election results showed a higher level of participation by young adults (18-24) than in the 2013 Federal election (see AEC, 2016), it is clear that the voter participation levels of this important demographic is still much lower than the general population.

²⁷ The Constitutional Values Survey has been conducted by Griffith University researchers every two years since 2008.

²⁸ Sample size: 2006 people, interviewed via Computer Assisted Telephone Interview (CATI)

However as there was no differentiation between local government in terms of the council as an organisation and elected local government representatives, extrapolating this level of 'trust' to elected local government representatives may be an overstatement.

Responses to the local government knowledge component of the "Why Local Government Matters" survey indicated the following:

- 84.8% of respondents could correctly name their local council or Shire
- 41.7% of respondents could correctly name their local Mayor or Shire President (a further 6% were almost correct)
- 46.6% of respondents did not know the name of their local Mayor or Shire President (Ryan, et.al, 2015)

Taking into account the responses to both of these three questions in the "Why Local Government Matters" survey (and assuming that name recognition for a local Mayor would be higher than that for any other councillor), it would suggest that 'trust' in local government relates more to the council as an organisation rather than 'trust' of local government councillors.

As noted by Uhr, "*..citizens trust the underlying system more than they trust the underlings who claim to represent them*" (Uhr, 2005: 21).

If we consider Aulich's model for local government reform, which shows the tension between local governance against the more traditional (bureaucratic or NPM paradigms) it is noteworthy that the assigned values for democracy in Aulich's model do not reference 'trust'.²⁹ Without a solid foundation of trust, all of the democratic values assigned in the model could be compromised.

As such, the collaborative governance model proposed by Ansell and Gash (see Ansell and Gash, 2007) is worth consideration as it embeds trust by the various actors (elected representatives, council staff, and community) as an integral component. Ansell and Gash identify six criteria that enable the creation of public value arising from shared decision making processes – built on a strong foundation of shared trust:

1. A forum initiated by public agencies or institutions;
2. Participants in the forum include non-state actors;
3. Participants engage in decision-making (not just consultation);
4. The forum is formally organised and meets collectively;
5. The forum aims to make decisions by consensus (noting that may not always occur);
6. The focus of the collaboration is on the public policy or public management.
(Ansell and Gash, 2007)

²⁹ See Australian Oxford Thesaurus (2004).

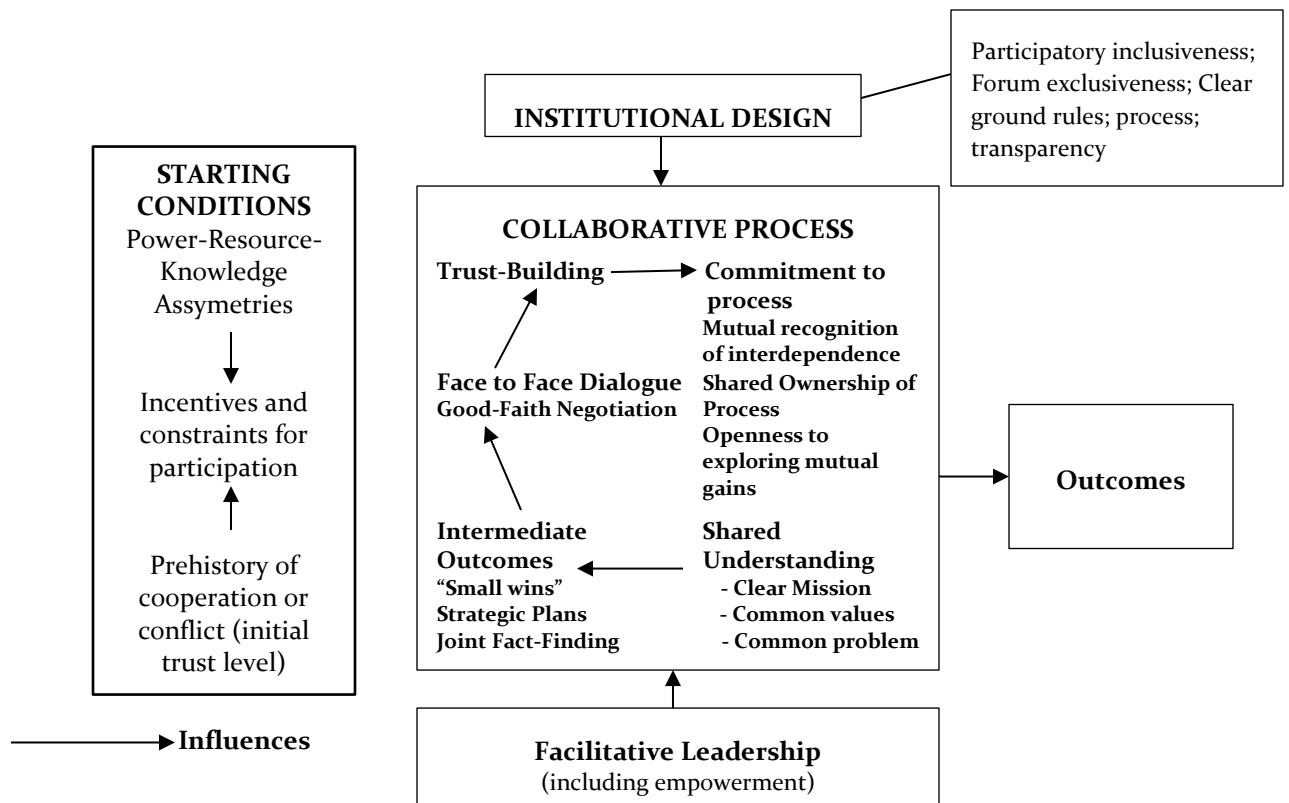


Figure 4 Collaborative Governance Model (reproduced from Ansell and Gash, 2007)

The rationale for the above model is that a citizenry actively engaged in shared decision making processes and operating on the basis of mutual respect and trust is less likely to disengage – which may further strengthen governance structures as a consequence of increased public scrutiny of the decisions and behaviours of elected representatives.

VALUES LED GOVERNANCE

A potential augmentation to local government governance processes is values led governance.

In the decade since the original Model Code of Conduct (OLG, 2015) was introduced some NSW councils have moved to incorporate values as a core tenant of their organizational culture. These Values Statements can be either developed by the council; between the council staff and councillors; or developed in partnership between council staff, councillors and the broader community.

This focus on organisational culture is consistent with a growing body of academic research that promotes the efficacy of embedding a values culture and anchoring ethical

theory as a core component within public organisations for mitigating against corruption (van de Waal et al, 2016; Crane and Matten, 2010; Uhr, 2005).

However, the real test for any organisation is the extent to which the 'values' are 'owned' by the various actors within the organisation. This is especially true in a local government context as councillors are not members of council staff. This may influence the extent to which councillors consider council values as being relevant to their role as an elected representative.

THE ROLE OF LEADERSHIP IN BUILDING PUBLIC TRUST

Sinclair defines Leadership as being “... a process of influence between leaders and followers. What distinguishes leadership from other forms of influence is that the leader draws on some form of authority, power or control... Leadership is a relationship, in which leaders inspire or mobilise others to extend the capacity to imagine, think and act in positive new ways.” (Sinclair, 2007 pp xvi)

There are many leadership theories (prudential (or facilitative), adaptive, transformative) that suggest leadership characteristics are an ongoing evolution of an individuals' response to the external environment and include a deeper appreciation and understanding of 'self' (Cherry, 2013; Sinclair, 2007; Landy, 2013).

Prudential (or Facilitative) Leadership

Prudential (or facilitative) leadership is the core of Ansell and Gash's model for collaborative governance. Prudential leadership challenges leaders to be open and collegiate in communicating with, listening to and empowering others (Ansell and Gash, 2007; Sinclair, 2007; Uhr, 2005). This form of leadership is vastly removed from the 'heroic' lone figure (more associated with traditional, hierarchical 'command and control' administrations).

Prudential leaders are intimately connected to the organisation and empower everyone to become an ambassador (Sinclair, 2007). Prudential leadership is about having the emotional intelligence and capacity to 'hold the space comfortably' if 'an answer' is not immediately apparent (Heifetz and Laurie, 1997; Heathfield, 2013; Landy, 2013; Sinclair, 2007; Uhr, 2005).

"...leadership demands a deep understanding of the pain of change... it also requires the ability to hold steady and maintain the tension...A leader has to have the emotional capacity to tolerate uncertainty, frustration and pain." (Heifetz, 1997).

Self-awareness

Self-awareness (and awareness of others) is closely linked to the concept of Emotional intelligence (EI), described by Salovey and Mayer as:

"the subset of social intelligence that involves the ability to monitor one's own and others' feelings and emotions, to discriminate among them and to use this information to guide one's thinking and actions" (Salovey and Mayer [1990] in Cherry, 2013).

Systems thinking

Systems thinking is a highly useful skill that may better support elected representatives in recognise the complexity of particular issues and 'hold the space' as a leader; gather the evidence from a range of perspectives and form a considered view. Councillors need to learn how to 'stand on the balcony' in the context of their role as elected community leaders.

The use of systems thinking in a local government context is highly relevant as local government is a 'messy' system – there are a range of inputs and contextual features that can influence outcomes, and some of these are not within the control of a local government authority. Some of these interconnected and vexed issues may include:

- Political dynamics at a local level (particularly groupings on a council; relationships between Councillors and council staff, relationships between the Mayor and GM);
- Specific and localised considerations
- Changes to intergovernmental funding arrangements for the delivery of local government services;
- State and or Federal government policy decisions that impact on the sustainability of a council to deliver necessary services to its local community (i.e.: rate-capping in NSW; limitations to councils investment strategies; decisions on boundary changes; decisions on national recognition)
- Local demographics; socio-economic influences; changes in national, regional and local economies
- Environmental considerations (climate change; erosion; urban heat; natural disasters)

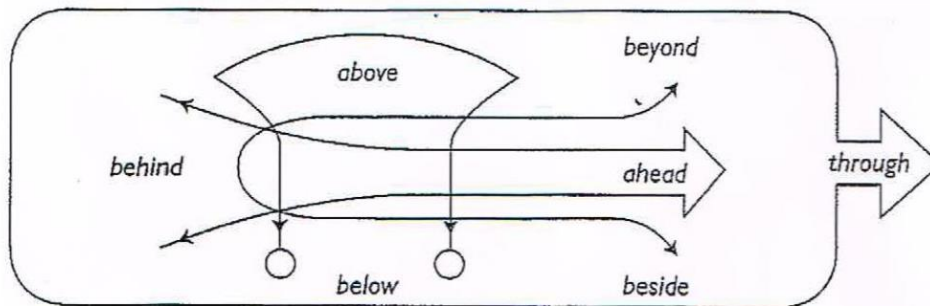
Adopting a diagrammatic approach highlights the relationships of a particular issue and encourages thinking from a range of different perspectives. The simple act of 'drawing' a diagram forces the actor to step back and appreciate the system from a multidimensional perspective. This approach is highly useful in 'unblocking' thinking about a problem; it might assist in seeing patterns in relationships; and appreciating opportunities for new

connections. Systems diagrams can also be a useful tool in encouraging strategic thinking of the system as a whole rather than focussing on a specific element.

Developing clarity of purpose

Another key leadership skill that inspires trust is the capacity for strategic and critical thinking; having the ability to establish a clear vision and a purpose. Developing clarity of purpose is about being able to communicate with conviction a strategic vision about where you want to go, why, when and how. Part of this requires leaders to provide context for positions or decisions and connect it to the past, the current reality and establish a shared vision for the future.

Mintzberg's concept of 'strategic thinking as seeing' takes visioning further and challenges leaders to consider the strategy formulation of a vision holistically and from multiple perspectives (above, below, beside, behind, ahead) and then have the leadership capacity to see it through (Mintzberg, 1991 pp126-128).



Strategic thinking as seeing.

(Mintzberg, 1991, pp: 128)

In this regard, Heifetz and Laurie also highlight the importance of leaders 'learning' to spend time 'up on the balcony' – rather than getting bogged down in the operational day-to-day detail.

"It does them [Leaders] no good to be swept up in the field of action. Leaders have to see a context for change or create one" (Heifetz and Laurie, 1997).

Developing the strategic thinking capacity of elected representatives is of vital importance to the sector – particularly in relation to the legislated role of councillors to provide strategic oversight of the council as an organisation.

Storytelling

Over 2000 years ago Aristotle outlined the concepts of ethos, logos and pathos. These three elements are highly relevant in building trust through effective communication (Thompson, 1998). The ability to refine an argument in response to the audience. The use of evocative story-telling to communicate a challenge or change. The ability to challenge the logic of an argument and frame a presentation. The use of voice tone, volume and personal space as well as understanding cultural nuances are all leadership

skills that can significantly assist in building trust levels. (Denning, 2010; Thompson, 1998; Landy, 2013).

Chapter Four

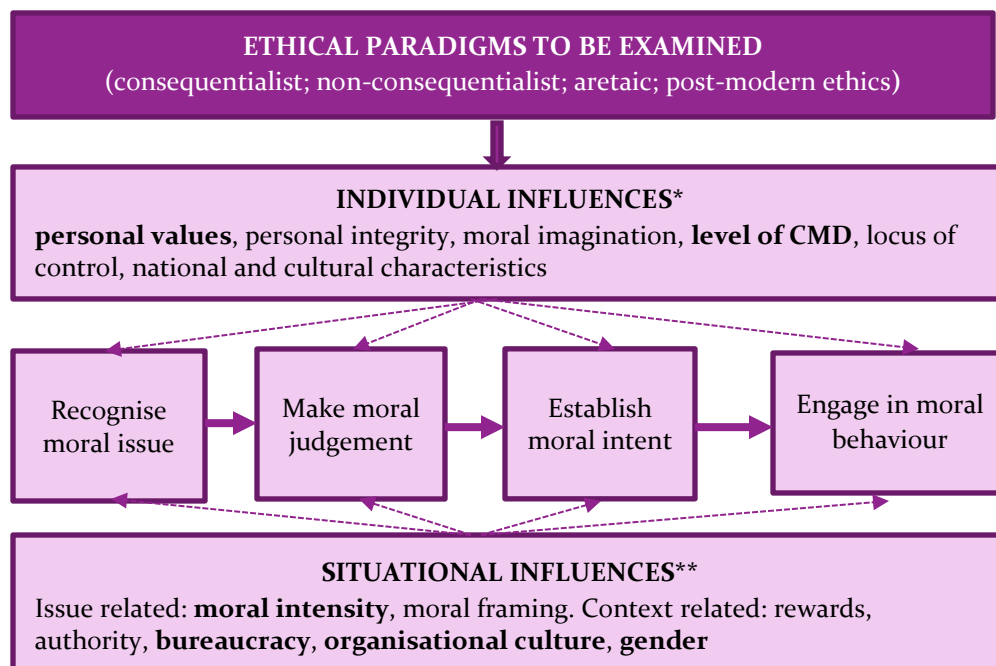
Chapter Overview

This chapter outlines the approach taken to investigating how ethical paradigms and values may influence decision making by elected local government representatives. It details the theory underpinning the investigation and the rationale for the methodology selected. This Chapter also details the design of the methodological elements; and the rationale for the selection of the sub-cohorts (gender, length of tenure).

Methodology

The approach taken in this investigation was a deductive analysis; where the analysis evolved from the various overarching ethical paradigms (consequentialist; non-consequentialist; aretaic; post-modern ethics) to consider a substantive theory (Crane and Matten's ethical decision making model) against which some of the individual and situational influences could be tested against observable empirical evidence.

In this investigation the individual influences tested were: personal values and level of CMD. Situational influences tested were: moral intensity; gender; bureaucracy (Neumann, 2011; Crane and Matten, 2010). The figure below builds on Crane and Matten's ethical decision making model to outline the methodological rationale for this investigation.



* Mixed results regarding the influence of age, gender, education and employment.

** Limited data regarding the influence of work roles and national context.

Aulich's model for local government reform (Aulich in Denters and Rose, 2005) was a further substantive theory considered relevant (in the context of changing administrative paradigms within the NSW local government sector) and as such, it was also utilized in framing methodological elements.

The level of analysis undertaken was at a meso level, which focuses at an organisational or community level (Neumann, 2011). This level was consistent with the scale of both Crane and Matten's ethical decision making model and Aulich's local government reform model (Neumann, 2011, Crane and Matten, 2010; Aulich in Denters and Rose, 2005).

The first component of the investigation was a comprehensive literature review of academic, legislative and operational documents to provide a solid contextual foundation. This was then used to inform the development of the research hypotheses; approach for gathering empirical data; and design of qualitative and quantitative data analysis to test the research questions:

1. Does decision making by councillors reflect a particular ethical paradigm?
2. If so, is this ethical paradigm consistently applied in decision making?
3. To what extent (if any) might gender or length of tenure influence ethical decision making by elected representatives?
4. What influence (if any) does the prevailing administrative paradigm operating in NSW local government have on:
 - a. ethical decision making processes;
 - b. leadership; and
 - c. personal values and cultural norms?
5. What potential opportunities to strengthen governance frameworks might be identified through this investigation?

RATIONALE FOR SELECTION OF SUB-COHORT GROUPS

Two sub-cohorts (gender and length of tenure on council) were selected to examine whether there were any relationships between the sub-cohort and their responses to these methodological elements.

Crane and Matten note that research into variables such as age and gender have delivered inconclusive results in terms of predicting ethical behaviours whilst personal values (and to a lesser extent, cognitive moral development) have been identified as having a potentially positive influence on ethical decision making (Crane and Matten, 2010 pp: 149).

Cultural characteristics have also been identified as having an influence on ethical decision making (Crane and Matten, 2010). However, cultural diversity was not considered as a sub-cohort because the representation of different ethnicities within the NSW local government sector is 8% compared with 22% of the general population (OLG, 2014).

When considered in terms of expected return rates, it was considered that a cultural sub-cohort would be too small to allow for discernment of statistically significant differences.

Women currently represent 27% of elected representatives in NSW (OLG, 2014). Whilst this is still a low proportion, the inclusion of this sub-cohort would likely generate sufficient response levels to enable its examination. This investigation made no assumptions regarding whether women councillors are pre-disposed to a particular ethical framework.

The other sub-cohort examined was the length of tenure on council. This is important in the context of considering Aulich's model for local government reform (see Aulich, in Denters and Rose, 2005), and appreciating the predominant administrative paradigm operating over the tenure of the respondent.

The 2012 census data from the NSW OLG indicates that longevity is most certainly a feature of NSW elected representatives (particularly mayors). This longevity was verified in the councillor census' conducted in 2004 and 2008 (see OLG, 2014). It is therefore reasonable to suggest that there are likely to be a proportion of respondents that were elected to council prior to 1993, when the mayors had a much higher level of control over the council as an organisation.

This factor suggests length of tenure is an interesting sub-cohort to examine from a decision making perspective. It is also noted that in the 2012 social research project "Influencing Change", tenure on council did reveal some statistically significant insights from this sub-cohort (Manion and Sumich, 2013).

COLLECTION OF QUANTITATIVE AND QUALITATIVE DATA

An online anonymized survey was used to collect the quantitative and qualitative data ³⁰

A survey was considered the most practical way of obtaining the required quantum of empirical data needed to undertake the statistical analysis required to test the hypotheses associated with the research questions.

Qualitative research methodologies such as semi-structured interviews or small focus groups were also considered as a possible approach for this investigation. However there was concern about the ability to code various responses in a meaningful way and also concern over whether the answers from respondents might unconsciously be influenced in a face-to-face interview environment. As such, the anonymous online survey was

³⁰ Survey Monkey was the tool used to design the survey. Refer Appendix 5 for a copy of the survey.

selected as the tool for gathering the empirical data. The use of an online survey link also enabled unobtrusive 'follow ups' to encourage participation.

