

DECISION MAKING AND INFLUENCE
IN A TASMANIAN CITY.

A STUDY OF THE GLENORCHY CITY COUNCIL

by

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DECLARATION

This thesis contains no material which has been accepted for the award of any other degree or diploma in any university. To the best of my knowledge and belief, this thesis contains no copy or paraphrase of material previously published or written by another person, except where due reference is made in the text of the thesis.

Signed:

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.....
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ABSTRACT

Decision making and influence in Australian local government is a field of study neglected to date. This investigation of a Tasmanian local government council sets up two major and several minor propositions about decision making and influence. The propositions concern: (a) the extent to which the decision making process is based on historical factors; or whether the process follows the prescriptions of the rational or incremental decision theorists; and (b) whether some people, for example the staff, are more influential than others.

The organisation, the Glenorchy City Council, is then examined to test the propositions. An eclectic methodology is used. The methodology draws on decision making theory as a means of ordering and analysing the data; and attributed and prescribed influence are investigated with the help of American and British community power studies. One decision - that of the striking of the rate - is studied in detail.

The study proceeds through two major media: observations made by the researcher and data gathered from a questionnaire administered to ten aldermen and nine senior members of the council's staff.

The council's history is discussed briefly with the post-Second World War period being emphasised. The council's decision making procedures are recorded and its membership and attributed influentials delineated.

The striking of the rate is then described and analysed as the decision making process moves through the intelligence, design

and choice phases. The men seen by the researcher and the respondents as influential in this decision are isolated.

In the conclusion, the propositions and the data are considered and some conclusions drawn suggesting that the decision making process is incremental in nature and that one member of staff is more influential than the other staff and the aldermen. The activities of the aldermen and the staff during the striking of the rate are discussed with reference to two traditional concerns of public administration: the roles of elected representatives and permanent officials, and their answerability.

Finally, it is suggested that more research into decision making is required, and that Glenorchy's aldermen and other members of staff would wield more influence on the rate if the nature of the decision was changed from one of keeping the system going to one involving something more.

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CHAPTER ONE

INTRODUCTION

Local government decision making is an important aspect of administrative and political activity in Australia. There are about 900 local government councils which spent almost \$800 million on employment, health, roads, bridges, and cultural affairs in 1970-71.¹ The choices made within these councils and executed in the community have a vital impact on the cultural lives, the recreational facilities, and the mobility, health and cleanliness of their residents. There is a lack of scholarly knowledge about Australian local government which is in contrast to the comparative abundance of studies of the Commonwealth Parliament, federal parties and Commonwealth administration. These areas have attracted the attention of scholars. G.S. Reid observes that state and local government tend to be overlooked and calls for "a comparable emphasis" to be directed towards them. He says:²

"Unquestionably, decisions made at these levels have a more profound influence upon our immediate environment and our day-to-day living than those decisions of 'national' significance made at the federal levels."

Decisions made at the local government level and the processes through which such decisions are made await systematic investigation.

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1. Commonwealth Bureau of Census and Statistics, *Commonwealth Year Book*, No. 58, 1972, pp. 583-585.
 2. G.S. Reid, "The vital adjunct: Parliamentary libraries and their role in Australia", *N.S.W. Parliamentary Library*, Reference monograph No. 7, 1969, p. 38.

Works published on local government seem to neglect the field of decision making. Three aspects of Australian local government are generally discussed: its legal position has been examined;³ the scope of its activities and its role has been considered;⁴ and some histories have been written.⁵ The remaining field is rich. Inter-governmental relations, the roles of elected representatives and appointed officials, and the town planning activities of councils are some sections which merit investigation and addition to the literature. An appropriate observation on the state of the literature was made 15 years ago in a bibliographical essay by S.R. Davis and Colin Hughes. They reported that:⁶

"What has been written as government, not history, may be swiftly surveyed. There is ... no single