Participation in the survey was voluntary and the survey link was made available to all NSW councils via an online link promoted by Local Government NSW in its weekly bulletin during the period of July-September 2016.³¹ The online survey was available for a period of eight weeks.

The online survey was distributed after the commencement of the implementation of the NSW local government reforms. This circumstance reduced the available pool of current NSW councillors from approximately 1471 local government councillors to around 1,000 (OLG, 2014).

SURVEY DESIGN

The survey was designed to recognise the fact that many respondents may have limited knowledge of moral typologies. In addition, it was recognised that ethics tends to be a very personal matter and so the questions were carefully framed to ensure the questions were not leading or emotive and there was no judgement attached to any particular response (Neuman, 2011).

The methodological design included five short ethical scenarios and three questions relating to organisational culture within the council.

Open questions were not applied in this survey. It was recognised that open questions enable respondents to clarify information and provide more detailed responses but that had to be weighed against the difficulty in trying to accurately code individual responses in a consistent enough manner to enable insights to be drawn on the respondent's underlying ethical frame of reference (Neuman, 2011).

It was also recognised that respondents might exhibit differing levels of social desirability bias, that is, deliberately misstating answers on the survey to model a higher standard of behaviour than may be the actual case (Neuman, 2011). In keeping the questions closed, but still providing opportunities for respondents to answer 'I don't know'; it was hoped that the options were broad enough that respondents answered truthfully. The message that 'there are no 'right' or 'wrong' answers was reiterated during the survey to encourage respondents to genuinely reflect their values and ethical predispositions (Neuman, 2011).

In terms of ensuring the integrity of the survey data collected, the survey link was only available to a respondent based on their council (or alternate email address – for retired elected members). The respondent had an opportunity to review and change their answers before submission. Once the survey was submitted the link was no longer available –

³¹ The cooperation of the President and staff of Local Government NSW in assisting in promoting and disseminating the survey is acknowledged and very much appreciated.

which mitigated the potential for multiple responses to be submitted from the same respondent.

DESKTOP REVIEW OF IDENTIFIED COUNCIL VALUES

To augment the survey data relating to self-selected personal values by respondents, a preliminary desktop review of all NSW council websites was undertaken. The aim was to compare the respondent's view of the council's approach to values led governance against the public messaging to the broader community (via the council website). This was an attempt to elucidate the degree to which councils are publicly identifying a values led organisational culture.

Ethics approval was received from UTS for all elements of this project (refer Appendix 4).

SURVEY QUESTIONS

The survey consisted of 28 questions that collected data on:

- Gender
- Length of service
- Status of respondent (current or retired councillor)
- Views from the respondent as to the level of interest in council from their community
- Priority consideration given by the respondent to various stakeholders when considering a decision on council
- Self-ranking by the respondent of their top four personal values from a set list³²
- Five themed scenarios to test the ethical paradigm used in decision making on common issues that would generally be considered in a term of council
- Self-ranking by the respondent of descriptions of specific ethical paradigms in terms of priority
- Questions as to whether the respondent's council has a values statement; its development and the respondent's familiarity with the values statement
- Questioning the respondent's views in relation to the degree of alignment between their identified personal values and those of the council (if council has a values statement)

³² The list of twelve values provided reflected key values associated with particular ethical paradigms and also included the democratic values applied in Aulich's model for local government reform (see Aulich 1999b in Denters and Rose, 2005: 198)

- Question on the respondent's access to professional training in ethical decision making during their tenure as a councillor
- Question to gauge the level of interest from the respondent in undertaking various forms of training in ethical decision making
- Question in relation to decision making roles on council (to provide insights as to what administrative paradigm the respondent aligns with)³³
- Question on the respondent's familiarity with their council's Code of Conduct
- Question to understand the respondent's views on the workability of the Code of Conduct in operation at their council
- Questions on the culture and tone of debate at the respondent's council
- Question on how the respondent considers his/her input to council meeting is valued by other councillors³⁴
- Questions on whether bullying has been experienced by the respondent³⁵
- Questions on the current reforms to the NSW local government sector

Refer to Appendix 5 for a full copy of the survey.

DESIGN OF THE ETHICAL SCENARIOS

A key component of the survey was the development of five themed ethical scenarios that cover decisions typically made by a councillor during a term of council. The purpose of the scenarios was to test the ethical paradigm that respondents chose for each scenario and see if it related consistently to the ethical paradigm that they identified as reflective of their personal definition of morality.

As has been noted by Tummers and Karsten, it is important that analysis does not unduly influence the interpretation of the data, by trying to 'fit' the data to a predetermined outcome (Heath in Tummers and Karsten, 2012) – or inhibit new thinking because of a reluctance to challenge existing paradigms (Tummers and Karsten, 2012).

However, it is recognised that the design of the responses to the scenarios is set to elicit a response that correlates with a particular ethical paradigm and a particular level of

³³ Note: the alignment of a respondent with a particular administrative paradigm does not necessarily reflect that administrative paradigm as the one that is in operation at the respondent's council. However it does provide an insight as to which administrative paradigm the respondent prefers.

³⁴ This question mirrors the wording in the Influencing Change report (refer Manion and Sumich, 2013) – reproduced in this survey to see if there has been any shift in gendered views in the four years since the Influencing Change social research was undertaken.

³⁵ These two questions mirror the wording in Influencing Change report to enable the same comparison as per footnote 31 (refer Manion and Sumich, 2013).

cognitive moral development (Kohlberg in Crane and Matten; Ferrell et. al, 2015). Table 6 highlights the relationship between core personal considerations and ethical paradigms.

Table 6 Summary of considerations and ethical paradigms

Consideration	Ethical theory
Individual desires or interest	Egoism
Collective welfare	Utilitarianism
Duties to others (or to God)	Deontology
Entitlements of others	Ethics of rights
Fairness	Theories of justice
Moral character	Virtue ethics
Care for others and relationships	Feminist ethics
Process of resolving conflicts	Discourse ethics
Moral impulse and emotions	Postmodern ethics

(Adapted from Ferrell et. al, 2015; Crane and Matten, 2010)

The choices provided for respondents, the associated ethical paradigm and CMD level for each scenario are described below.

Scenario One: Development Application on a long-term vacant site

A Development Application has been received to covert a large vacant lot on the corner of an ageing strip of local shops. The proposal is for a mixed use development including retail shops on the ground floor and four stories of apartments (32 in total) with underground parking for all units and 50 timed paid parking spaces for the retail development.

The vacant lot has been informally used by local residents, commuters and people using the local shops as an unofficial and ‘free’ carpark for several years.

The proposed development is fully compliant with the zoning requirements and all information required of the applicant has been provided. The proposed development is recommended for approval by Council officers.

Several objections have been received from residents and existing shop owners.

What is your immediate consideration in thinking about the proposed development application?

Scenario One	Responses	Ethical Paradigm	Stage of CMD
Development Application	Whether it complies with council's planning requirements	Deontology	Level 2 Conventional,
	Potential contribution of the development to the local economy	Utilitarianism	Stage 4 – Conventional
	Impact on your local political support depending on your decision	Egoism	Stage 2 – Pre Conventional
	The rights of the property owner	Ethics of Rights & Justice	Stage 4 - Conventional
	The objections of the adjacent residents and business operators	Feminist*	Stage 2 – Pre Conventional

*Note: The selection of various ethical paradigms for these responses is inherently subjective. In this option the ethical paradigm selected was Feminist, on the basis that the primary driver for the decision is concern for the relationships of the other actors impacted by the decision (residents and other business operators). However, this response option could have also been represented as enlightened egoism in terms of wanting to represent the views of the objectors (with self-interest as the driving factor).

Scenario Two: Behaviour by councillor towards council staff

A well-known councillor on your council revels in his self-described 'forceful personality' and often speaks to councillors and staff in an abrasive way.

The councillor is strongly supported by a number of councillors and he is often favourably reported in the local media as being someone who 'gets things done'.

At last week's council meeting the councillor was quite intimidating in his interactions with staff and you observe that some appeared visibly upset.

You have got a motion coming up at the next meeting for a youth centre and you need the support of the councillors (including the one with the forceful personality) in order to get it through.

What is the priority you give to the following considerations?

(Note: a rank of 1 indicates your highest priority)

Scenario Two	Responses	Ethical Paradigm	Stage of CMD
Behaviour by councillor towards staff	The staff who were upset and whether you should 'do' something	Feminist	Stage 4 - Conventional
	Potential tactics for getting the councillor on your side to vote for your proposal	Utilitarianism	Stage 1 Pre Conventional
	Nothing at all – everyone knows that sometimes behaviour in the chamber can get a little robust. It is the normal 'cut and thrust' of council debate.	Virtue Ethics	Stage 2 Pre Conventional
	How you could present the arguments for your proposal in a similarly 'robust' way	Egoism	Stage 1 Pre Conventional
	The way councillors communicate with staff and each other during debate at your council	Deontology	Stage 4 Conventional

Scenario Three: Proposed redevelopment of existing council pool

Council staff have identified a one-off opportunity to replace the existing local outdoor swimming pool with a new state of the art indoor Aquatic Centre that would be a high profile tourism opportunity for the community.

Replacing the pool was not identified as an action in the Community Strategic Plan.

Council would retain ownership of the asset and the commercial operator would take over all aspects of the operating and maintenance of the new facility.

Without the commercial partnership the pool upgrade could only be funded via a Special Rate Variation of 15% over the next four years (which would not match the extent of the upgrade being offered by the commercial operator).

Please rank the following considerations in order of the priority you would give them

(Note: a rank of 1 indicates the highest priority)

Scenario Three	Responses	Ethical Paradigm	Stage of CMD
Proposed redevelopment of council pool	Opportunity to build your local profile by supporting the Aquatic Centre	Egoism	Stage 2 Pre Conventional
	The fact that the pool was not identified as a 'need' in the Community Strategic Plan	Deontology	Stage 1 pre Conventional
	Potential economic/ tourism benefits	Virtue Ethics*	Stage 4 Conventional
	Whether council should fund a lower level upgrade of the pool via a Special Rate Variation and keep the pool owned and operated by council?	Feminist	Stage 2 Pre Conventional
	Council should ignore the proposal and keep existing pool operating as is.	Utilitarianism	Stage 1 Pre Conventional

*Note: The selection of various ethical paradigms for these responses is inherently subjective. The ethical paradigm selected for this option was virtue ethics – reflecting the decision makers' development of moral self-awareness of the future net benefits of the proposal – and a personal appreciation of the implicit risks associated with the decision. The selection of utilitarianism was not considered the appropriate ethical paradigm for this response as the future net benefits are not known with certainty.

Scenario Four: General Manager's contract renewal

The General Manager's contract is coming up for its first renewal.

You think the General Manager is competent but you do not have a particularly strong personal rapport with him.

He appears to be well regarded by staff.

You think the General Manager is closer to some of the other councillors than he is to you.

The General Manager has been assessed independently and the report provided to councillors indicates that he has met his key performance indicators and recommends renewal of his existing contract.

Please choose the option that best reflects your primary consideration.

Scenario Four	Responses	Ethical Paradigm	Stage of CMD
General Manager's contract renewal	Potential (adverse) change in staff morale depending on the decision	Feminist	Stage 2 Conventional
	Potential change in Councillor dynamics depending on the decision	Virtue Ethics	Stage 3 Conventional
	Chance to get a new person who might be more supportive of your ideas.	Egoism	Stage 2 Pre Conventional
	Go with the status-quo and renew the existing contract unchanged	Deontology*	Stage 3 Conventional

*Note: The selection of various ethical paradigms for these responses is inherently subjective. This ethical paradigm was selected (rather than utilitarianism) as the decision maker is primarily concerned with following the 'rules' of the process: the GM has been independently assessed as having met his performance indicators. Therefore, irrespective of personal relationships, the renewal of the GM's contract without change reflects compliance with the 'rules'.

Scenario Five: Staff recognition and rewards policy

As a recruitment and retention strategy for junior staff, a staff recognition and rewards policy is proposed that offers an annual one-off financial bonus in recognition of exceptional performance.

Staff members can be nominated for the Reward by their manager.

What is your immediate thought in relation to this proposal?

Please choose the option that best reflects your primary concern.

Scenario Five	Responses	Ethical Paradigm	Stage of CMD
Staff recognition and rewards policy	A competitive process will stimulate all of the staff to work harder	Virtue ethics*	Stage 3 Conventional
	Could this process impact staff morale?	Feminist	Stage 4 Conventional
	Everyone on the staff should have an equal chance of getting the reward	Utilitarianism	Stage 3 Conventional
	Council staff are paid well for their job, the reward incentive is unnecessary	Deontology	Stage 2Pre Conventional
	Should there be something similar for exceptional work by Councillors?	Egoism	Stage 2 Pre Conventional

*Note: The selection of various ethical paradigms for these responses is inherently subjective. Virtue ethics (rather than utilitarianism) is provided as the response option here on the basis that the decision maker self-actualises the personal value of work and recognises that this could occur for staff through this process.

Chapter Five

Chapter Overview

This chapter details the findings identified through the analysis of the survey data. The findings are presented under four subsections:

1. Overview of respondent characteristics: A breakdown of respondents in terms of gender and length of tenure on council. Also included in this section, insights from the respondents on the level of interest by their local community in the decisions making processes occurring at council; key actors that influence their decision making.
2. Consideration of ethical paradigms in decision making: Respondent's self-selected the ethical paradigm that reflected their personal view of morality. Comparison of this response was then applied to the five fictitious scenarios to ascertain whether the self-selected ethical paradigm was consistently applied by the respondent in relation to the various scenarios. In addition to testing for consistency in terms of the ethical paradigm applied, chi squared analysis was used to identify whether there were statistically significant differences between the ethical paradigms adopted by the identified sub-cohorts (gender; and length of tenure on council) (Neuman, 2011).
3. Consideration of personal values: Analysis of the respondent's self-identified personal values and their sense of connection to their council's organisational values (if known). A desktop comparison of NSW council websites was undertaken to assess whether the respondent's perceptions reflected the public position of the council.
4. Consideration of the organisational culture operating at the council: This section sought insights as to the organisational culture of the respondents' council. Issues such as decision making roles; the culture of debate within the council chamber and the efficacy of current governance processes were examined. In this regard, three questions in the survey mirrored the wording of the "Influencing Change" social research project (see Manion and Sumich, 2013) and comparisons made.

Survey Findings

The number of returned completed surveys was 111 (representing just under 10% of current NSW local government councillors).

It should be noted that the survey responses represented a non-random sample of the entire cohort (as completion of the survey was voluntary). As in all non-compulsory surveys the potential for a certain amount of (unavoidable) self-selection bias is recognised.

OVERVIEW OF RESPONDENT CHARACTERISTICS

Gender breakdown

Men	Women
56 (52.8%)	50 (47.2%)

N= 106 (5 respondents did not identify their gender)

The sample size was sufficient enough to include the proposed comparison of the gender sub-cohorts (male, female) against the total study cohort.

Length of council tenure

1-4 years	5-8 years	9-12 years	13-16 years	Over 17 years
40	28	15	12	14

N=109 (2 respondents did not respond)

The sample size of the length of tenure sub-cohorts was sufficient enough to enable comparison against the total study cohort.

Status of local government representative

Current councillor	Retired	Role discontinued on 12 May 2016
67	17	26

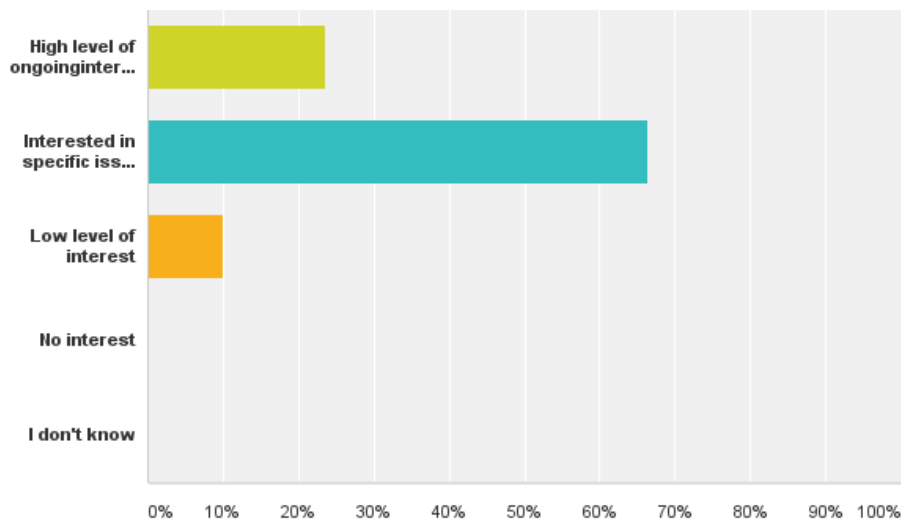
N=110 (2 respondents did not respond)

The survey was offered to all current and retired NSW elected councillors. Approximately 85% of respondents were elected councillors at the beginning of 2016.

Level of interest by the community in decisions made by council

Respondents were asked to indicate their perception on the level of interest in council matters by their local community.

Figure 5 Level of community interest in council decisions



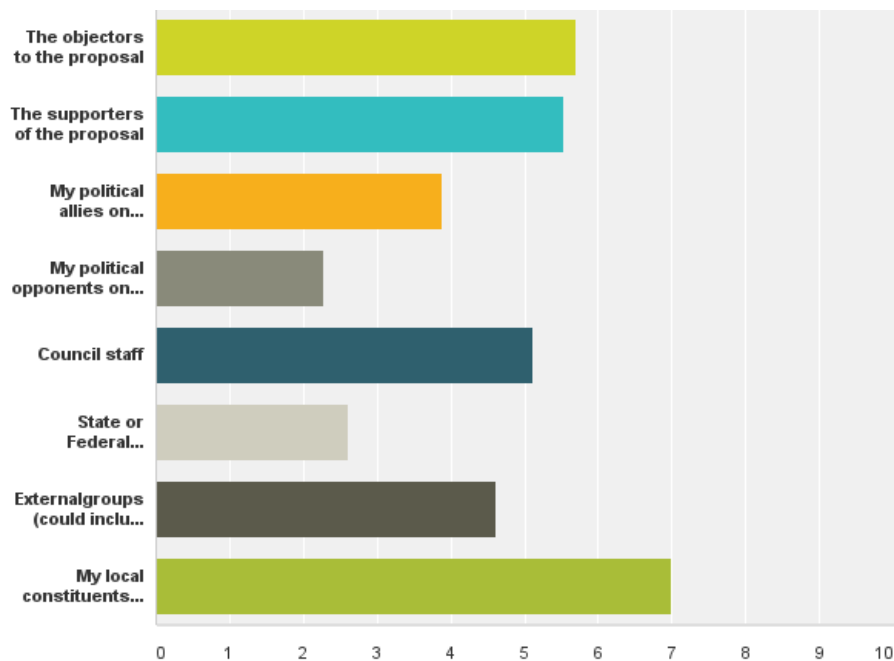
N=110 (1 respondent did not respond)

- 66.36% of respondents indicated that generally their communities were interested in council decision making processes in relation to specific issues.
- 23.64% of respondents indicated that generally their communities had a high level of interest in council decision making processes.
- 10% of respondents indicated their communities generally had a low level of interest in council decision making processes.

Influence of others on elected representatives' decision making processes

Respondents were asked to rank the level of priority given to various actors in terms of their influence on the respondent when considering a council decision. The choices were: supporters of the proposal; objectors to the proposal; allies on council; opponents on council; council staff; State or Federal parliamentarians; other external groups; or local constituents (even if the issue was in an area distant from the local constituents).

Figure 6 Influence of others on councillor decision making



The results soundly demonstrate the famous assertion made by former US Senator Tip O’Neill, “*all politics is local*” (see O’Neill and Hymel, 1994 pp: xii).