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3. See for example A.F. Davies, *Local Government in Victoria*, Melbourne University Press, 1951, p.18; Ruth Atkins, "Local Government", in R.N. Spann, *Public Administration in Australia*, Sydney: Government Printer, 2nd ed. (Revised) 1960, p.157; and R.L. Wettenhall, *A Guide to Tasmanian Government Administration*, Hobart: Platypus, 1968, pp. 311-325.
 4. See F.A. Bland, "Local government: the need and the possibilities", *Public Administration* (Sydney), 5 (1), 1944, pp. 33-37; _____, "Is there a future for local government?", *Public Administration* (Sydney), 6 (4), 1946, pp. 212-218; D. Corbett, "Does local government matter?", *Local Government Administration* 5 (5), 1961, especially pp. 11-13; G.S. Reid, "Why local government?" *The Future of the Perth Metropolitan Region*, Australian Frontier, 1969, pp. 7-16; and Gerald H. France, "Local government - where is it going?" *Local Government in Queensland*, 65, 1970, pp. 3-5, 7-8.
 5. See for example F.A. Larcombe, *A History of Local Government in New South Wales*, Sydney: Local Government Association, 1955; Gordon Greenwood and John Laverty, *Brisbane 1859-1959: A History of Local Government*, Brisbane: 1959; H.E. Maiden, *The History of Local Government in New South Wales*, Sydney: Angus and Robertson 1966.
 6. S.R. Davis and Colin Hughes, "The Literature of Australian Government and Politics", *Australian Journal of Politics and History*, 4, 1958, p. 124; Ruth Atkins makes a contemporary observation in R.N. Spann, *Public Administration in Australia*, Sydney: Government Printer, 3rd ed., 1973; "In Australia studies of government and public administration have not penetrated far into local government" (p.223).

comparative or single general treatise on local government in the six states.
 ... In aggregate the volume of writing is not more than two or three books, a half dozen short monographs, the series of papers read to the annual symposia organized by the Local Government Association of New South Wales... and some thirty or so articles in Public Administration ... and some half dozen MA. theses ..."

While this is still a relatively accurate assessment of the comparatively small volume of work on local government, certain new topics have emerged over the last decade. Recent writings discuss urban problems and administration, management in local government, training for local government officers, and financial administration.⁷ This classification is arbitrary but establishes the main themes covered in recent literature. The second category, management in local government, is of especial interest here. Most of the contributions

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7. For examples of the first section see: Ruth Atkins "Cities and Politics: Organizing for the task", in John Wilkes (ed.) *Australian Cities: Chaos or Planned Growth*, (Proceedings of 32nd summer school, Australian Institute of Political Science), Sydney: Angus and Robertson, 1966, pp. 115-127; R.L. Wettenhall, "Political and Administrative Questions in Urban studies", Paper delivered at an Urban Research Unit Seminar, Australian National University, March 1969 (Roneod) especially pp. 12-15; A.M. Walls, "Urban Administration in Australia", *Local Government Administration*, 14, 1969, pp. 97-102; F.H. Rogan, "The City complex - today and tomorrow: administration", *Public Administration* (Sydney), 29, (1), 1970, pp. 51-57. For examples of the second section see: R.D. Stuckey, "Some problems of management in local government", *Public Administration* (Sydney) 19 (4), 1960, pp. 344-353; and Clem Jones, Local government management, *Local Government Administration*, 16, 1971, pp. 11-15, 19-23. An example of discussion about education and management is Gerald H. France, "Education and training for management in local government", *Local Government Administration*, 16, 1971, pp. 35, 37, 39, 41, 43. D.M. Purdie describes the budgetary process in "Municipal Budgeting", *Bulletin of the Australian Society of Accountants*, No. 12, December 1971, 53 pp., and V.M. Levy discusses local government financial procedures briefly in *Public Financial Administration*, Sydney: The Law Book Company, 1972, pp. 83-84. The Australian Institute of Urban Studies evaluation project 44 is being carried out now. Two titles "Managing the Cities", and "Patterns of Urban Government for Australia", show the emergence of and search for new ideas.

on management in local government come from aldermen or administrators and provide insights about their respective roles, or describe general, financial or personnel procedures. There is persistent concern in this category about which activities properly fall within the scope of the aldermen or the officers. R.D. Stuckey says:⁸

"Councils must trust their administrators and give them adequate freedom of action. In return the latter should create and maintain an efficient organisation ..."