The highest level of priority when making a decision was given to the respondents’ local constituents (even if the issue was not local to the constituents (score: 6.99). Interestingly, the level of priority given to either the objectors (5.69) of the proposal or the supporters of the proposal (5.54) was given a higher priority than the advice provided by council staff (5.11).

This finding could mean several things. It could reflect the legitimate role of councillors as being effective conduits to their broader community and, as a consequence, having a greater appreciation of community concerns over a decision than the more technical focus of council staff.

Alternatively, it could mean that councillors are inherently predisposed to protecting their localised political base (irrespective of the issue at hand or the technical advice provided by council staff).

Further, it could signal a level of distrust from the councillors as to the quality or quantity of information being provided by council staff. Councillors are not elected as content experts and rely on council staff for technical and regulatory advice. That this advice has been relegated behind community inputs (local constituents, supporters and objectors of a proposal) is worthy of further exploration.

Another interesting finding is that neither political allies, opponents or State and Federal parliamentarians were identified as having a particularly potent influence on decision making by respondents. This suggests that the level of overt political manipulation in councillor decision making processes may be somewhat overstated.³⁶

CONSIDERATION OF MORALITY

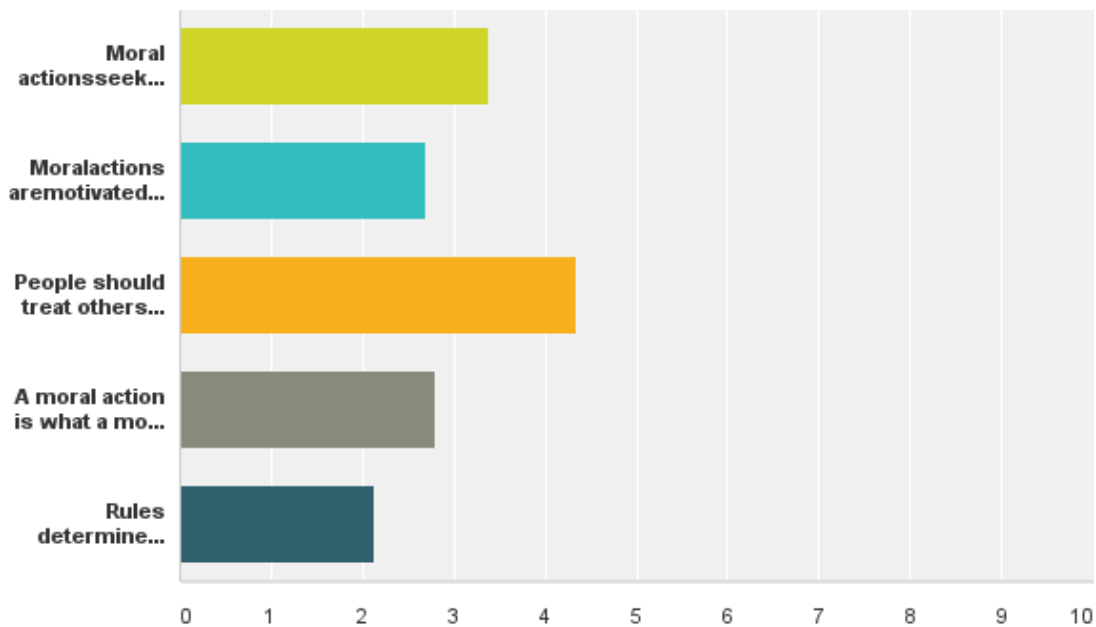
The next component of the survey sought to understand how respondents personally defined ‘morality’ – using specific ethical paradigms to provide a basic definition.

The choices were:

Definition of Morality	Related ethical paradigm
Moral actions seek the ‘greatest good for the greatest number of people’	Utilitarianism
Moral actions are motivated by a sense of duty	Deontology
A moral action is what a moral person decides to do in the relevant circumstances	Virtue ethics
Rules determine whether an action is moral or not	Consequentialism
People should treat others as they would like to be treated themselves	The “Golden Rule”, (core tenet underpinning many forms of religion)

³⁶ It should be noted that political groupings on council (ie: ‘allies’) do not automatically form along partisan lines.

Figure 7 Self-selected definition of morality



The predominant response from respondents indicated closest personal alignment with the “Golden Rule” – that people should treat others the way they would like to be treated themselves.

The next closest ethical paradigm identified by respondents was Utilitarianism, ‘the greatest good for the greatest number of people’.

Neither of these responses are surprising, given that the “Golden Rule” is broadly applied in many religious faiths and census data indicates that although religious affiliation within Australia has decreased over the last 50 years, there are still approximately 60% of Australians that identify as following a religion (see ABS, 2012).

An explanation for the affiliation with Utilitarianism could be specific to this study cohort, where councillors are legislatively required to make decisions on behalf of their entire community (NSW Local Government Act, 1993; OLG, 2015).

CONSIDERATION OF ETHICAL PARADIGMS IN DECISION MAKING

The respondents were then asked to make decisions in relation to five fictional ethical paradigms that reflect common decisions that would normally occur during a term of council. Each of the choices available to the respondent reflected a particular ethical paradigm (and level of cognitive moral development). The purpose of the scenarios was to test to see if there was general consistency in terms of the “Golden Rule” or Utilitarianism influencing the decisions taken.

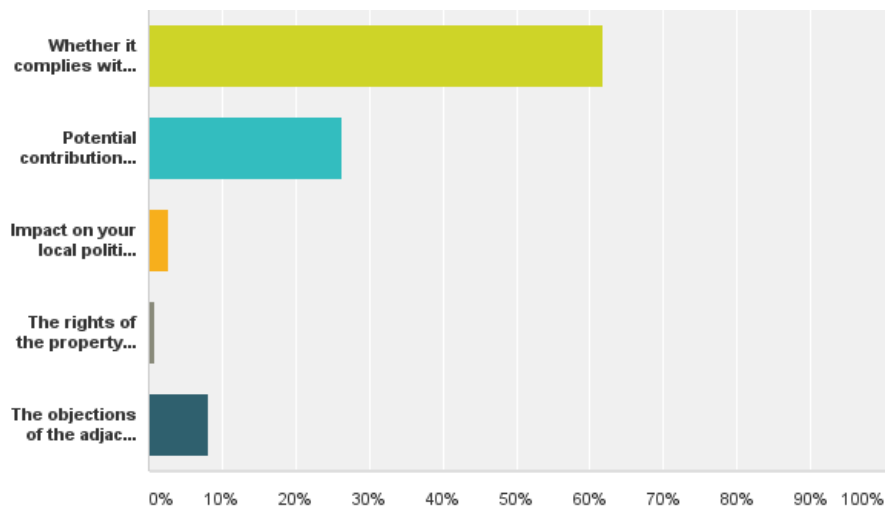
Scenario 1: Development Application

Scenario 1 involved a locally contentious development application (although the development application fully complied with planning requirements).

Respondents were asked to indicate their primary consideration in relation to the development application. The available choices for respondents were:

Development Application	Related ethical paradigm
Whether it complies with council’s planning requirements	Deontology
Potential contribution of the development to the local economy	Utilitarianism
Impact on your local political support depending on your decision	Egoism
The rights of the property owner	Ethics of rights and justice
The objections of the adjacent residents and business operators	Feminist ethics (Ethics of Care)

Figure 8 Results for Scenario 1



N=110 (1 respondent did not provide a response)

The overwhelming response from the respondents was to make a decision based on whether the development application complied (68%).

This response was identified as a deontological ethical paradigm (duty to act), coupled with a CMD rating of Stage 2 (conventional), Level 3 – where the consideration extends to a broader social accord (rather than the influence of immediate peers (Crane and Matten, 2010: pp154).

The potential contribution of the proposed development to the local economy of the council area (a utilitarianism approach “greatest good for the greatest number of people”) was the second strongest response (29%).

These results are interesting as the universally compassionate focus of the “Golden Rule” has been comprehensively displaced by a rule-based “duty to act” ethical paradigm.

One might suggest that moral consistency with the “Golden Rule” would have resulted in the ‘rights’ of the property owner being the dominant consideration for respondents – as the development complied fully with the planning regulations. This could suggest that the regulatory environment of council in relation to Development Applications moves respondents to more of a compliance based mindset.

Utilitarianism held in terms of it being consistently favoured as the second dominant response – with respondents recognizing the potential net benefits associated with the economic opportunities of the proposed development.

Scenario 1: sub-cohort comparisons with total study cohort

The sub-cohorts (gender and length of tenure) were compared with the overall study cohort (see tables below). There was no statistically significant difference between the tested sub-cohorts which reiterates the dominance of the rule based ethical paradigm in determining matters of a regulatory nature (refer Appendix 6 for full statistical analysis).

Scenario 1: Development Application – Gendered response compared with total study cohort

Response	Men	Women	TOTALS
1	29 (54.7%)	34 (68%)	63
2	19 (35.8%)	9 (18%)	28
3	2 (3.8%)	1 (2%)	3
4	0	0	0
5	3 (5.7%)	6 (12%)	9
TOTALS	53	50	103

Pearson $\chi^2 = 5.2186$ Pr = 0.156

(no statistical significance between sub-cohort and total cohort)

Scenario 1: Development Application – Length of tenure sub-cohort

Response	1-4 yrs	5-8 yrs	9-12 yrs	13-16 yrs	Over17 yrs	TOTALS
1	19 (50%)	18 (64.3%)	12 (80%)	8 (66.7%)	8	65
2	14 (36.8%)	7 (25%)	2 (13.3%)	2 (16.7%)	4	29
3	0	1 (3.6%)	1 (6.7%)	1 (8.3%)	0	3
4	1 (2.6%)	0	0	0	0	1
5	4 (10.6%)	2 (7.1%)	0	1 (8.3%)	2	9
TOTALS	38	28	15	12	14	107

Pearson $\chi^2 = 12.2444$ Pr = 0.727

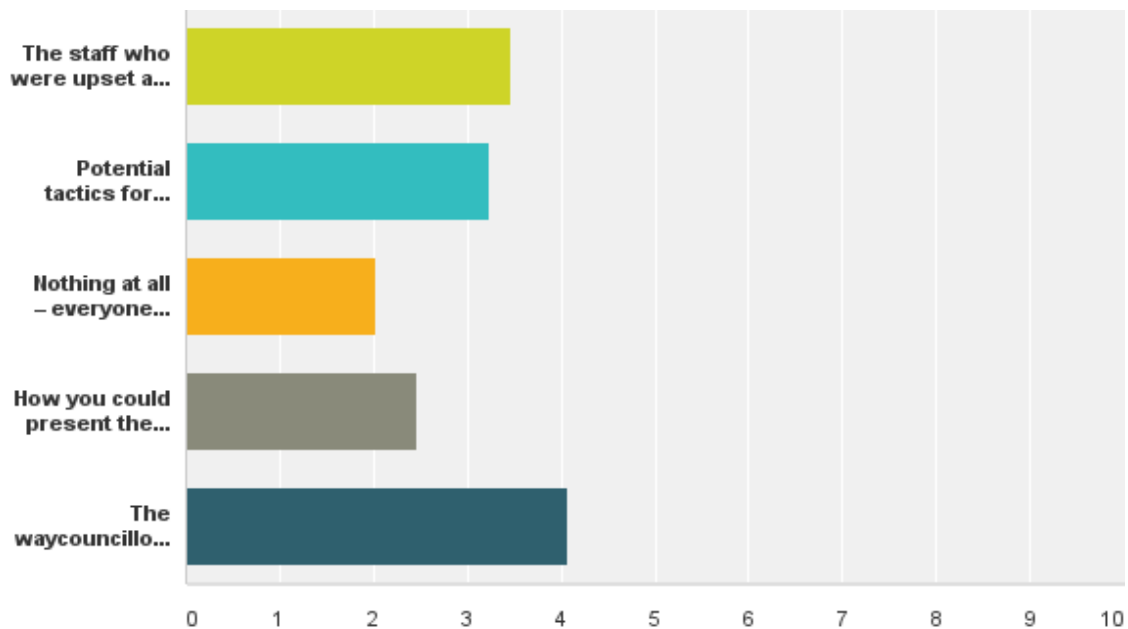
(no statistical significance between sub-cohort and total cohort)

Scenario 2: Behaviour of a councillor towards council staff

Respondents were asked to prioritise their thinking after witnessing an abrasive interaction between a councillor and staff at a council meeting (and needing that councillor’s support for an upcoming vote). The available options were:

Councillor behavior	Related ethical paradigm
The staff who were upset and whether you should ‘do’ something	Feminist (ethics of care)
Potential tactics for getting the councillor on your side to vote for your proposal	Utilitarianism
Nothing at all – everyone knows that sometimes behaviour in the chamber can get a little robust. It is the normal ‘cut and thrust’ of council debate.	Virtue Ethics
How you could present the arguments for your proposal in a similarly ‘robust’ way	Egoism
The way councillors communicate with staff and each other during debate at your council	Deontology

Figure 9 Results for Scenario 2



‘The way that councillors communicate with each other and staff’ was the most common response selected by respondents (score: 4.07) which again, reflects a deontological ethical framework (coupled with a level 2, stage 4 conventional CMD).

Once again, adherence to the “Golden Rule” as the self-selected definition for moral behaviour has been displaced by a rule-based (“duty to act”) ethical paradigm.

The selection of this response could have been influenced by respondent’s thinking about the need for councillors to comply with the Council’s Code of Meeting Conduct - or indeed, comply with their council’s Code of Conduct itself. Therefore it is possible that thinking about compliance with council’s governance framework has resonated more strongly than thoughts of ‘treating others as you would like to be treated yourself’.

The second highest ethical paradigm selected was a feminist ethical viewpoint (Level 2 stage 4 conventional CMD) “the staff who were upset and whether you should ‘do’ something (score: 3.47), which accords most closely to the Golden Rule.

Scenario 2: sub-cohort comparisons with total study cohort

The sub-cohorts (gender and length of tenure) were compared with the overall study cohort (see tables below). There was no statistical significance between the total study cohort or either of the tested sub-cohorts (refer Appendix 6 for full statistical analysis).

This result would seem to dispel the common perception that women are more pre-disposed towards feminist ethics – i.e. that women ‘care more’ or are ‘more ethical’ than their male peers.

However the academic research on the relationship between gender and ethics is mixed and further exploration of this area would be required before a definitive conclusion could be drawn (see Crane and Matten, 2010 pp: 150).

Scenario 2: Councillor behaviour – gendered sub-cohort

Response	Men	Women	TOTALS
1	11 (20.8%)	12 (25%)	23
2	13 (24.5%)	9 (18.8%)	22
3	5 (9.4%)	1 (2.1%)	6
4	8 (15.1%)	4 (8.3%)	12
5	16 (30.2%)	22 (45.8%)	38
TOTALS	53	48	101

Pearson $\chi^2 = 5.4840$ Pr = 0.241

(no statistical significance between sub-cohort and total cohort)

Scenario 2: Councillor behaviour – length of tenure sub-cohort

Response	1-4 yrs	5-8 yrs	9-12 yrs	13-16 yrs	Over17 yrs	TOTALS
1	6 (15.8%)	9 (33.3%)	1 (3.7%)	5 (35.7%)	2 (16.7%)	23
2	10 (26.3%)	4 (10.5%)	3 (11.1%)	3 (21.4%)	1 (8.3%)	21
3	0	1 (2.6%)	1 (3.7%)	1 (7.1%)	3 (25%)	6
4	6 (15.8%)	3 (11.1%)	2 (14.3%)	1 (8.3%)	1 (7.1%)	13
5	16 (42.1%)	10 (37%)	7 (50%)	2 (16.7%)	7 (50%)	42
TOTALS	38	27	14	12	14	105

Pearson $\chi^2 = 20.5472$ Pr = 0.197

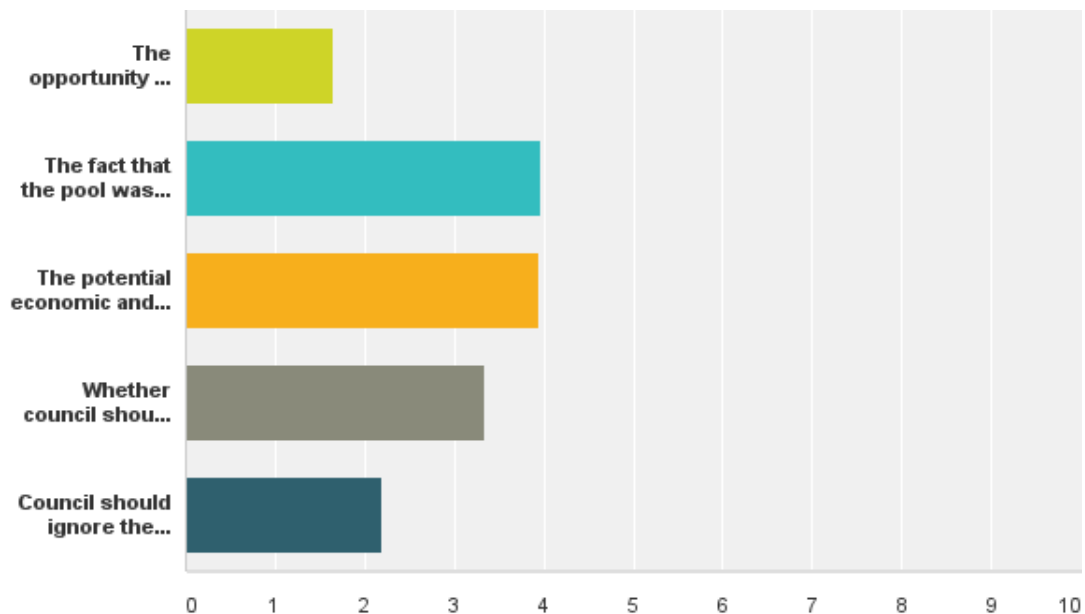
(no statistical significance between sub-cohort and total cohort)

Scenario 3: Redevelopment of the local pool

Respondents were asked to rank in level of priority their thinking in relation to the scenario on the potential redevelopment of the local swimming pool – if done as a joint venture with a commercial partner. Note: this scenario was a hypothetical situation proposed to councillors by staff, there was not a development application before them.

Redevelopment of the local pool	Related ethical paradigm
The opportunity to build your local profile by championing the Aquatic Centre	Egoism
The fact that the pool was not identified as a 'need' in the Community Strategic Plan	Deontology
The potential economic and tourism benefits	Virtue ethics
Whether council should fund a lower level upgrade of the pool via a Special Rate Variation and keep the pool owned and operated by council?	Feminist
Council should ignore the proposal and keep the existing pool operating as it is.	Utilitarianism

Figure 10 Results of Scenario 3



The scores indicated that the adherence of the Council to the identified priorities in the Community Strategic Plan was (marginally) the priority consideration by respondents (score = 3.96). This indicates a deontological ethical paradigm (moral duty to act for others) with a pre-conventional level of CMD – which might indicate a predisposition to follow the rules because of the consequences (in this case, the potential anger of the

community) if the priorities of the Community Strategic Plan are not reflected in the decision taken.

However, interestingly, the second strongest response (score = 3.94) was consideration of the broader long term economic and social benefits that may result as a consequence of taking the opportunity to redevelop the pool – even though it was not identified as a priority by the community.

This would suggest a virtue ethics frame of thinking with a conventional level of CMD – ie: that the councillor is making a moral decision not based on ‘rules’ (ie: strict compliance with the priorities of the Community Strategic Plan) but based on moral imagination (prudential leadership) which considers the circumstances at hand, acknowledges the potential ‘risks’ against the benefits for the broader social accord (Crane and Matten, 2010; Uhr, 2005).

This third scenario again reveals that whilst respondents may have a view about how they personally define morality (i.e.: adherence to the Golden Rule), their decision making on council is more focused on duty based ethical paradigms. This suggests that ethical paradigms are being displaced by concerns about complying with the ‘rules’ of council (in this case, the identified list of priorities in the Community Strategic Plan).