"Trust" is not a very specific basis for allocating work between elected representatives and appointed officials. It may place "... tremendous administrative discretions" in the hands of administrators who F.H. Rogan sees as being able "often to exercise wide value choices...."⁹

The making of decisions in local government is seen as the duty and prerogative of aldermen. The familiar dichotomy between policy and administration is utilised to help explain decision making roles in a council. Aldermen Clem Jones, the Lord Mayor of Brisbane, adopts the classical position that the "elected body must be paramount in the determination of policy ..." and it "must have confidence in those who are required to carry out its policy, and must respect their recommendations..."¹⁰

This explanation of decision making has its basis in notions of the responsibility which elected representatives are expected to bear to their electors. It is primarily role-orientated and seems to

8. R.D. Stuckey, *Op.cit.*, p. 352. Stuckey was first an alderman and later town clerk at Hunter's Hill, N.S.W.

9. F.H. Rogan, *Op.cit.*, p.55, Rogan is the Town Clerk of the Melbourne City Council.

10. C. Jones, *Op.cit.*, p. 17.

have gained wide acceptance as a guide to the proper place of aldermen and officers in local government decision making. One author claimed about twenty years ago that:¹¹

"The elected representative's function is to formulate policy and not to interfere with administration. This distinction should be made clear in local government legislation in Western Australia."

This prescription was not adopted formally but is found in the more recent contributions such as that of Jones above and the Town Clerk of Glenorchy, Tasmania, Mr. J.E. Dean, who told elected representatives at an adult education school that policy and administration should be separate activities for two classes of people:¹²

"Councils should deal with policy matters and such other things as are required to be done by law by resolution, and leave the general administration and carrying into effect of the council's decisions to the staff it employs."

While the use of a supposed dichotomy between policy and administration may explain accurately who makes decisions in local government, it neither explains which decisions are policy and which administrative nor how decisions are made in this unit of government. In the light of theoretical and empirical work published in Australia and overseas,¹³ it must be concluded that the studies and observations on local government decision making reviewed briefly above are largely inadequate.

They are inadequate as indicators of the proper roles which

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11. J.R.H. Johns, *Metropolitan Government in Western Australia*, University of Western Australia Text Books Board. [].
 12. J.E. Dean, "Administration in local government", in G. Vertigan, *Local Government*, Hobart: Adult Education Board, 1970, no pagination.
 13. Some overseas studies are discussed below. See pp. 7, 16-17.

representatives and officials should play. After rejecting as "naive" the view that policy and administration are "two distinct kinds of activity, and that each can, and should in Government operations, be assigned to a different class of person ..." R.S. Parker comments:¹⁴

"I think it is undeniable that there is a proper role for officials in the governmental process of a parliamentary democracy. But these roles are not satisfactorily distinguished in terms of dichotomy between 'policy' and 'administration' as separate kinds of governmental activity."

The Australian studies are also inadequate because of their failure to postulate and examine the interdependence and influence between representatives and officials in their decision making activity. Interdependence leads to alternative explanations of decision making derived from ideas about the structure and operations of organisations and the influence of its members on each other. J.K. Friend and W.N. Jessop writing of their observations on setting the rate in Coventry, part of their much wider study of choice in local government, note that a figure proposed early in the process:¹⁵

"... turned out to be unacceptably high, and so there followed an extensive process of bargaining involving all the various committees and departments of the City Council with the chairman of the Finance Committee and the City Treasurer (as head of the Finance Department) occupying key roles in the negotiations."

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14. R.S. Parker, "Policy and administration", *Public Administration* (Sydney), 19 (2), 1960, pp. 115-116. Though Parker is writing about Ministers and civil servants here, his remarks are applicable to local government. This thoughtful article notes that both 'policy' and 'administration' "may be applied either to classes of activity or to classes of persons. This distinction is often blurred in discussion...." (p.114).
 15. J.K. Friend and W.N. Jessop, *Local government and strategic choice*, London: Tavistock, 1969, p. 11.

The interdependence indicated in Coventry drew elected representatives and skilled officers into a process of joint decision making, seen in more general terms by Peter Self as "co-operative action".¹⁶

Some constructs of organisation theory also suggest a high level of interdependence. J.G. March sees the organisation as:¹⁷

"... a coalition, and it gradually changes its composition through arriving at bargains with new members and rescinding bargains with old ones."

The organisational activity implied here involves influence and bargaining for mutual benefit and might easily be applied to an organisation where technical skills and lay interest meet to make decisions to be executed in the community.

Community power studies of American cities indicate the influential role played by administrators in community decisions. For example, the work done by M. Kent Jennings in Atlanta and Raleigh suggests administrators were influential in decisions relating to their own areas of professionalisation and policy responsibility.¹⁸

As a consequence it is suggested that an important and somewhat neglected area of decision making and influence in Australian government can be studied by using existing knowledge, and ideas developed in a similar intellectual tradition elsewhere. As other sections of

16. Peter Self, "Elected representatives and management in local government: An alternative analysis", *Public Administration* (London), 49, 1971, p. 271.

17. J.G. March, "Theory of organisational decision making", in A.P. Hare, E.F. Borgatta, and R.F. Bales (eds.) *Small Groups: Studies in Social Interaction*, New York; Alfred A Knopf, Rev.ed., 1965, p.187.

18. M. Kent Jennings, "Public administrators and community decision making", *Administrative Science Quarterly*, 8, 1973, p.39.

this Chapter and Chapter two show, theories about decision making and studies of influence offer perspectives other than the dichotomous one which to date is the predominant perspective in Australia's small local government literature.

1. AIM AND SCOPE.

This study is aimed at observing and analysing decision making and influence in only one local government council, the City of Glenorchy. In doing so, an attempt will be made to fill one of the gaps in the literature and to contribute to the understanding of decision and influence in an organisation with an elected and an official component.

The study is directed towards examining two major propositions at a general level and eight other minor propositions of a lower order of generality.

The first major proposition is that:

- (a) historical factors present in the experiences of aldermen and senior staff affect their capacity for rational decision making.

The related minor propositions investigated are that:

- (i) because the size of the annual rate is largely determined by the previous year's figures, incremental budgeting is encouraged;
- (ii) aldermen and staff have different perceptions of the type of the rate decision, some seeing it as a policy decision, others as administrative or policy/administrative;
- (iii) the type of the decision before them is therefore no guide to the current decision making activity of the aldermen and

staff.

The second major proposition is that:

- (b) some of those involved in the organisation's decision making process are more influential than others.

The related minor propositions investigated are:

- (i) the organisation's formal procedures for decision making promote interdependence and influence between aldermen and senior staff;
- (ii) this influence is related to interactions between aldermen and senior staff;
- (iii) the influence of some senior staff members on the rate decision is greater than that of the aldermen because of their professional skill and experience.
- (iv) the qualities the council's influentials possess as decision makers are important sources of their influence; and,
- (v) members of the community attempt to influence the size of the rate, before it is struck, through their elected representatives.

Before proceeding, it is important to explain how some central terms are understood in this study. "Interdependence in decision making" means that aldermen and officers need each other for decision making to be completed. The relationship is thus synergistic; for either group to be absent from the process is for the process to break down. Sometimes the word "interdependence" is used alone to mean the same thing. "Interaction" describes events such as conversations, the giving or receiving of information, or the presentation and discussion

of data relevant to the decision to strike the rate. The term "interaction process" is used to describe the series of activities carried on by different participants relevant to the rate. It is not used to imply that the techniques for small group analysis developed by Robert F. Bales have been employed to record and report the substance or detail of the interactions.¹⁹ M. Kent Jennings is followed in the use of "influence" which is understood as participants "achieving preferred outcomes or preventing others from achieving preferred outcomes".²⁰ Finally, "decision making process" means that aldermen and staff are involved in a sequence of events directed towards striking the rate.

H.A. Simon's three phases of the decision making process (intelligence, design, and decision) are used to provide a framework within which the data can be placed and analysed.²¹ The three phases are used in two ways in the study. Firstly, as the framework through which the interactions of participants in the decision making process can be examined; and secondly in the more detailed parts of each phase as an indication of the rationality of the process. As a framework, the phases permit categorisation of the sequential stages through which the decision must pass. It assumes a linear path from intelligence, through design to decision. These are the major phases of the process. The minor phases within each stage provide the researcher with the opportunity to observe, for example, whether any alternatives are delineated and examined and therefore to judge whether particular activities

19. Robert F. Bales, *Interaction Process Analysis*, Reading, Mass: Addison - Wesley, 1950, pp. 1-29, esp. p. 9.

20. M. Kent Jennings, *Op. cit.*, p.37.

21. H.A. Simon, *The New Science of Management Decision*, New York, Harper and Row, 1960, p.2.

prescribed by the rationalists are executed. The use of the phases as an indicator of the rationality in the process is developed further in Chapter two.