Scenario 3: sub-cohort comparisons with total study cohort

The sub-cohorts (gender and length of tenure) were compared with the overall study cohort (see tables below). There was no statistically significant difference between the tested sub-cohorts (refer Appendix 6 for full statistical analysis). This again suggests that the duty based focus for respondents has not been influenced by gender or the length of the respondent’s local government career.

Table 7 Scenario 3 - Gendered sub-cohort

Response	Men	Women	TOTALS
1	3 (5.7%)	1 (2%)	4
2	15 (28.3%)	22 (44%)	37
3	25 (47.2%)	20 (40%)	45
4	7 (13.2%)	6 (12%)	13
5	3 (5.7%)	1 (2%)	4
TOTALS	53	50	103

Pearson $\chi^2 = 3.8727$ Pr = 0.424

(no statistical significance between sub-cohort and total cohort)

Table 8 Scenario 3 - Length of tenure sub-cohort

Response	1-4 yrs	5-8 yrs	9-12 yrs	13-16 yrs	Over17 yrs	TOTALS
1	2 (5.3%)	1 (3.6%)	1 (6.7%)	0	0	4
2	10 (26.3%)	8 (28.6%)	6 (40%)	5 (41.7%)	8 (57.1%)	37
3	21 (55.3%)	11 (39.3%)	7 (46.7%)	5 (41.7%)	3 (21.4%)	47
4	4 (10.5%)	7 (25%)	1 (6.7%)	0	3 (21.4%)	15
5	1 (2.6%)	1 (3.6%)	0	2 (16.7%)	0	4
TOTALS	38	28	15	12	14	107

Pearson $\chi^2 = 19.9862$ Pr = 0.221

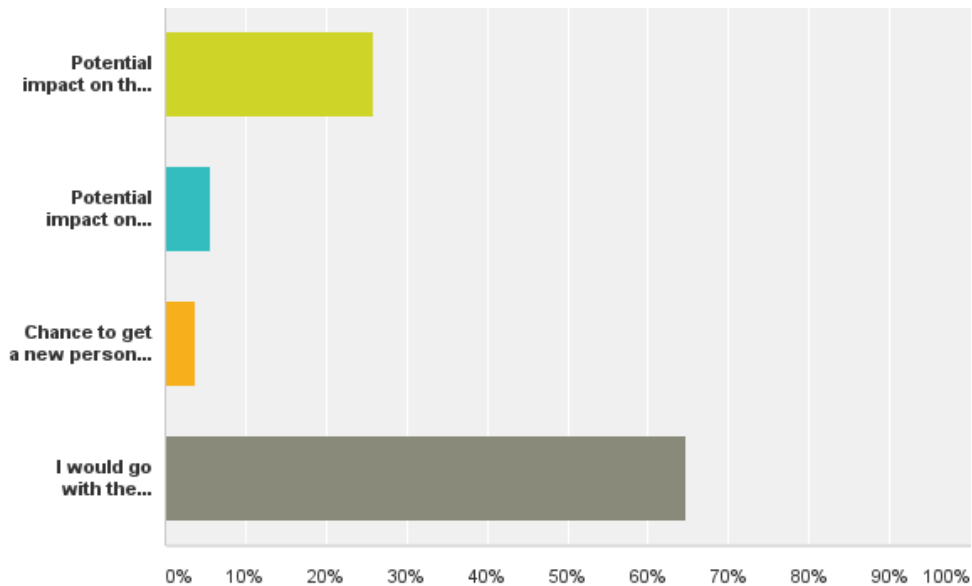
(no statistical significance between sub-cohort and total cohort)

Scenario 4 – Renewal of the General Manager’s contract

Scenario 4 concerned the renewal of the General Manager’s contract. The scenario construct was that the General Manager did not have a close personal rapport with the respondent but was well regarded by staff and had met all of his performance indicators.

Renewal of the General Manager’s contract	Related ethical paradigm
Potential (adverse) change in staff morale depending on the decision	Feminist
Potential change in councillor dynamics depending on the decision	Virtue Ethics
Chance to get a new person who might be more supportive of your ideas.	Egoism
I would go with the status-quo and renew the existing contract unchanged	Deontology

Figure 11 Results for Scenario 4



N=108 (three respondents did not make a response)

The majority of the respondents selected a deontological response (go with the status-quo and renew the contract unchanged) coupled with a conventional level of CMD. This suggests that there was recognition by the respondents in terms of the process that needed to be followed in evaluating the General Manager’s performance and consideration of the broader social accords by the decision maker.

The second highest response was a feminist ethical framework with a conventional CMD level. This would suggest that those respondents prioritized the internal health of the council (in terms of staff morale) over strict adherence to the formal process (as well as considering the broader social implications associated with the decision).

Scenario 4 Gendered sub-cohort

Response	Male	Female	TOTALS
1	37 (71.2%)	37 (74%)	74
2	4 (7.7%)	2 (4%)	6
3	8 (15.4%)	10 (20%)	18
4	3 (5.8%)	1 (2%)	4
TOTALS	52	50	102

Pearson $\chi^2 = 1.8504$ Pr = 0.604

(no statistical significance between sub-cohort and total cohort)

Scenario 4 Length of tenure sub-cohort

Response	1-4 yrs	5-8 yrs	9-12 yrs	13-16 yrs	Over17 yrs	TOTALS
1	29 (78.4%)	25 (89.3%)	8 (53.3%)	5 (45.5%)	10 (71.4%)	77
2	2 (5.4%)	0 (0%)	0 (0%)	3 (27.3%)	1 (7.1%)	6
3	5 (13.5%)	3 (10.7%)	5 (33.3%)	3 (27.3%)	2 (14.3%)	18
4	1 (2.7%)	0 (0%)	2 (13.3%)	0 (0%)	1 (7.1%)	4
TOTALS	37	28	15	11	14	105

Pearson $\chi^2 = 24.1136$ Pr = 0.020

Statistical significance was observed between the length of tenure sub-cohort and total cohort.

Once again there was no statistical significance observed in terms of the gendered cohort, which would suggest that both men and women are capable of adopting a feminist ethical framework when making decisions.

The statistically significant result for the length of tenure cohort was interesting. Going with the 'status quo' was the highest response for all length of tenure sub-cohorts however this could be due to a number of different reasons:

The proportion of respondents who selected the 'status quo' and identified as being on council between 1-4 years was 78%. This sub-cohort may not yet have encountered the circumstance of a general manager's contract being renewed in their local government career. This may have influenced their decision to follow the process (or rules).

The proportion of councillors in the 5-8 year sub-cohort who selected 'status-quo' was even higher, 89%. This grouping is likely to have experienced working with a General Manager over a term of council and, notwithstanding the scenario's stated 'lack of personal rapport', the respondents may have formed a view as to the individual's level of competence – which perhaps was also influenced by the stated strong rapport with staff.

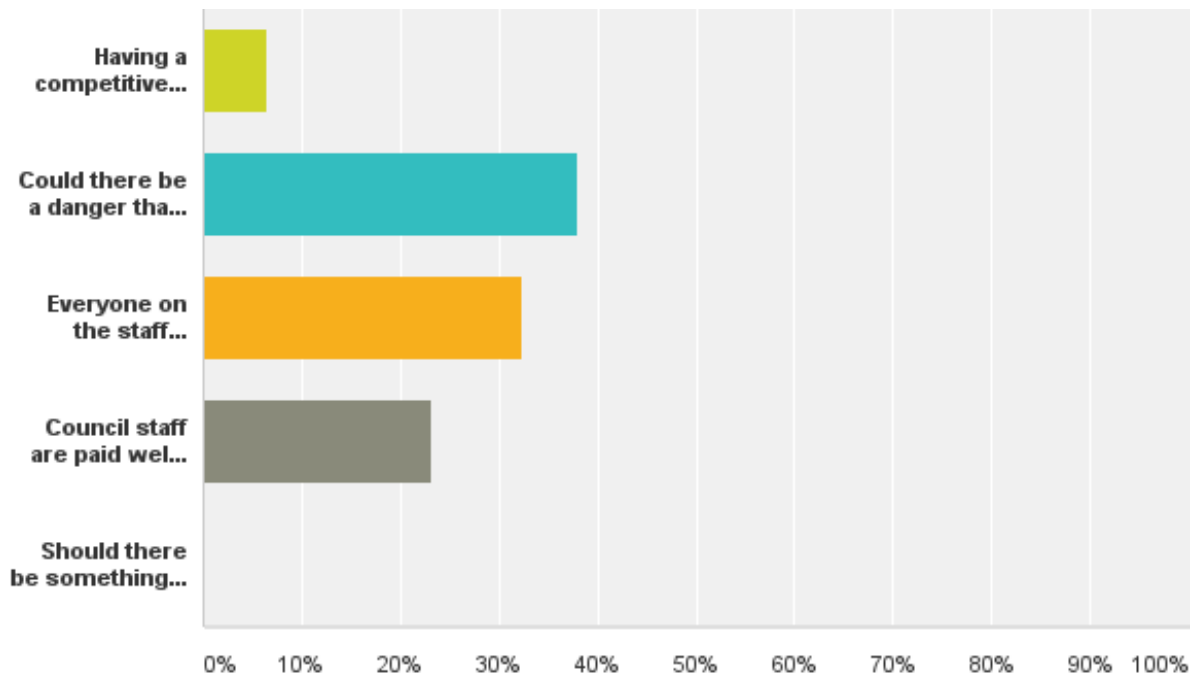
Councillors in the 9-12 year and 13-16 year sub-cohorts exhibited more diversity in the decision they selected. Although, as for other sub-cohorts, the 'status quo' was the dominant response, approximately 1/3 of the respondents in each of these sub-cohorts selected the feminist ethic as being the most dominant influence on their decision. The selection of this response by councillors (in their third or fourth term of office) could reflect the reality of personal relationships and connections with council staff being formed over that time. As such, ensuring staff morale was not adversely impacted was the driver for their decision.

The proportion of respondents with 17+ years on council who selected 'status-quo' was 71% which could suggest that, having seen at least three General Managers' contracts come up for renewal over their tenure on council their primary concern is ensuring appropriate rigour in the process. The lack of personal rapport with the General Manager is less likely to influence the decision taken by this sub-cohort as they have been publicly re-elected to council on five occasions and therefore are likely to feel quite secure in their position and their role as a councillor.

Scenario 5: Staff rewards and recognition program

This scenario proposed the introduction of a rewards and recognition program for staff as a recruitment and retention strategy. Respondents were asked to identify their primary consideration when making this decision.

Figure 12 Results for Scenario 5



The responses to Scenario 5 were mixed for three of the five options presented.

The dominant response selected was a feminist ethical approach with a conventional CMD (37.9%) – which indicated the focus was on the internal health of the council and concern for staff.

The second highest response was framed in a utilitarianism approach (32.4% of respondents) which indicated that the idea of a staff recognition and rewards program needed to ensure that all staff had an equal chance of obtaining the reward.

The third highest response reflected a deontological approach (23%) – suggesting that the ‘rules’ associated with the staff salaries were sufficient and the rewards program was unnecessary.

The Virtue ethics option was selected by 8.7% of respondents and no respondents selected Egoism with a pre-conventional CMD level.

Scenario 5 – Gendered sub-cohort

Response	Male	Female	TOTALS
1	4 (7.5%)	5 (10%)	9
2	17 (32.1%)	22 (44%)	39
3	14 (26.4%)	17 (34%)	31
4	18 (34%)	6 (12%)	24
5	0	0	0
TOTALS	53	50	103

Pearson $\chi^2 = 6.9610$ Pr = 0.073

No statistical significance observed with the gendered sub-cohort (as 0.05 is taken as the level at which statistical significance is reportable).

Scenario 5: Length of tenure sub-cohort

Response	1-4 yrs	5-8 yrs	9-12 yrs	13-16 yrs	Over17 yrs	TOTALS
1	3 (7.9%)	2 (7.1%)	0	4 (33.3%)	0	9
2	16 (42.1%)	7 (25%)	5 (33.3%)	3 (25%)	8 (57.1%)	39
3	10 (26.3%)	11 (39.3%)	8 (53.3%)	3 (25%)	2 (14.3%)	34
4	9 (23.7%)	8 (28.6%)	2 (13.3%)	2 (16.7%)	4 (28.6%)	25
5	0	0	0	0	0	0
TOTALS	38	28	15	12	14	107

Pearson $\chi^2 = 20.7568$ Pr = 0.054

Statistical significance observed between the length of tenure sub-cohort and total cohort

It is difficult to interpret why the length of tenure sub-cohort decisions were statistically significant. Respondents with 17+ years on council were most influenced by the feminist ethical viewpoint of ensuring that the process did not create morale problems within the council staff. This may again indicate the personal connections between councillors and staff members that occur as a consequence of their length of association.

The deontological framework (that staff are paid well enough already) received a relatively high proportion of respondents from the subcohort groups: 1-4; 5-8 and 17+

This could be due to councillors at varying stages of their council career developing a view about the efficiency and effectiveness of staff relative to their existing salary structures.

The virtue ethics option was not selected by many respondents and this is interesting as this option most closely reflected the kind of entrepreneurial activity that results in the creation of public value (see Grant and O'Flynn, 2011). This may suggest that respondents are more aligned with an NPM/bureaucratic administrative paradigm than a local governance approach (which encourages co-creation of public value).

SUMMARY OF THE ETHICAL SCENARIO FINDINGS

The five scenarios demonstrated that whilst the respondents predominately self-selected the “Golden Rule” as their definition for morality, their decision making in relation to council matters was more consistent with a deontological (rule-based) ethical framework. The ethics of care (feminism) was the second most common ethical paradigm prioritized by respondents.

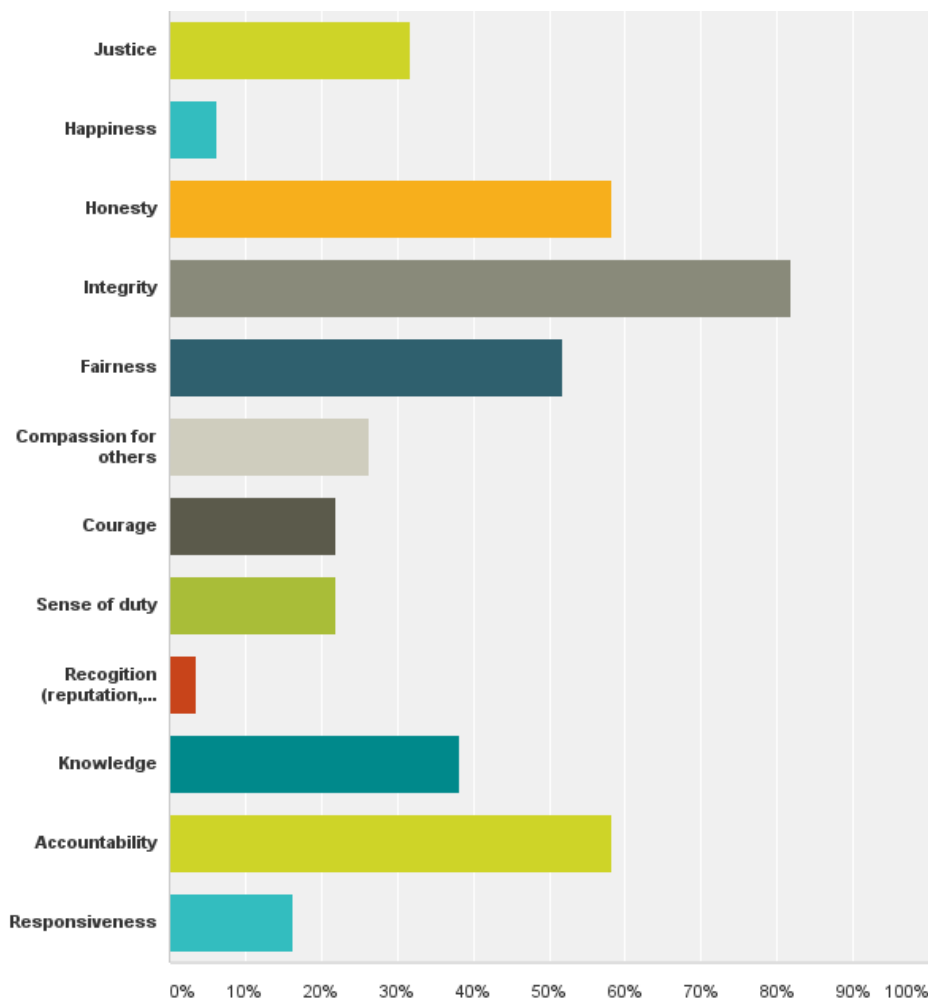
This would suggest that the older administrative paradigms of NPM/bureaucratic are exerting a situational influence on the decision making processes by councillors (which is consistent with Crane and Matten's model for ethical decision making (see Crane and Matten, 2010)).

These findings suggest that the preferred theoretical administrative paradigm (local governance) is further away from being realized in an operational sense.

Understanding personal values

Testing respondent's views on personal values and their familiarity with values in an organisational context (i.e. at their council) was another key component of the survey. The intent was to understand the extent to which councillors identify with value led governance.

Figure 13 Self-identification of core personal values



All respondents were asked to select four personal values from the list of 12 options provided. Each of the values listed related to specific ethical paradigms.

The highest values selected by respondents included:

- Integrity (81.82%)
- Honesty (58.18%)
- Accountability (58.18%)
- Fairness (51.82%)

Over 75% of respondents indicated that their council had a specific Values Statement and 60% of respondents indicated that the development of the council Values Statement was a collaborative exercise involving both councillors and staff.

Approximately 69% of respondents indicated they were either 'familiar' or 'very familiar' with their council's Values Statement and 44% of respondents indicated that the council's Values Statement had been discussed with them as part of their Councillor Induction process.

The survey results revealed that approximately 50% of respondents indicated that there was strong alignment between their personal values and those of their council. A further 32% indicated there was some alignment in the values of the council and their personal values.

Of course, whilst it would seem logical that aligning personal and organisational values would provide mutual and positive reinforcement, there is no clarity as to whether this alignment has any impact on ethical decision making (Crane and Matten, 2010; Uhr, 2005).

Comparison with council identified values statements

A basic review of all NSW council websites was undertaken to understand to what extent council values statements are an overt feature of council's messaging to its local community.

The findings of the website review were interesting given the high level of recognition (69%) by respondents in response to the questions regarding their council's organisational values.

For instance, over 75% of respondents said that their council had a values statement and 60% indicated they were involved in the development of the values statement with council staff. However, the majority of council websites reviewed did not have an organisational values statement of the council visible on the front page of the website.

If there was not an obvious council values statement on the website, the Community Strategic Plan (CSP) was reviewed to see if it included a values statement.³⁷

The desktop review revealed the structure of many of the CSP's appeared to follow quite a similar format. Most of them contained a values statement however the depth to which values were considered differed.

Most of the CSPs reviewed had an overarching vision statement and identified core values for the delivery of the CSP. Some councils merely adopted the required commitment to consider the issues of 'equity'; 'access'; 'rights' and 'participation'. Many of the values in the CSP were operationally focussed rather than personally framed (common descriptors included: innovative; sustainable; achievements; sense of community; working together).

However other councils went deeper and had a specific organisational values statement as well as detailed shared values that were jointly developed between the community, councillors and council staff for the Community Strategic Plan.³⁸

Another interesting finding was the difference in the location of the CSP on the website. Whilst some councils had the CSP on the front page, for most, the CSP was located several layers into the website.

A number of councils located their integrated planning and reporting (IP&R) processes under a generic 'publications' menu – or under 'corporate services' with a further layer titled 'IP&R' and then 'CSP'. Unless a person searching for the CSP was familiar with the local government acronyms IP&R or CSP, then it is unlikely they would locate the CSP easily. In addition, a number of the CSP's were very large PDF files and proved challenging to easily download (and print) from the council website.

The IP&R framework is proposed to be the centre of the new local government act (see OLG, 2016). Given the CSP is supposed to be a co-created product of the community and council it was surprising that in many cases it was so difficult to find.

This suggests that the dominant administrative paradigm in operation at the council is more aligned with bureaucratic/NPM than local governance – as it is reasonable to expect that the CSP would be easily visible and accessible if it were truly driving the priorities of council.

³⁷ It is possible that respondents to the survey did not distinguish between an organisational values statement of the council and the identified 'values' contained within the Community Strategic Plan (CSP).

³⁸ Blayney Council had a strong organisational values statement as well as personal values embedded in their shared values for the delivery of the Community Strategic Plan.

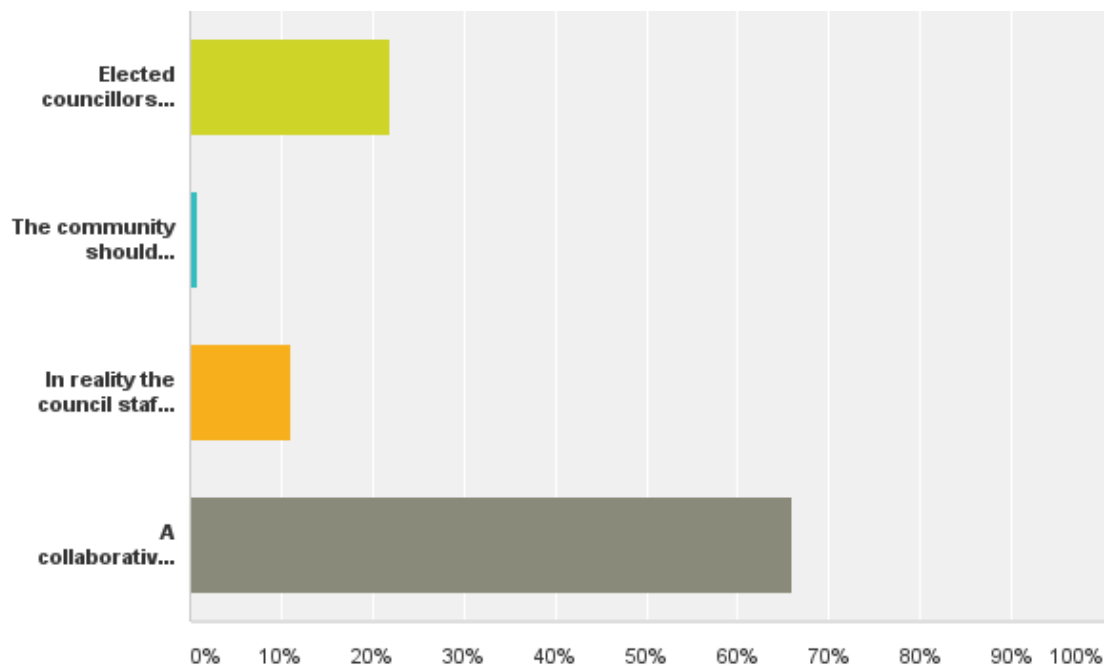
Consideration of the council's organisational culture

This component of the survey focused on respondent's perceptions as to the organizational culture of their respective councils.

The survey questions sought to understand respondent's views on decision making roles at council; governance processes at their council; peer relationships with other councillors on council; and their level of interest in accessing further professional development opportunities specifically focused on ethical decision making.

DECISION MAKING ROLES

Figure 14 Results for the question: Who is best to make decisions on behalf of the community?



- 66% of respondents favoured a collaborative decision making role – in partnership with council staff.
- 22% considered that only elected representatives should make decisions on behalf of the community
- 11% indicated that in reality the staff made most of the decisions on council
- 1% thought that the community should determine the decisions on council

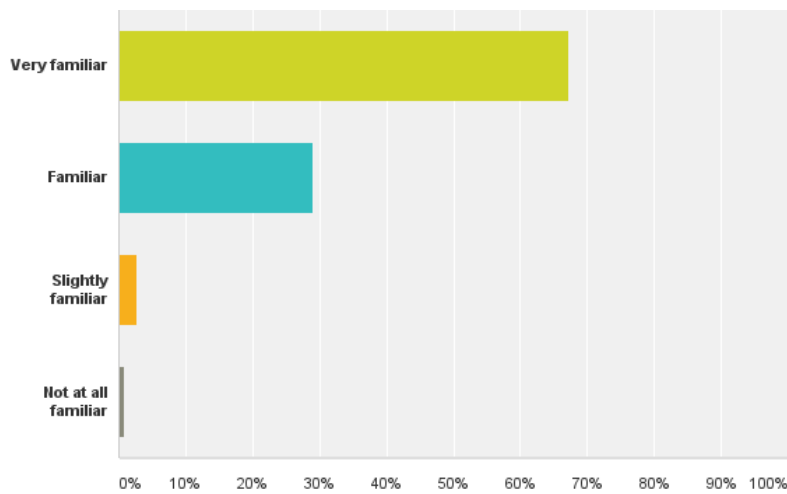
This result would appear to indicate that the elected representatives have a genuinely collaborative mindset when it comes to making decisions on behalf of the community.

This would appear to indicate, that notwithstanding the administrative paradigm of the council likely being more NPM/bureaucratic than a local governance model, there is a willingness by councillors for greater collaboration with council staff.

GOVERNANCE PROCESSES

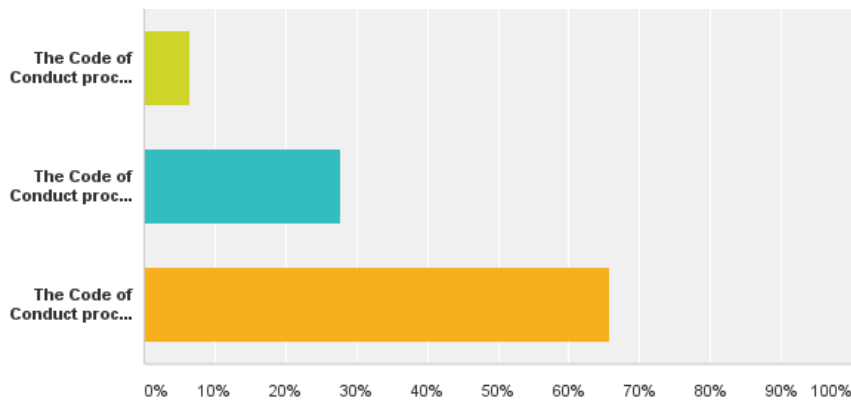
Respondents were asked to indicate their level of familiarity with their council's Code of Conduct.

Figure 15 Familiarity with Code of Conduct processes



When asked, how well the Code of Conduct processes worked at their council the results were more diverse.

Figure 16 How well does the Code of Conduct process work at your council?



- 6% of respondents indicated that the Code of Conduct was not used at their council because there were no complaints
- 66% indicated that the Code of Conduct worked well when it needed to be applied
- 28% indicated that the Code of Conduct process was complex, time-consuming and expensive.

That nearly 1/3 of respondents expressed concern about the Code of Conduct processes at Council represents a sizeable proportion of respondents. It could suggest that some elected members are seeking other (less compliance based) mechanisms for resolving governance issues or conflict at council.

CULTURE OF DEBATE AT COUNCIL

Respondents were asked to indicate their perceptions on the culture at their council. In response to the statement, “the culture of tone and debate at my council is respectful and orderly at all times”, respondents gave mixed views:

- 44% agreed or strongly agreed
- 37% disagreed or strongly disagreed
- 19% did not offer an opinion one way or the other

This result would appear to indicate that there are existing challenges in terms of the culture, orderliness and levels of respect during debate at council meetings. It is interesting to note that the response to the previous question regarding the application of the Code of Conduct had a majority (66%) indicating it ‘worked well when it needed to be applied. This result would appear to suggest that there is an under-reporting of Code of Conduct matters relating to cultural issues and behaviours occurring at council meetings.

The next three questions in the survey reflected the wording of questions contained in a 2012 social research study, “Influencing Change” (see Manion and Sumich, 2013). The intent of re-asking these questions was to see if there were any observable changes (for men and women) over the last four years relation to:

- Feeling that their contribution to council was valued.
- The extent to which bullying behavior occurred at council meetings.
- Whether or not respondent’s felt that bullying behavior (when identified) was effectively managed.

Table 9 Comparison of 2012 and 2016 results in relation to council culture

Survey Question	2012 survey response	2016 survey response	2012 survey response	2016 survey response
	Women	Women	Men	Men
Sometimes I feel bullied by other councillors during meetings	25% agreed	50% agreed	7.5% agreed	27% agreed
Any harassment or bullying is effectively managed	22% disagreed	46% disagreed	13% disagreed	27% disagreed
I often feel that my input is not valued by other councillors	27% agreed	56% agreed	13% agreed	25% agreed

The proportion of respondents that feel bullied, are dissatisfied with the way bullying at council is addressed and feel that their input on council is not valued has effectively doubled (for both men and women) over the last four years.

Statistical significance not observed in the length of tenure sub-cohort for any of the three questions however it was observed in the gendered sub-cohort for two of the three questions:

- Feel Bullied: Pearson $\chi^2 = 9.5059$ Pr = 0.05
- Input not valued: Pearson $\chi^2 = 13.8801$ Pr = 0.008

This would suggest a significant challenge for the NSW local government sector. There is a clear need to direct attention towards improving the culture within the council environment – with specific focus needed on how councillors interact with each other during council debate.

ACCESS TO TRAINING IN ETHICAL DECISION MAKING

Approximately 31% of respondents indicated they had accessed some form of ethical training during their role as a councillor. However 33% of respondents indicated they had not accessed any ethical training in either their council role or their external professional role to council.

Approximately 60% of respondents indicated a desire to access training in ethical decision making – either formal training/short course or via a council organised workshop.

The survey results would appear to indicate a clear appetite by elected representatives for further support in the form of ongoing professional development in ethical decision making.

Chapter Six

Chapter Overview

This concluding chapter considers the findings of the investigation in the context of how the local government sector can move towards local governance as an administrative paradigm. As has been explored in previous chapters, the concept of establishing (or re-establishing) a solid foundation of public ‘trust’ in elected representatives – between council staff and the broader community) is pivotal.

The findings from the investigation have provided valuable insights into the culture operating in NSW local government.

Suggested recommendations for improved governance and leadership are proposed. In addition, a useful tool for elected local government members is provided.

Conclusion

The NSW Audit Office’s 2012 review of the NSW Office of Local Government (OLG³⁹), highlighted a need for strengthened legislative powers to support the OLG in enforcing compliance of elected representatives with mandatory Council’s Code of Conduct and strengthening the sanctioning powers available to the OLG (NSW Audit Office, 2012).

However UK local government research (see Macaulay and Lawton, 2006) challenges this strongly weighted compliance based approach to governance. They ask: *‘to what extent do public both elected and appointed simply process moral standards?...To what extent is ethics perceived as the application of a legalistic code or is it actually concerned with developing moral judgement in individuals’* (Macaulay and Lawton, 2006:702).

Uhr also highlights the need for more than just a compliance driven approach to governance:

“Public integrity rests substantially on the personal ethical responsibility of public officials placed in positions of trust...External accountability is a valuable safeguard against misplaced responsibility; but on its own it can do little to nurture the sort of ethical responsibility required of democratic office-holders” (Uhr, 2005 pp:24).

The need for greater training of councillors in ethics, ethical decision making and leadership is a recurring theme in many Public Inquiry reports into NSW councils where a breakdown in the working relationships between groups of councillors or between

³⁹ Previously known as the NSW Division of Local Government within the NSW Department of Premier and Cabinet.

councillors and council staff has occurred (see Daly, 2003, Daly 2005, Kibble, 2003, Colley, 2008).

The NSW Office of Local Government notes in its comparative data (OLG, 2015) that:

“The numbers of code of conduct complaints received by a council about its councillors or the General Manager is often an indicator of the internal health of the organisation. Code of conduct complaints are often symptomatic of political infighting or interpersonal conflict”. (OLG, 2015).

This statement by the OLG is significant in terms of recognizing the need to develop effective strategies (over and beyond compliance mechanisms) to improve the culture and thereby the internal health of NSW councils.

To strengthen governance opportunities within the NSW local government sector it is timely to ask:

- Is the current consequentialist governance approach appropriately supporting NSW local government councillors in their role as decision-makers?
- Would an alternative approach (i.e.: early intervention and/or specific training in ethics, leadership and governance structures) assist in reducing the number of councillor misconduct complaints?
- Would early intervention and/or specific training (as described above) assist in improving councillor behavior (and potentially, improve decision making processes by councillors)?
- Would early intervention and/or specific training assist in reducing the costs (borne by both ratepayers and NSW taxpayers) associated with a council and/or the Office of Local Government/NCAT/ICAC investigating and responding to councillor misconduct complaints?

The results of this investigation would suggest concurrence with Uhr’s position that the NSW local government sector does need to change its approach if it wants to realise improved trust relationships between its councillors and council staff – and through that, improved trust relationships with the broader community.

The ethical scenarios identified that a common ethical paradigm employed by elected local government representatives in making decisions is deontological (‘rule-based’, duty to act).

There was no observed influence of gender in terms of the ethical decision making scenarios. This result would seem to dispel the common perception that women are more pre-disposed towards feminist ethics – i.e. that women ‘care more’ or are ‘more ethical’ than their male peers.

However there was a strong gendered response (from both men and women) in relation to the culture of council and the clear indication that there are challenging behaviours occurring in the council chamber.

The survey has also identified strong trends in the personal values self-selected by elected representatives. These values appear to have some synergy with the councils they serve on although the extent to which a values led organisational culture is overt at councils is not clear (based on the review of council websites).

The survey has identified a need for greater involvement by the elected representatives in the development of council's Values Statement. Coming to a shared appreciation of organisational values may assist in augmenting the development of shared community values as a key driver for the delivery of the Community Strategic Plan.

The survey has also indicated a high level of interest by elected local government members in developing a greater understanding of ethical decision making processes.

What professional development might support councillors?

The Independent Local Government Review Panel (ILGRP) undertook a major review of the NSW local government sector during 2011-2013. Amongst its sixty-five recommendations the ILGRP identified the need to mandate an induction program as well as recommending that ongoing professional development and training opportunities be embedded as a component in the four year delivery plan for all elected representatives to strengthen decision making processes (ILGRP, 2013: 62).

The ILGRP also recommended a periodic audit and self-assessment (by the councillors as the governing body of the council) to assess its collective skills base against its role and strategic objectives. The ILGRP also recommended that individual councillors be required to undertake similar self-assessments and complete a prescribed number of optional professional development activities during each term. The ILGRP noted that accredited training courses suitable for councillors are already in existence and suggested increased remuneration for councillors as a potential incentive (ILGRP, 2013 pp:62).

However, whilst the proposed revision to the NSW Local Government Act mandates an induction program including a 'specialist supplementary program for the mayor', reference to specific professional development opportunities for councillors remains quite vague.

"In determining the content of the induction and ongoing professional development programs, the council is to have regard to the specific needs of each individual councillor (including the mayor) and of the governing body as a whole and the requirements of any guidelines issued by the Office of Local Government."

(OLG, 2016 pp:10)

This decision would appear to be a missed opportunity to formalize a skills based professional training program for elected representatives. It is surprising that the proposed revisions to the NSW Local Government Act suggest a stronger focus on improved governance but there is nothing concrete in terms of mandated accredited training in:

- Ethical decision making
- Leadership
- Emotional intelligence
- Organisational culture
- Critical and strategic thinking (including systems thinking)
- Positive communication and negotiation

Also concerning is the proposal that the 'specialist supplementary program' is only planned to be offered to the Mayor. The vast majority (88%) of NSW Mayors are elected by their councillor peers rather than via a popular public vote. Even if the Mayoral term is extended from one year to two years (as is proposed for peer-elected Mayors), there is value in making this supplementary training available to all elected representatives (as many councillors could potentially become Mayors at some stage of their local government career).

In the midst of significant structural reform to the NSW Local Government sector there is a clear need for the development of strong leadership capabilities for councillors in order for them to execute their legislative roles and to lead and manage change effectively.

Stronger, more collaborative leadership in the political leaders in NSW local government will empower both the individual councillor, the council staff and the broader community.

Recommendations for improved governance and leadership in NSW local government

"The Public service must harness new and diverse sources of knowledge and resources by unlocking and enhancing the insights, motivation, capabilities and networks of citizens and communities to boost social resilience, achieve greater public value and catalyze innovation." (Bourgon, 2011)

There is merit in augmenting existing councillor induction programs to incorporate opportunities to build organisational readiness in terms of a paradigm shift to local governance and a value led organisational culture. In this regard, the role of the CSP could be used to educate and encourage Councillors towards greater shared decision making opportunities with their local communities.

Engendering a culture of more active community participation within local government strengthens both corporate governance (of the council) and community governance (democratic decision making; citizen rights, active citizenship and community engagement). In this regard, the Community Strategic Plan represents a powerful mechanism for engaging local citizens. Councillors and council staff need to assist their community's understanding that the Community Strategic Plan is a co-created Vision for the future of their area.

A willingness by both elected representatives and council staff to work together to ensure the CSP is a living tool will be significant in redirecting accountability of local government back to the general public as its primary audience, rather than internal local government audiences (Tan and Artist, 2013; Kluvers and Tippett, 2011).

Embracing local governance as the dominant administrative paradigm within NSW local government will require an investment in terms of building operational readiness. This needs to include both council staff and elected representatives.

Councillors need more support in terms of adapting and strengthening their leadership capacity. This should not be limited to mayors as all councillors are elected community leaders in their own right.

Elected representatives should be provided with the opportunity to undertake ongoing professional development and training over the life of their local government career. Developing stronger skills in self-awareness, leadership, emotional intelligence, strategic thinking and communication skills will assist councillors in learning to 'share the space' with their broader communities in making decisions that affect their local areas. This approach will engender greater public trust in the capacity and legitimate role of councillors – and will strengthen the credibility of the council as a whole.

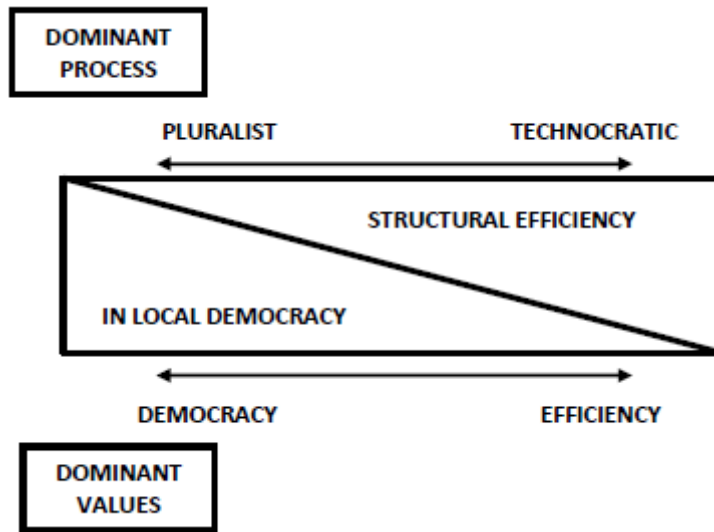
Local governance and a values led organisational culture will augment the existing compliance led approach to governance in councils. This approach may provide more resilient and longer term ways of re-connecting local government with its communities.

Opportunities for values led governance

Aulich's model of local government reform illustrates the natural tensions between maximizing organisational structural efficiency and maximizing opportunities for local democracy (Aulich, 2005). The model in its current form does not consider the level of moral reasoning either by elected representatives (making the decisions) or the council

staff (in developing options for the decision).