The process includes various interactions which are concerned with gathering and assessing information, communicating information, holding committee meetings, and eventually striking the rate. It does not include here the execution of the decision. That is, the actual collection of the rate is not described though the machinery for its collection is mentioned briefly.

2. WHY GLENORCHY WAS CHOSEN

Glenorchy was chosen as an example of a medium-sized Australian city which has experienced rapid population growth since the end of the Second World War. [It is adjacent to Hobart and within the Hobart urban statistical division and is the third city to be created since Tasmania was colonised in 1803.]

The population of Glenorchy increased threefold between 1947 and 1972. In 1947, the census recorded 14,498 people in the municipality. In 1972 there were 42,900 at 30 June. Over the same period, the value of property in the municipality rose from \$415,124 to \$15,663,465. This population and property growth is typical of the post-war activity in many Australian suburban municipalities clustered around the seaside capital cities which contain the major commercial districts.

As *Table 1.1* shows, there are 161 municipalities ranging from

TABLE 1.1

Five-fold classification of municipalities in
five Australian capital cities (a)

Capital City	Population Urban Div. (b)	Large 100,000	Medium- Large 70,- 100,000	Medium 40,- 70,000	Small- Medium 20,- 40,000	Small 20,000	Total Municipal- ities.
Sydney	2,850,630	8	8	11	10	4	41
Melb.	2,544,400	3	6	17	21	8	55
Adelaide	855,300	0	2	5	9	16	32
Perth	703,199	1	1	1	9	14	26
Hobart	133,240	0	0	2	1	4	7
TOTAL	7,066,769	12	17	36	50	46	161

(a) Brisbane is not included because most of the metropolitan area is under the jurisdiction of one very large authority, the Brisbane City Council.

(b) All figures, compiled by the *Commonwealth Bureau of Census and Statistics*, are the totals of estimates for the population in local government areas in the statistical division of each capital at 30 June 1972.

less than 20,000 (small) to over 100,000 (large) in the urban statistical divisions around the capital cities of five states. Little is known about decision making process in any of these municipalities and the researcher thought it desirable to choose a medium-sized one because it could be expected to have a reasonably well-qualified, experienced professional staff and be easily amenable to a one-man study. It could also be expected to have reasonably well-established procedures for decision making and a substantial population from which to demand finances via the rate.

Each of these expectations was met and a high level of co-operation was offered to the researcher. Aldermen and officers were very pleased to assist the project by becoming a major part of its subject. Committee meetings and council records were opened, often warmly, for observation and inspection. Agenda, staff reports and minutes were mailed to the researcher in advance of meetings to aid in the process of getting to know the council's activities.

3. SOURCES AND METHOD

Information was gathered from:

- i) council records such as committee reports, correspondence and some written decision-rules and manuals;
- ii) interviews with aldermen and senior staff;
- iii) casual conversations with aldermen and senior staff;
- iv) observations at six council and 18 committee meetings over a six-month period;
- v) a questionnaire administered to ten out of eleven aldermen and nine senior members of council staff who

either sat on committees or were known to be involved in the striking of the rate; and

- vi) other written material such as government publications and academic literature relevant to the decision making process.

Easy access to council records and a regular supply of material on the whole range of topics under discussion has been noted already. Examination of records began in January 1973. It was preceded by a study of the relevant literature, and separate preliminary discussions with the Mayor (Alderman Ken Lowrie), Alderman Norm Dean (then the Deputy Mayor) and the Town Clerk, Mr. J.E. Dean, at which the project was outlined. Some of the propositions listed above were raised and discussed and so were the procedures through which the rate was set. The role of officers and aldermen was also covered. The preliminary discussions which began in June 1972 led to the judgment that the project was viable and that co-operation and assistance was guaranteed. Alderman Lowrie, who recently became chairman of the Tasmanian branch of the Australian Institute of Urban Studies, encouraged the study from the beginning.