Figure 17 Aulich's Models of Local Government Reform

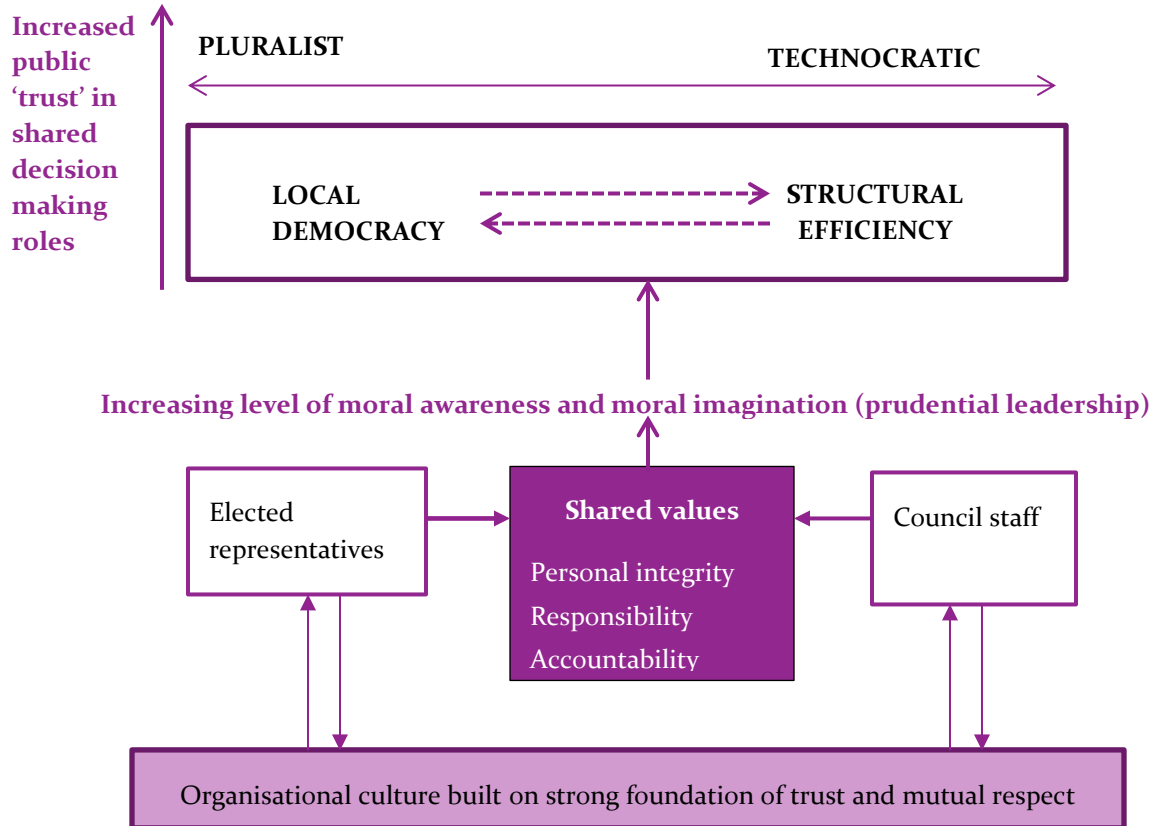


(Aulich 1999b:20, in Denters and Rose 2005 pp 198)

Twenty years on from its inception, it may be timely to revisit Aulich's model. The non-assignment of any values to the 'technocratic' (council staff) side of Aulich's model is inconsistent with the strong corporate social responsibility position that has been identified by many councils at an organisational level through their council's Values Statement and values identified in the development of Community Strategic Plans.

A working representation of potential changes to Aulich's model is provided below:

VALUES LED LOCAL GOVERNANCE MODEL



This suggested model reflects the operational reality (as evidenced by the survey data) that most NSW are not operating at either of the paradigmic extremes – but rather, the technocratic and pluralist roles operate (at varying degrees) in concert.

This model considers ethical decision making capacity (measured in terms of increasing moral awareness and moral imagination (or as described by Uhr, ‘prudential leadership’, see Uhr, 2005: 67) as a core element of effective local government democracy and values led governance.

The suggested shared values of personal integrity, responsibility and accountability for both elected councillors and council staff reflect the value of governance processes that include both compliance mechanisms and opportunities to support the moral growth of the individual (applicable to both councillors and council staff).

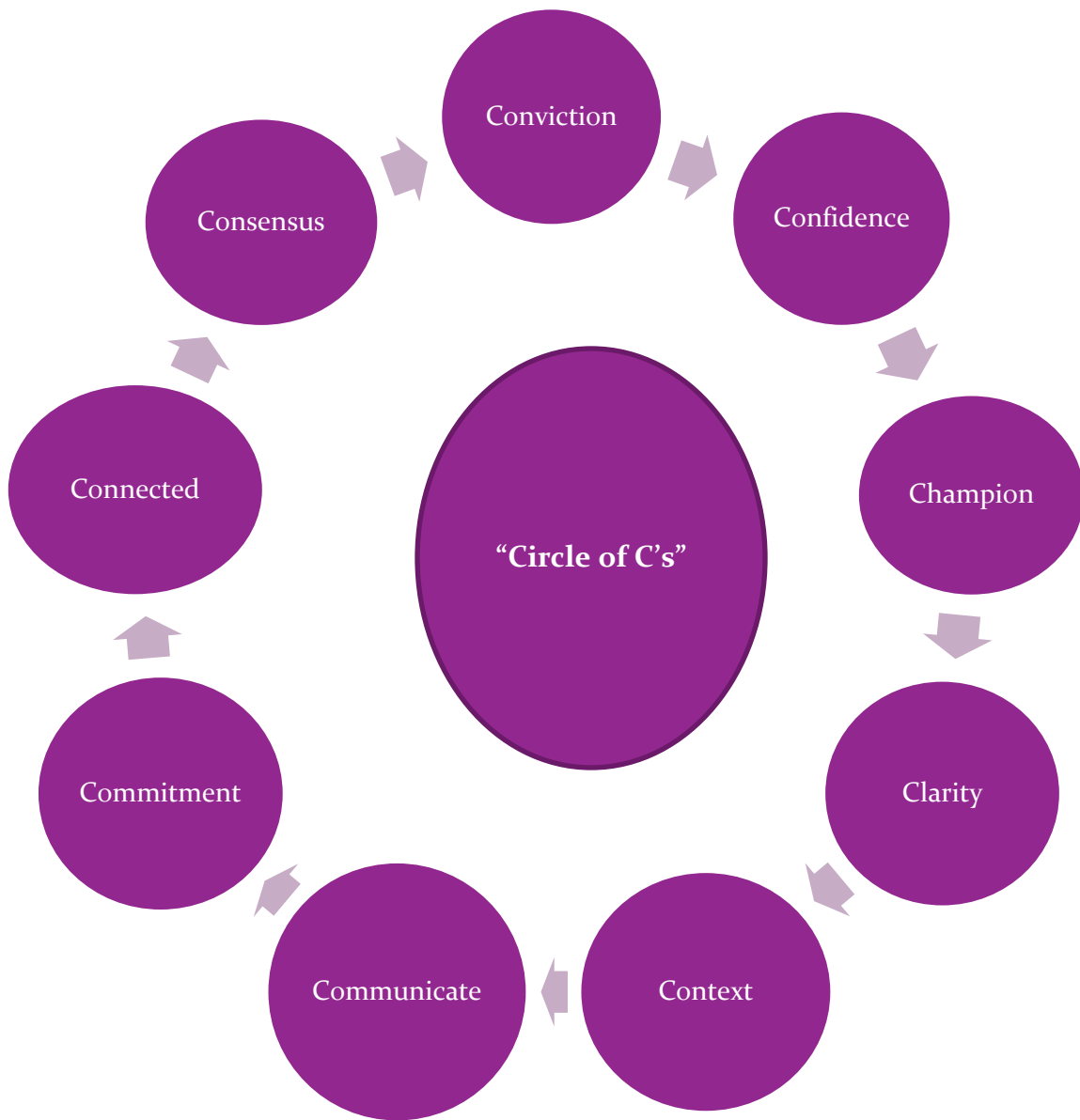
Increased public trust in democratic decision making processes occurs through an overt

organisational culture of 'lived' values – grounded in mutual trust and respect of each actor's legislatively defined role.

A final note to NSW Councillors:

It is a tremendous privilege to serve as an elected representative for your local community. Thank you for all the work that you do!

On the basis of the insights drawn from this investigation and twenty years involved with local government, the following ten points, my "Circle of C's for Councillors" are provided for you:



THE CIRCLE OF C'S FOR COUNCILLORS:

- **Conviction:** Know your beliefs and values, continue to assess and challenge them over time. Have the courage to stand up and fight for them. Know who you are and what you stand for. Recognise that we continue to evolve throughout our life and our beliefs and values may also change over time. Be true to yourself, be respectful, be credible, be critical, and be thoughtful.
- **Confidence:** Everyone has purpose and value – recognise your strengths and weaknesses and invest in developing your leadership attributes. Always remember that you are valuable and that you matter. Building confidence takes patience and practice. Challenge yourself to take a chance outside your comfort zone to strengthen your confidence (Landy, 2013). Self-confidence will increase your capacity to inspire and motivate others, which is essential in a leadership role.
- **Champion:** Be a champion! Give people a reason to believe, a reason to belong, a reason to connect to your ideas and your vision. Be passionate in communicating the things that matter to you.
- **Clarity:** Establishing clarity of purpose is essential for building and holding collective trust and engagement in the process. Establish and maintain a clear and calm focus on what you want to achieve as a leader. Do the research, establish the evidence, consider options and plan your approach.
- **Context:** Provide context for your position; the past, the current reality and establish a shared vision for the future (take people 'on the journey').
- **Communicate:** Communicate to your peers, your professional and personal networks the vision that you have - where you want to go, why, when and how. Practice your communication skills (inhabit the 'space'), develop your personal presence and recognise the importance of adapting your approach to the audience that you have (Landy, 2013).
- **Consensus:** Be a builder, not a wrecker. Embrace facilitative and prudent leadership rather than an autocratic (top-down) or a lassaiz-faire approach (Uhr, 2005; Ansell and Gash, 2007; Cherry, 2013). Be collegiate in communicating with and listening to your council peers; council staff and your community. Be truly open to hearing different perspectives when determining a position. An inclusive, considered and facilitative approach is even more essential when leading adaptive change processes (which you will encounter during your local government career).
- **Commitment:** Be committed to what you are doing – it is important, it is valuable. If it isn't, then stop doing it. Be present in the moment, have fun, choose your attitude and really listen to people (Sinclair, 2007). Look for opportunities to challenge, enrich and deepen your thinking - teach, learn, grow, coach, share, support, mentor.

- **Connected:** Stay connected to your personal and professional networks, your community. Use mentors, coaches and other support networks to test your thinking, encourage constructive feedback and stay grounded. Always keep learning. Always keep questioning. Stay in control of you.
- **Care:** Care about what you are doing, care for others and care for yourself. Prioritise your physical, mental and spiritual health. Develop your sense of self, expand your emotional intelligence and make time for reflective thought. Challenge your negative thoughts. Don't give your inner critic the power to direct your actions or diminish your positive energy (Landy, 2013; Katie, 2002). Be open to new imaginings and new discoveries. Breathe. Stop thinking so much, be calm... Breathe (Sinclair, 2007).

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Appendix 1: Australian and NSW Local Government

Australia is a federated constitutional democracy with three tiers of government: Federal; States and Territories; and approximately 535 local government authorities (ALGA, 2016).

Political representatives for all levels of government are elected by citizens within geographically defined electorates (periodically adjusted to accommodate population changes). The citizens within each electorate comprise a wide range of people with different interests and values; connected to a diverse number of different social groups (Prior, Stewart and Walsh, 1995; Australian Government, 2016). Voting in Australia is compulsory for federal and state elections. Voting in Local Government elections is compulsory except in Western Australia and South Australia (Hearfield, C. and Dollery, B. E. 2009).

Local government is not recognised in the Federal Constitution but is referenced in the respective jurisdictional constitutions (Grant and Dollery 2011; 2012).

Local government can be considered, both jointly and severally, as *'a legal entity; a representative body; an agency of other levels of government; a service body; an organisation with a history; a place where people work; and/or a local body'* (Colebatch and Degeling 1986, p11).

Notwithstanding the fact that the functions of Australian local governments vary between their respective State and Territory jurisdictions, the Australian Local Government Association (ALGA) provides a useful summary of general local government services:

- *infrastructure and property services, including local roads, bridges, footpaths, drainage, waste collection and management;*
- *provision of recreation facilities, such as parks, sports fields and stadiums, golf courses, swimming pools, sport centres, halls, camping grounds, caravan parks;*
- *health services such as water and food inspection, immunisation services, toilet facilities, noise control and meat inspection and animal control;*
- *community services, such as child care, aged care and accommodation, community care and welfare services;*
- *building services, including inspections, licensing, certification and enforcement;*
- *planning and development approval;*
- *administration of facilities, such as airports and aerodromes, ports and marinas, cemeteries, parking facilities and street parking;*
- *cultural facilities and services, such as libraries, art galleries and museums;*
- *water and sewerage services in some states, and*
- *other services, such as abattoirs, sale-yards and group purchasing schemes*

(ALGA, 2016).

Across Australia the local government sector employs approximately 188,900 people (as at June 2014) (ALGA, 2016). Data from the 2012-2013 financial year showed national rates

revenue of approximately \$14B; total expenditure in the order of \$32.2B The *National State of the Assets Report* commissioned by ALGA in 2014 estimated the value of local roads infrastructure at \$165B (see Roorda, 2014).

The NSW local government sector has a workforce of approximately 50,000 people (approximately 26% of the national local government workforce. The asset base for the NSW local government sector is valued at approximately \$130 billion (approximately 39% of the national asset base; and the sector spends approximately \$10 billion/year (ILGRP, 2013; ALGA, 2016).

ROLES OF NSW LOCAL GOVERNMENT COUNCILLORS

New South Wales local government councillors are democratically elected representatives and serve for fixed four year terms.

Prior to 12 May 2016 there were 152 local government areas in NSW and approximately 1,500 NSW councillors⁴⁰.

Snapshot: Councillors and Mayors in NSW (as at December 2013)

- There are 1,475 councillors across NSW (including 152 Mayors)⁴¹.
- The number of residents per councillor ranges from less than 150 to more than 20,000.
- Currently 34 Mayors are popularly elected, the great majority are chosen by the councillors.
- 27% of councillors are women compared with 51% of the general population.
- 1.9% of councillor identify as Aboriginal or Torres Strait Islander compared with 2.5% of the general population
- 9% of councillors speak a language other than English at home compared with 26% of the general population.
- Councillors are paid an electoral allowance which varies depending on the characteristics of the council and is set by an independent tribunal.
- Councillor allowances vary between \$7930-\$34,950. Mayors receive an additional allowance that ranges between \$8,430 and \$76,390 (with the exception of the City of Sydney where the Lord Mayor is paid up to \$191,860).

(IRPLG, 2013 pp: 59)

⁴⁰ The NSW “Fit for the Future” reforms saw 43 NSW Councils dissolved and merged as new larger entities. Councillors were dismissed from civic office and replaced by appointed Administrators until September 2017. A further 20 NSW Councils may be dissolved and merged subject to the judgement in a number of current court proceedings in the NSW Land and Environment court. Refer Appendix 2 for a chronological summary of the NSW Local Government reforms.

⁴¹ The number of elected representatives in NSW has decreased as a consequence of the NSW Local government reforms to approximately 1,000 (note: legal challenges to some of the proposed council mergers are still ongoing – so a precise figure is not available).

The role of a NSW Local government councillor is sometimes simplistically described as being similar to that of a company board director. However this view does not adequately recognise the parallel and equally significant role of a councillor as a democratically 'elected person'.

The two roles of a NSW councillor are explicitly outlined at s232 of the *NSW Local Government Act (1993)*:

As a member of the governing body of the council is:

- *to provide a civic leadership role in guiding the development of the community strategic plan for the area and to be responsible for monitoring the implementation of the council's delivery program*
- *to direct and control the affairs of the council in accordance with this Act*
- *to participate in the optimum allocation of the council's resources for the benefit of the area*
- *to play a key role in the creation and review of the council's policies and objectives and criteria relating to the exercise of the council's regulatory functions*
- *to review the performance of the council and its delivery of services, and the delivery program and revenue policies of the council.*

As an elected person:

- *To represent the interests of the residents and ratepayers*
- *To provide leadership and guidance to the community*
- *To facilitate communication between the community and the council.*

(s232 NSW Local Government Act, 1993)

A review of the NSW Local Government Act was undertaken as a component of the broader local government reforms. The Independent Review Panel on Local Government also provided recommendations relating to how the roles of councillors should be described in the new Local Government Act.

The two distinct roles of the councillor have been retained, however there is greater clarity in describing both roles.

The proposed amendment to s232, which considers the collective role of councillors as the governing body of the council, uses the more expansive definition provided by the IRPLG (see IRPLG, 2013):

The governing body comprise the elected representatives of the council (the councillors). The functions of the governing body are:

- *to provide effective civic leadership to the community;*
- *to consult regularly with community organisations and other key stakeholders and keep them informed of council's activities and decisions;*
- *to direct and control the affairs of the council in consultation with the general manager and in accordance with the Act;*
- *to ensure as far as possible the financial sustainability of the council;*

- *to determine and adopt the community strategic plan, delivery program and other strategic plans and policies;*
- *to determine and adopt a rating and revenue policy and operational plans that ensure the optimum allocation of the council's resources to implement the community strategic plan and for the benefit of the area;*
- *to make decisions in accordance with those plans and policies;*
- *to make decisions necessary for the proper exercise of the council's regulatory functions;*
- *to keep under review the performance of the council and its delivery of services;*
- *to determine the process for appointment of the general manager and monitor his/her performance; and*
- *to ensure that the council acts honestly, efficiently and appropriately in carrying out its statutory responsibilities*

(OLG, 2016)

The existing description of the role of the Mayor (s226) is proposed to be expanded to include the following responsibilities:

- *The mayor should have all the prescribed responsibilities of a councillor in addition to the following additional responsibilities:*
- *to be the leader of the council and the community of the local government area, and advance community cohesion;*
- *to promote civic awareness and, in conjunction with the general manager, ensure adequate opportunities and mechanisms for engagement between the council and the local community;*
- *to be the principal member and spokesperson of the governing body and to preside at its meetings;*
- *to ensure that the business of meetings of the governing body is conducted efficiently, effectively and properly in accordance with provisions of the Act;*
- *to lead the councillors in the exercise of their responsibilities and in ensuring good governance;*
- *to ensure the timely development of the governing body's strategic plans and policies, and to promote their effective and consistent implementation, including by promoting partnerships between the council and key stakeholders;*
- *to exercise, in cases of necessity, the policy-making functions of the governing body between meetings of the council;*
- *to represent the governing body on regional organisations and in inter-government forums at regional, State and federal levels;*
- *to advise, manage and provide strategic direction to the general manager in accordance with the council's strategic plans and policies;*
- *to lead performance appraisals of the general manager;*
- *to carry out the civic and ceremonial functions of the mayoral office; and*
- *to exercise such other functions as the governing body determines.*

(OLG, 2016)

The current length of term for a Mayor is also proposed to be extended from its current annual term (for Mayors elected by Councillors) to two years. Popularly elected Mayors will continue to be elected for the full four year term.

(OLG, 2016)

The proposed amendment to the individual role of an elected councillor (currently at s232) purports to focus on the individual responsibilities of councillors, rather than their responsibilities as members of the governing body of a council. However the proposed amendment includes a specific provision that councillors must '*uphold and represent accurately the policies and decisions of the governing body*'. This suggests that the individual capacity for elected councillors to criticise decisions taken by the council may be constrained under this amendment. The full amendment is provided below:

The role and responsibilities of an individual councillor, (including the mayor), should be:

- *to be an active and contributing member of the governing body;*
- *to make considered and well informed decisions;*
- *to represent the collective interests of residents, ratepayers and the wider community of the local government area;*
- *to facilitate communication between the community and the governing body;*
- *to be accountable to the community for the local government's performance; and*
- *to uphold and represent accurately the policies and decisions of the governing body.*

(OLG, 2016)

Appendix 2: Chronology of NSW local government reforms

Table 10 Chronology -NSW Local Government Reform

Date	Review/Report	Description	Link to report
2011-2012	Destination 2036	Two-day meeting of NSW General Managers and Mayors held in Dubbo to discuss sustainability of the LG sector.	https://www.olg.nsw.gov.au/strengthening-local-government/local-government-reform/destination-2036
2011-2013	TCorp Assessment of NSW Councils	NSW Treasury Corporation (TCorp) tasked by the NSW Government to rank councils in terms of a Financial Sustainability Rating (FSR) on a scale from Very Strong to Distressed. NSW councils which were rated Moderate-Negative or worse were required by the NSW Government to address areas of poor performance ⁴²	http://www.olg.nsw.gov.au/sites/default/files/TCorp-Report-Financial-Sustainability-of-the-New-South-Wales-Local-Government-Sector-April-2013.pdf
2012-2013	Independent Local Government Review Panel (ILGRP)	<p>Three person government appointed panel. Conducted extensive reviews and community feedback to explore a range of structural and operational reform options. Final Report had 65 recommendations.</p> <p>Key recommendations addressed:</p> <ul style="list-style-type: none"> ▶ Fiscal responsibility ▶ Strengthening the revenue base ▶ Meeting infrastructure needs ▶ Reform of Grants – provided on the basis of greatest need (Federal legislative change needed) ▶ Improvement, productivity and accountability ▶ Political leadership and good governance ▶ Advance structural reform 	http://www.localgovernmentreview.nsw.gov.au/documents/LGR/Revitalising%20Local%20Government%20-%20ILGRP%20Final%20Report%20-%20October%202013.pdf

⁴² The TCorp FSR assessment is based on 10 measures and has been criticised academically for considering too few measures (Abelson & Joyeux, Drew and Dollery 2014). Employing a more holistic assessment using 20-30 measures would provide a more credible ranking (Drew and Dollery, 2015b). In addition, the data compilation methodology used by TCorp has also been criticised as influencing the outcome of the assigned FSR (Drew and Dollery, 2015d). The Independent Local Government Review Panel acknowledged in its Final Report that a number of NSW councils had disputed their TCorp FSR assessments.

		<ul style="list-style-type: none"> ▶ Regional Joint Organisations ▶ Rural Councils and Community Boards ▶ Merger and boundary changes recommended for Metropolitan Sydney, Hunter and the Central Coast ▶ Progressive referral of non-metropolitan councils to reconstituted Boundaries Commission (for merger and boundary changes) ▶ Far West (in principle support for establishment of Far West Regional Authority) ▶ State-Local Government Relations 	
2012-2013	Local Government Act Taskforce	<p>Panel appointed by the NSW Government tasked with reviewing the NSW Local Government Act. Fundamental focus of the Taskforce recommendations was to establish the Integrated Planning and Reporting Framework (introduced in 2009) as the centerpiece of the new Act. In addition, the importance of the Community Strategic Plan (CSP) was highlighted as the key driver for prioritising the future direction of the council.</p>	http://www.olg.nsw.gov.au/sites/default/files/New-Local-Government-final-report.pdf
24 Sept 2014	NSW Government response: "Fit for the Future"	<p>Formal response by the NSW Government to the ILGRP and LGA Taskforce reports released. "A Fit for the Future council is one that is: sustainable; efficient; effectively manages infrastructure and delivers services for communities; has the scale and capacity to engage effectively across community, industry and government." (refer: FFF, pg6, September 2014)</p> <p>Key structural reforms and council mergers proposed. Financial incentives offered to encourage councils to amalgamate</p>	http://www.fitforthefuture.nsw.gov.au/sites/fftf/files/NSW-Government-Response-Panel-and-Taskforce-recommendations.pdf

Date	Review/Report	Description	Link to report
April - June 2015	Independent Pricing and Regulatory Tribunal (IPART) Methodology	<p>IPART appointed by NSW Government on 4 April 2015 to assess FFF proposals. IPART sought public feedback on the proposed methodology on 27 April 2015. IPART methodology released on 5 June 2015.</p> <p>IPART applied criteria established by the NSW Government via the ILGRP to assess a council as being 'Fit for the Future' on the basis of:</p> <ul style="list-style-type: none"> ▶ <u>Scale and capacity</u> to engage effectively across community, industry and governments – threshold criterion – based on projected 2031 populations. Threshold criterion. ▶ <u>Financial sustainability</u> – assessed on: <ul style="list-style-type: none"> ▶ Sustainability ▶ Effectively managing infrastructure and delivering services for communities ▶ Efficiency 	http://www.ipart.nsw.gov.au/Home/Industries/Local Govt/Fit for the Future
30 June 2015	Council's response to Fit for the Future	All NSW councils were required to submit a "Fit for the Future" merger proposal or a Council Improvement Proposal (if they wanted to remain a stand-alone council).	<p>139 proposals received from 144 councils including:</p> <ul style="list-style-type: none"> • 4 merger proposals (involving nine councils) • 115 Council Improvement Proposals • 20 Rural Council proposals
16 October 2015	Independent Pricing and Regulatory Tribunal (IPART) Assessment Report	<p>IPART released its Final Report into its Fit for the Future assessments of all NSW councils:</p> <ul style="list-style-type: none"> • 87 proposals assessed as "Not Fit" (63% of proposals) • 60 demonstrated financial sustainability but not 'sufficient scale and capacity' • 18 demonstrated sufficient 'scale and capacity' but not financial sustainability • 9 councils did not demonstrate either financial sustainability or scale and capacity • 52 proposals assessed as "Fit for the Future" (37% of proposals) 	http://www.ipart.nsw.gov.au/Home/Industries/Local Govt/Fit for the Future

		<ul style="list-style-type: none"> All four merger proposals assessed as “Fit” 	
August 2015	NSW Legislative Council ‘Local Government in New South Wales Inquiry	An Upper House inquiry into NSW Local Government identified several concerns over the “Fit for the Future” process.	http://www.parliament.nsw.gov.au/prod/parliament/committee.nsf/0/BoCo26787382E495CA257EECo07FFECA?open&refnavid=CO3_1
December 2015	NSW Government response to IPART’s Fit for the Future assessments	NSW Government announced its decision in relation to proposed council mergers and the establishment of Boundary Commission. Minister for Local Government delegated to Chief Executive NSW Office of Local Government (OLG) consideration of the merger proposals. Chief Executive OLG appointed “Delegates” for each proposed merger.	https://www.councilboundaryreview.nsw.gov.au/
February-April 2016	Delegate Reports	Delegates convene public hearings during February 2016 and provided a report to the Minister and the Boundaries Commission Boundaries Commission review Delegate reports and provide advice to the Minister for Local Government	
12 May 2016		Minister for Local Government considered Delegates’ Reports and advice from Boundary Commission. Minister makes recommendations to NSW Governor regarding proposed mergers. Legislative processes to operationalize mergers occur in accordance with NSW Local Government Act (refer: Chapter 9, Part 1, Divisions 2A and 2B, and Chapter 9, Part 3) NSW Governor issues proclamation in relation to mergers. A number of NSW Councils dissolved with immediate effect. Administrators appointed for each of the merging councils. Council elections deferred for merging councils until September 2017 ⁴³	
May-June 2015	NSW Land and Environment court action	A number of regional and metropolitan councils initiate action in the NSW Land and Environment court challenging the forced mergers.	Botany Council court case (for consideration of alternate merger proposal) fails. Judgements on the remaining court cases still pending.

⁴³ Non-merging councils held their elections on 10 September 2016.

Appendix 3: Investigations into NSW elected representatives

Table 11 Summary of investigations against NSW elected representatives 2003-2016

Date and nature of the investigation	Investigating Body	Elected representatives	Outcome ⁴⁴
30/8/2016 NSW public officials and members of Parliament - allegations concerning soliciting, receiving and concealing payments (Operation Spicer and Operation Credo ⁴⁵)	NSW Independent Commission Against Corruption (ICAC)	Hon Hon. Michael Gallacher (current MLC ⁴⁶); Andrew Cornwell (former MLA ⁴⁷); Chris Hartcher (former MLA); Joe Tripodi (former MLA); Christopher Spence (former MLA); Timothy Owen (former MLA); Darren Williams (former MLA); Craig Baumann (former MLA); Bart Bassett (former MLA); Jeff McCloy (former Mayor Newcastle City Council)	<p>ICAC findings of fact are that Jeffrey McCloy, Timothy Owen, Christopher Spence, and Darren Williams acted with the intention of evading laws under the <i>Election Funding, Expenditure and Disclosures Act 1981</i> relating to the disclosure of political donations and the ban on donations from property developers. Messrs Hartcher, McCloy, Owen, and Williams were also found to have acted with the intention of evading the election funding laws relating to caps on political donations. Craig Baumann and Darren Webber acted with the intention of evading the election funding laws relating to the disclosure of political donations. Bart Bassett knowingly solicited a political donation from a property developer.</p> <p>ICAC's report notes that at the relevant time proceedings for an offence under the election funding laws had to be commenced within three years from the time the offence was committed. As the Operation Spicer public inquiry did not conclude until September 2014, and the matters canvassed in the report occurred mostly from 2009 to 2011, a prosecution for relevant offences is now statute barred.</p> <p>The ICAC is of the opinion that the advice of the Director of Public Prosecutions (DPP) should be</p>

⁴⁴ The outcomes reported in this table relate only to the findings against elected representatives. For the full list of ICAC investigation outcomes and referrals to the NSW Department of Public Prosecutions refer <http://icac.nsw.gov.au/investigations>

⁴⁵ ICAC has been unable to progress the publication of the Operation Credo report owing to the criminal proceedings being conducted by the DPP against Mr Edward Obeid and Mr Moses Obeid. While those proceedings arise out of the Operations Cyrus and Jasper investigations, the Commission is of the view, in accordance with section 18 of the *Independent Commission Against Corruption Act 1988*, that the publication of the Operation Credo report during the currency of criminal proceedings may prejudice the right of the accused to a fair trial.

⁴⁶ MLC: Member of the Legislative Council, NSW State Parliament

⁴⁷ MLA: Member of the Legislative Assembly, NSW State Parliament

			<p>obtained with respect to the prosecution of:</p> <ul style="list-style-type: none"> • Andrew Cornwell for offences under section 87 of the <i>Independent Commission Against Corruption Act 1988</i> of giving false or misleading evidence to the Commission • Christopher Hartcher for an offence of larceny • Joseph Tripodi for the common law offence of misconduct in public office.
21/1/2016 Public inquiry into Auburn Council		All councillors	Public inquiry report yet to be finalized.
21/1/2016 Public inquiry into North Sydney Council	<p>Commissioner Thomas Howard</p> <p>http://www.olg.nsw.gov.au/sites/default/files/160121%20North%20Sydney%20Council%20to%20face%20Public%20Inquiry_o.pdf</p>	All councillors	Public inquiry report yet to be finalised.
15/1/2016 Public inquiry into Murray Shire Council	<p>Commissioner Anthony Hudson</p> <p>http://www.olg.nsw.gov.au/sites/default/files/160115%20Murray%20Shire%20Council%20to%20face%20public%20inquiry_4.pdf</p>	All councillors	Public inquiry report yet to be finalised.
30/6/2014 <i>Investigation into the conduct of certain City of Ryde Councillors and others (Operation Cavill)</i>	NSW Independent Commission Against Corruption (ICAC)	Three current councillors at the City of Ryde and two former councillors at the City of Ryde	<p>The NSW Department of Public Prosecutions (DPP) advised the NSW Electoral Commission that there was sufficient evidence to commence criminal proceedings against Ivan Petch⁴⁸, Justin Li, Jeffrey Salvestro-Martin, Terry Perram and Victor Tagg for offences alleged to have been committed by each of them in breach of the <i>Election Funding, Expenditure and Disclosures Act 1981</i> in relation to advertising published in <i>The Weekly Times</i> in August and September 2012. Despite the advice of the DPP, the NSW Electoral Commission announced on 26 August 2015 it would not be proceeding with</p>

⁴⁸ Former Mayor of Ryde Ivan Petch is also facing a range of other charges in relation to this ICAC investigation. <http://icac.nsw.gov.au/investigations>

			prosecution on the basis of insufficient evidence 1981. ⁴⁹
05/06/2014 Investigation into the conduct of the Hon Edward Obeid MLC and others concerning Circular Quay Retail Lease Policy (Operation Cyrus)	NSW Independent Commission Against Corruption (ICAC)	Edward Obeid (former MLC)	On 19 November 2014, the DPP advised the Commission that there was sufficient evidence to prosecute Mr Obeid for one offence of misconduct in public office. On 28 June 2016, following a Supreme Court trial, the jury returned a verdict of guilty to one count of misconduct in public office ⁵⁰ .
30/08/2013 Investigation into the conduct of Ian Macdonald, John Maitland and others (Operation Acacia)	NSW Independent Commission Against Corruption (ICAC)	Ian McDonald (former MLC)	On 5 November 2014, the DPP advised the Commission that there is sufficient evidence to prosecute Mr Macdonald for two offences of misconduct in public office. The DPP then sought and gained the permission of the Chief Justice of the Supreme Court to have the charges tried before the Supreme Court ⁵¹ .
31/07/2013 Investigation into the conduct of Ian Macdonald, Ronald Medich and others (Operation Jarilo)	NSW Independent Commission Against Corruption (ICAC)	Ian McDonald (former MLC)	The ICAC is of the opinion that the advice of the DPP should be obtained with respect to the prosecution of Mr Macdonald for the offence of corruptly receiving a benefit from Mr Medich and Mr Gattellari as a reward for showing favour to Mr Medich contrary to section 249B(1) of the <i>Crimes Act 1900</i> and an offence of misconduct in public office. The Commission is also of the opinion that consideration should be given to obtaining the advice of the DPP with respect to the prosecution of Mr Medich for an offence of corruptly giving a benefit to Mr Macdonald as a reward for Mr Macdonald showing favour to him under section 249B(2) of the <i>Crimes Act</i> . The Commission is awaiting the DPP's decision on whether proceedings will be taken.
14/06/2012 Investigation into the payment of \$4,500 to a councillor of Auburn City Council (Operation Barrow)	NSW Independent Commission Against Corruption (ICAC)	Jack Au (former councillor Auburn Council)	On 13 May 2013, Mr Au was charged with 1 count of corruptly receiving a benefit contrary to section 249B(1)(b) of the <i>Crimes Act</i> . On 20 December 2013, Mr Au was convicted of this offence and sentenced to 200 hours community service. Mr Au appealed against his conviction. On 7 July 2014, Mr Au's

⁴⁹ Arising from ICAC's Operation Cavill the NSW Electoral Commission made changes in relation to the disclosure requirements for accepting political donations in the form of advertising.

⁵⁰ The matter has been stood over to 6 October 2016 for sentencing before his Honour Justice Beech-Jones.

⁵¹ The matters are listed for trial at the Sydney Supreme Court on 6 February 2017.

			appeal against his conviction was dismissed and the conviction and sentence of the Local Court was confirmed.
7/12/2010 Investigation into the submission of false claims for sitting day relief entitlement by Angela D'Amore MP and some members of her staff (Operation Syracuse)	NSW Independent Commission Against Corruption (ICAC)	Angela D'Amore (former MLA)	The ICAC has found that Angela D'Amore and Agatha La Manna engaged in corrupt conduct in connection with the submission of false claims for sitting day relief payments. The ICAC is of the opinion that the advice of the DPP should be sought with respect to the prosecution of Angela D'Amore for two common law offences of misconduct in public office. The DPP has advised the Commission that there is insufficient evidence to support a criminal prosecution of Ms D'Amore. The DPP's advice not to proceed is accepted by the Commission.
13/7/2010 Investigation into the false claims for Sitting Day Relief payments by a Karen Paluzzano MP and members of her electorate staff (Operation Corinth)	NSW Independent Commission Against Corruption (ICAC)	Karyn Paluzzano (former MLA)	The ICAC found that Karyn Paluzzano, Timothy Horan, Jennifer Launt and Kerrie Donlan engaged in corrupt conduct in connection with the submission of false claims for sitting day relief payments. On 21 September 2011, the DPP advised the Commission that there was sufficient evidence to charge Ms Paluzzano with one charge of misconduct in public office, two charges under section 178BB of the Crimes Act and two charges under section 87 of the ICAC Act. On 18 October 2013 Ms Paluzzano, having pleaded guilty to 3 charges under section 178BA of the Crimes Act and one charge under section 87 of the ICAC Act, was sentenced by the Downing Centre Local Court to 18 months home detention. Ms Paluzzano appealed to the District Court against her sentence. On 15 February 2013, Ms Paluzzano was sentenced to a 14-month suspended sentence in lieu of the sentence imposed in the Local Court.
8/10/2008 Part Three (Operation Atlas) 28/05/2008 Part Two (Operation Atlas)	NSW Independent Commission Against Corruption (ICAC)	Frank Gigliotti (former Councillor, Wollongong City Council) Kiril Jonovski (former Councillor)	Council dismissed. Administrators appointed. The ICAC investigated allegations that former and current officials of Wollongong City Council and developers engaged in corrupt conduct in relation to the

<p>4/03/2008 Part One Report on an investigation into corruption allegations affecting Wollongong City Council - Part One (Operation Atlas)</p>		<p>Wollongong Council)</p> <p>Zeki Esen (former Councillor Wollongong City Council)</p>	<p>assessment of development applications and a range of other matters. Part 1 of the Commission's report on this investigation, made a recommendation under section 74C(1) of the ICAC Act that consideration be given to the making of a proclamation under the <i>Local Government Act 1993</i> that all civic offices in relation to Wollongong City Council be declared vacant. Wollongong Council was dismissed by the Minister for Local Government on 4 March 2008 and remained under Administration until September 2011.</p> <p>ICAC made corrupt conduct findings against Beth Morgan, a former member of Council staff; two property developers, Frank Vellar and Bulent Tabak; three of Ms Morgan's superiors at Council, former General Manager Rod Oxley and former senior managers Joe Scimone and John Gilbert; and former Councillors Valerio Zanotto, Kiril Jonovski, Zeki Esen and Frank Gigliotti. The ICAC stated its opinion that consideration be given to obtaining the advice of the Director of Public Prosecutions with respect to the prosecution of 11 persons for specified criminal offences and made a total of 27 corruption prevention recommendations – two to the Minister for Planning, four to the Department of Planning, one to all NSW local councils and 20 to Wollongong City Council.</p>
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			<p>In relation to the councillors involved, the DPP advised that there was sufficient evidence to charge Mr Esen, Mr Jonovski, Mr Gigliotti, with offences under section 82(b) and 87 of the Independent Commission Against Corruption Act 1988 (Chapter 10 of the Report). Following court processes the only councillor that received a custodial sentence was Mr Gigliotti who was found guilty of two offences of give false/misleading evidence to the ICAC contrary to section 87 of the ICAC Act. On 29 November 2010 he was sentenced to 9 months imprisonment in relation to each offence. The sentences were served concurrently with a non parole period of four months.</p>
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Date	Review/Report	Elected representative	Outcome
3/4/2008 Public inquiry into Shellharbour Council	Commissioner Richard Colley http://www.olg.nsw.gov.au/sites/default/files/Shellharbour-council-Public-Inquiry-final-Report.pdf	All councillors	Council dismissed. Administrator appointed.
24/8/2007 Public inquiry into Brewarrina Shire Council	Commissioner John Davies http://www.olg.nsw.gov.au/sites/default/files/Brewarrina-public-inquiry-2-final-report.pdf	All councillors	Commissioner recommended Council not be dismissed. Mentor appointed to assist in identified management issues.
27/7/2007 Public inquiry into Port Macquarie Hastings Shire Council	Commissioner Frank Willan http://www.olg.nsw.gov.au/sites/default/files/PMHC-Public-Inquiry-final-Report.pdf	All councillors	Council dismissed. Administrator appointed.
21/9/2006 Public inquiry into Broken Hill Regional Council	Commissioner David Simmons http://www.olg.nsw.gov.au/sites/default/files/Broken-Hill-public-inquiry-final-report.pdf	All councillors	Council dismissed. Administrator appointed.
7/08/2006 Report to the Minister for Local Government under section 14(2) of the Independent Commission Against Corruption Act 1988 into the conduct of two Burwood councillors (Operation Odin)	NSW Independent Commission Against Corruption (ICAC)	John Faker (current councillor Burwood Council) David Weiley (former councillor Burwood Council)	The ICAC investigated a number of allegations of corrupt conduct involving bribery relating to Burwood Council. It was alleged that the Mayor, John Faker and former mayor David Weiley, were bribed to approve development applications whilst travelling to Lebanon on a Council-funded trip with developers in August and September 2004, that Cr Faker and Cr Weiley deceived Burwood Council about key aspects of the trip to Lebanon and that the reimbursement of their flight costs was inappropriate. The ICAC made no findings of corrupt conduct against any person. The report made five corruption prevention recommendations - two to Burwood Council in relation to its overseas travel policy and the disclosure of non-pecuniary conflicts of interest, and three to

			the Department of Local Government in relation to the disclosure and management of pecuniary interests.
11/08/2005 Liverpool City Council / NSW Parliament - Orange Grove Centre (Operation Sirius)	NSW Independent Commission Against Corruption (ICAC)	Various parties.	<p>The ICAC investigated the original development consent granted by Liverpool City Council for the Orange Grove warehouse clearance outlet, and the circumstances surrounding the refusal by the Minister Assisting the Minister for Infrastructure and Planning (Planning Administration) to approve an amendment to the draft Liverpool Local Environmental Plan relating to the Orange Grove centre.</p> <p>ICAC made no corrupt conduct findings against any person.</p> <p>Three corruption prevention recommendations were made in the report, two to the NSW Government and one to the then Department of Infrastructure, Planning and Natural Resources.</p>
10/11/2004 Public inquiry into Tweed Heads Shire Council	Commission M. Daly http://www.olg.nsw.gov.au/sites/default/files/PI-Tweed-First_o.pdf http://www.olg.nsw.gov.au/sites/default/files/PI-Tweed-Second_o.pdf	All councillors	Council dismissed. Administrator appointed.
24/2/2004 Public inquiry into Walgett Shire Council	Commissioner R. Bulford http://www.olg.nsw.gov.au/sites/default/files/walgett-public-inquiry-final-report.pdf	All councillors	Commissioner recommended that Council not be dismissed. Mentor appointed to assist in resolving management and capacity issues.
16/1/2004 Public inquiry into Rylstone Shire Council	Commissioner Gabrielle Kibble http://www.olg.nsw.gov.au/sites/default/files/Rylstone-Shire-Council-Public-Inquiry-Final-Report.pdf	All councillors	Council dismissed. Administrator appointed.

Date	Review/Report	Elected representative	Outcome
5/11/2003 Public inquiry into Liverpool Council	Commissioner M. Daly http://www.olg.nsw.gov.au/sites/default/files/Liverpool-final-report-2004.pdf http://www.olg.nsw.gov.au/sites/default/files/Lessons-from-liverpool-experience.pdf http://www.olg.nsw.gov.au/sites/default/files/Liverpool-Inquiry-Report-primary-findings-and-interim-report.pdf	All councillors	Council dismissed. Administrator appointed.
15/1/ 2003 Public Inquiry into Warringah Council	Commissioner M. Daly http://www.olg.nsw.gov.au/sites/default/files/PI-Warringah_Vo1.pdf http://www.olg.nsw.gov.au/sites/default/files/PI-Warringah-Vo2-So3_o.pdf http://www.olg.nsw.gov.au/sites/default/files/Waringah-volume02-sec-04.pdf http://www.olg.nsw.gov.au/sites/default/files/Waringah-volume-02-sec-05.pdf http://www.olg.nsw.gov.au/sites/default/files/Waringah-volume-02-sec-06.pdf http://www.olg.nsw.gov.au/sites/default/files/PI-Warringah-Vo2-So7_o.pdf	All councillors	Council dismissed. Administrator appointed.

Appendix 4: Ethics Approval for Research Project

Appendix 5: Survey Questions

Appendix 6: Survey Analysis

Scenario 4: Renewal of General Managers contract

Length of tenure:

Response	1-4 yrs	5-8 yrs	9-12 yrs	13-16 yrs	Over17 yrs	TOTALS
1	29 (78.4%)	25 (89.3%)	8 (53.3%)	5 (45.5%)	10 (71.4%)	77
2	2 (5.4%)	0 (0%)	0 (0%)	3 (27.3%)	1 (7.1%)	6
3	5 (13.5%)	3 (10.7%)	5 (33.3%)	3 (27.3%)	2 (14.3%)	18
4	1 (2.7%)	0 (0%)	2 (13.3%)	0 (0%)	1 (7.1%)	4
TOTALS	37	28	15	11	14	105

Gender:

Response	Male	Female	TOTALS
1	37	37	74
2	4	2	6
3	8	10	18
4	3	1	4
TOTALS	52	50	102

```
. tabi 37 4 8 3 \ 37 2 10 1
```

row	col				Total
	1	2	3	4	
1	37	4	8	3	52
2	37	2	10	1	50
Total	74	6	18	4	102

Pearson chi2(3) = 1.8504 Pr = 0.604

```
. tabi 29 25 8 5 10 \ 2 0 0 3 1 \ 5 3 5 3 2 \ 1 0 2 0 1
```

row	col					Total
	1	2	3	4	5	
1	29	25	8	5	10	77
2	2	0	0	3	1	6
3	5	3	5	3	2	18
4	1	0	2	0	1	4
Total	37	28	15	11	14	105

Pearson chi2(12) = 24.1136 Pr = 0.020

Scenario One: Development Application

Response	Male	Female	TOTALS
1	29	34	63
2	19	9	28
3	2	1	3
4	0	0	0
5	3	6	9
TOTALS	53	50	103

Response	1-4 yrs	5-8 yrs	9-12 yrs	13-16 yrs	Over17 yrs	TOTALS
1	19	18	12	8	8	65
2	14	7	2	2	4	29
3	0	1	1	1	0	3
4	1	0	0	0	0	1
5	4	2	0	1	2	9
TOTALS	38	28	15	12	14	107

. tabi 29 19 2 0 3 \ 34 9 1 0 6

row	col				Total
	1	2	3	5	
1	29	19	2	3	53
2	34	9	1	6	50
Total	63	28	3	9	103

Pearson chi2(3) = 5.2186 Pr = 0.156

. tabi 19 18 12 8 8 \ 14 7 2 2 4 \ 0 1 1 1 0 \ 1 0 0 0 0 \ 4 2 0 1 2

row	col					Total
	1	2	3	4	5	
1	19	18	12	8	8	65
2	14	7	2	2	4	29
3	0	1	1	1	0	3
4	1	0	0	0	0	1
5	4	2	0	1	2	9
Total	38	28	15	12	14	107

Pearson chi2(16) = 12.2444 Pr = 0.727

Scenario Five: Staff Rewards Program

Response	Male	Female	TOTALS
1	4	5	9
2	17	22	39
3	14	17	31
4	18	6	24
5	0	0	0
TOTALS	53	50	103

Response	1-4 yrs	5-8 yrs	9-12 yrs	13-16 yrs	Over17 yrs	TOTALS
1	3	2	0	4	0	9
2	16	7	5	3	8	39
3	10	11	8	3	2	34
4	9	8	2	2	4	25
5	0	0	0	0	0	0
TOTALS	38	28	15	12	14	107

. tabi 4 17 14 18 0 \ 5 22 17 6 0

row	col				Total
	1	2	3	4	
1	4	17	14	18	53
2	5	22	17	6	50
Total	9	39	31	24	103

Pearson chi2(3) = 6.9610 Pr = 0.073

. tabi 3 16 10 9 0 \ 2 7 11 8 0 \ 0 5 8 2 0 \ 4 3 3 2 0 \ 0 8 2 4 0

row	col				Total
	1	2	3	4	
1	3	16	10	9	38
2	2	7	11	8	28
3	0	5	8	2	15
4	4	3	3	2	12
5	0	8	2	4	14
Total	9	39	34	25	107

Pearson chi2(12) = 20.7568 Pr = 0.054

Scenario Two: Councillor Behaviour at council meeting

. sum sc2 if sc2==1 & malefemale=="m"

sum sc2 if sc2==1 & length=="1"

Response	Male	Female	TOTALS
1	11	12	23
2	13	9	22
3	5	1	6
4	8	4	12
5	16	22	38
TOTALS	53	48	101

Response	1-4 yrs	5-8 yrs	9-12 yrs	13-16 yrs	Over17 yrs	TOTALS
1	6	9	1	5	2	23
2	10	4	3	3	1	21
3	0	1	1	1	3	6
4	6	3	2	1	1	13
5	16	10	7	2	7	42
TOTALS	38	27	14	12	14	105

. tabi 11 13 5 8 16 \ 12 9 1 4 22

row	col					Total
	1	2	3	4	5	
1	11	13	5	8	16	53
2	12	9	1	4	22	48
Total	23	22	6	12	38	101

Pearson chi2(4) = 5.4840 Pr = 0.241

. tabi 6 10 0 6 16 \ 9 4 1 3 10 \ 1 3 1 2 7 \ 5 3 1 1 2 \ 2 1 3 1 7

row	col					Total
	1	2	3	4	5	
1	6	10	0	6	16	38
2	9	4	1	3	10	27
3	1	3	1	2	7	14
4	5	3	1	1	2	12
5	2	1	3	1	7	14
Total	23	21	6	13	42	105

Pearson chi2(16) = 20.5472 Pr = 0.197

Scenario Three: Redevelopment of aquatic centre

sum sc3 if sc3==1 & malefemale=="m"

sum sc3 if sc3==1 & length=="1"

Response	Male	Female	TOTALS
1	3	1	4
2	15	22	37
3	25	20	45
4	7	6	13
5	3	1	4
TOTALS	53	50	103

Response	1-4 yrs	5-8 yrs	9-12 yrs	13-16 yrs	Over17 yrs	TOTALS
1	2	1	1	0	0	4
2	10	8	6	5	8	37
3	21	11	7	5	3	47
4	4	7	1	0	3	15
5	1	1	0	2	0	4
TOTALS	38	28	15	12	14	107

With chi squared analysis it makes no difference whether the table is vertical or horizontal – as the second result show, one gets the same answer.

```
. tabi 3 15 25 7 3 \ 1 22 20 6 1
```

row	col					Total
	1	2	3	4	5	
1	3	15	25	7	3	53
2	1	22	20	6	1	50
Total	4	37	45	13	4	103

Pearson chi2(4) = 3.8727 Pr = 0.424

```
. tabi 2 10 21 4 1 \ 1 8 11 7 1 \ 1 6 7 1 0 \ 0 5 5 0 2 \ 0 8 3 3 0
```

row	col					Total
	1	2	3	4	5	
1	2	10	21	4	1	38
2	1	8	11	7	1	28
3	1	6	7	1	0	15
4	0	5	5	0	2	12
5	0	8	3	3	0	14
Total	4	37	47	15	4	107

Pearson chi2(16) = 19.9862 Pr = 0.221

```
. 2 1 1 0 0 \ 10 8 6 5 8 \ 21 11 7 5 3 \ 4 7 1 0 3 \ 1 1 0 2 0
```

2 is not a valid command name

r(199);

```
. tabi 2 1 1 0 0 \ 10 8 6 5 8 \ 21 11 7 5 3 \ 4 7 1 0 3 \ 1 1 0 2 0
```

row	col					Total
	1	2	3	4	5	
1	2	1	1	0	0	4
2	10	8	6	5	8	37
3	21	11	7	5	3	47
4	4	7	1	0	3	15
5	1	1	0	2	0	4
Total	38	28	15	12	14	107

Pearson chi2(16) = 19.9862 Pr = 0.221

.

Question 12: Self-selected definition of morality

sum q12 if q12==1 & malefemale=="m"

sum q12 if q12==1 & length=="1"

Response	Male	Female	TOTALS
Utilitarianism	7	9	16
Moral duty	6	2	8
Golden rule	34	25	59
Virtue	3	9	12
Moral Rules	3	4	7
TOTALS	53	49	102

Response	1-4 yrs	5-8 yrs	9-12 yrs	13-16 yrs	Over17 yrs	TOTALS
Utilitarianism	7	2	5	3	2	19
Moral duty	2	1	2	1	2	8
Golden rule	21	18	6	8	7	60
Virtue	5	4	1	0	2	12
Moral rules	3	3	0	0	1	7
TOTALS	38	28	14	12	14	106

. tabi 7 6 34 3 3 \ 9 2 25 9 4

row	col					Total
	1	2	3	4	5	
1	7	6	34	3	3	53
2	9	2	25	9	4	49
Total	16	8	59	12	7	102

Pearson chi2(4) = 6.6191 Pr = 0.157

. tabi 7 2 21 5 3 \ 2 1 18 4 3 \ 5 2 6 1 0 \ 3 1 8 0 0 \ 2 2 7 2 1

row	col					Total
	1	2	3	4	5	
1	7	2	21	5	3	38
2	2	1	18	4	3	28
3	5	2	6	1	0	14
4	3	1	8	0	0	12
5	2	2	7	2	1	14
Total	19	8	60	12	7	106

Pearson chi2(16) = 12.9182 Pr = 0.679

Respectful Culture

sum respectfulculture if respectfulculture==1 & malefemale=="m"

sum respectfulculture if respectfulculture==1 & length=="1"

Response	Male	Female	TOTALS
Strongly agree	10	8	18
Agree	15	12	27
Neutral	12	7	19
Disagree	10	16	26
Strongly disagree	6	7	13
TOTALS	53	50	103

Response	1-4 yrs	5-8 yrs	9-12 yrs	13-16 yrs	Over17 yrs	TOTALS
Strongly agree	7	4	3	2	4	20
Agree	8	8	4	5	3	28
Neutral	7	4	3	3	2	19
Disagree	10	8	2	2	4	26
Strongly disagree	6	4	3	5	1	19
TOTALS	38	28	15	17	14	112

```
. tabi 10 15 12 10 6 \ 8 12 7 16 7
```

row	col					Total
	1	2	3	4	5	
1	10	15	12	10	6	53
2	8	12	7	16	7	50
Total	18	27	19	26	13	103

Pearson chi2(4) = 3.2483 Pr = 0.517

```
. tabi 7 8 7 10 6 \ 4 8 4 8 4 \ 3 4 3 2 3 \ 2 5 3 2 5 \ 4 3 2 4 1
```

row	col					Total
	1	2	3	4	5	
1	7	8	7	10	6	38
2	4	8	4	8	4	28
3	3	4	3	2	3	15
4	2	5	3	2	5	17
5	4	3	2	4	1	14
Total	20	28	19	26	19	112

Pearson chi2(16) = 7.2573 Pr = 0.968

Feel Bullied

sum feelbullied if feelbullied==1 & malefemale=="m"

sum feelbullied if feelbullied==1 & length=="1"

Response	Male	Female	TOTALS
Strongly agree	4	9	13
Agree	10	16	26
Neutral	5	6	11
Disagree	15	13	28
Strongly disagree	18	6	24
TOTALS	52	50	102

Response	1-4 yrs	5-8 yrs	9-12 yrs	13-16 yrs	Over17 yrs	TOTALS
Strongly agree	5	6	1	0	2	14
Agree	9	10	2	2	2	25
Neutral	6	3	2	2	1	14
Disagree	11	5	7	3	2	28
Strongly disagree	7	4	3	4	7	25
TOTALS	38	28	15	11	14	106

```
. tabi 4 10 5 15 18 \ 9 16 6 13 6
```

row	col					Total
	1	2	3	4	5	
1	4	10	5	15	18	52
2	9	16	6	13	6	50
Total	13	26	11	28	24	102

Pearson chi2(4) = 9.5059 Pr = 0.050

```
. tabi 5 9 6 11 7 \ 6 10 3 5 4 \ 1 2 2 7 3 \ 0 2 2 3 4 \ 2 2 1 2 7
```

row	col					Total
	1	2	3	4	5	
1	5	9	6	11	7	38
2	6	10	3	5	4	28
3	1	2	2	7	3	15
4	0	2	2	3	4	11
5	2	2	1	2	7	14
Total	14	25	14	28	25	106

Pearson chi2(16) = 17.7901 Pr = 0.336

Input Not Valued

sum inputnotvalued if inputnotvalued ==1 & malefemale=="m"

sum inputnotvalued if inputnotvalued ==1 & length=="1"

Response	Male	Female	TOTALS
Strongly agree	5	7	12
Agree	8	21	29
Neutral	8	8	16
Disagree	16	10	26
Strongly disagree	15	4	19
TOTALS	52	50	102

Response	1-4 yrs	5-8 yrs	9-12 yrs	13-16 yrs	Over17 yrs	TOTALS
Strongly agree	5	4	1	0	2	12
Agree	9	11	5	4	2	31
Neutral	8	3	1	2	2	16
Disagree	9	7	7	1	4	28
Strongly disagree	7	3	1	4	4	19
TOTALS	38	28	15	11	14	106

```
. tabi 5 8 8 16 15 \ 7 21 8 10 4
```

row	col					Total
	1	2	3	4	5	
1	5	8	8	16	15	52
2	7	21	8	10	4	50
Total	12	29	16	26	19	102

Pearson chi2(4) = 13.8801 Pr = 0.008

```
. tabi 5 9 8 9 7 \ 4 11 3 7 3 \ 1 5 1 7 1 \ 0 4 2 1 4 \ 2 2 2 4 4
```

row	col					Total
	1	2	3	4	5	
1	5	9	8	9	7	38
2	4	11	3	7	3	28
3	1	5	1	7	1	15
4	0	4	2	1	4	11
5	2	2	2	4	4	14
Total	12	31	16	28	19	106

Pearson chi2(16) = 15.2991 Pr = 0.503

Bully Managed

sum bullymanaged if bullymanaged ==1 & malefemale=="m"

sum bullymanaged if bullymanaged ==1 & length=="1"

Response	Male	Female	TOTALS
Strongly agree	8	5	13
Agree	23	12	35
Neutral	7	10	17
Disagree	8	13	21
Strongly disagree	6	10	16
TOTALS	52	50	102

Response	1-4 yrs	5-8 yrs	9-12 yrs	13-16 yrs	Over17 yrs	TOTALS
Strongly agree	4	4	2	3	1	14
Agree	13	9	6	3	6	37
Neutral	6	6	2	2	1	17
Disagree	7	3	4	3	5	22
Strongly disagree	8	6	1	0	1	16
TOTALS	38	28	15	11	14	106

```
. tabi 8 23 7 8 6 \ 5 12 10 13 10
```

row	col					Total
	1	2	3	4	5	
1	8	23	7	8	6	52
2	5	12	10	13	10	50
Total	13	35	17	21	16	102

Pearson chi2(4) = 6.8327 Pr = 0.145

```
. tabi 4 13 6 7 8 \ 4 9 6 3 6 \ 2 6 2 4 1 \ 3 3 2 3 0 \ 1 6 1 5 1
```

row	col					Total
	1	2	3	4	5	
1	4	13	6	7	8	38
2	4	9	6	3	6	28
3	2	6	2	4	1	15
4	3	3	2	3	0	11
5	1	6	1	5	1	14
Total	14	37	17	22	16	106

Pearson chi2(16) = 12.2215 Pr = 0.729