Mr. Dean introduced the researcher to other members of staff including the Accountant, the Assistant Accountant, the Committee Clerk, and the Expenditure Clerk in early January. Other members, the Engineer and the Deputy Engineer for example, were met when they returned from summer holidays. Mr. Dean made it clear to staff that the research was to be assisted.

In early February, observation of committee meetings began with the intention of noting the degree of harmony or conflict, the

role of the chairman, and the treatment of officers and their recommendations. An understanding of the organisation's decision making procedures was also sought this way. Attendance at committee meetings provided an opportunity for the researcher to meet the remaining aldermen and talk about their work and the research. All contacts were made on a very informal and friendly basis, helped by the custom of "opening the Mayor's cupboard" for a beer after each three-weekly council meeting.

Records of committee meetings, council meetings, and conversations were kept. Notes were usually made after conversations held at a variety of times and places. Information gathered in the course of these observations and conversations is used throughout the study.

4. THE QUESTIONNAIRE

The questionnaire is a major source of data especially about those activities which could not be observed, and about the influential men in the organisation. The questionnaire is included as Appendix A. It is designed to elicit background information and personal data about the respondents; to determine who the attributed influentials and the prescribed influentials are; to discover the directions and frequencies of interactions relevant to the decision on the size of the rate; and to ascertain whether there is any connection between decision making qualities and influence. That is, the questionnaire is used as a tool to test some of the propositions above.

The questionnaire contains two methodological tools: reputational, and decision analysis.²² These tools are combined with positional analysis and the traditional case study method to produce an eclectic

22. There has been much debate and controversy over the development and/

approach to the investigation of decision making and influence in Glenorchy.

Positional analysis is based on the assumption that those holding particular offices or performing specialised tasks in an organisation are likely to be influential in the making of a decision. It therefore assists in the isolating of participants whose contributions can be examined more deeply in other ways. The reputational and decisional methods are used for this purpose. The reputational method, initiated by Floyd Hunter, and the decisional method, developed by Robert Dahl, were designed for use in community power studies concerned with the investigation of influence. Hunter has been followed by M. Kent Jennings among others, and R.V. Presthus has employed both Hunter's and Dahl's methods.²³

Each method rests on a different assumption about the exercise of influence in a community and is likely to produce an incomplete picture of influence. Hunter's reputational method assumes that elites influence decisions; Dahl's reputational method assumes influence is more dispersed because of the pluralist nature of communities. Hunter's

and use of the reputational and decisional techniques. A thorough discussion of the techniques and assumptions, and resume of the debate is in: Michael Aiken and Paul E. Mott (eds.), *The Structure of Community Power*, New York: Random House, 1970. See especially Part IV.

23. See Floyd Hunter, *Community Power Structure*, Chapel Hill: University of North Carolina Press, 1953, esp. pp. 262-271 for a discussion of methodology; Robert Dahl, *Who Governs?* New York: Yale University Press, 1961, esp. pp. 330-340 for a discussion of methodology; M. Kent Jennings, "Public Administrators and community decision making", *Administrative Science Quarterly*, 8, 1963, pp. 18-43; _____, *Community Influentials*, Glencoe: Free Press, 1964, esp. p.14; Robert Vance Presthus, *Men at the Top*, New York: Oxford University Press, 1964, esp. pp. 52-61 for a comparison of the reputational and decisional methods.

method indicates the reputed or attributed influential in a community and does not consider whether the attributed influentials actually participate in a decision. Dahl's method seek to determine the prescribed influentials by asking respondents if the influentials participated in specific decisions. The relevance of each method to the analysis of influence in an organisation must be considered.

An organisation can be seen as a microcosm of a community with its formal and informal leaders, a status hierarchy, various levels of education, differing religious and political views and so on. Therefore the techniques of reputational and decisional analysis should reveal influence within an organisation at least as well as they do in a community.

The techniques have been used, to reveal organisational influence, by Jean Blondel and R. Hall in their English study of Colchester and Maldon councillors and ex-councillors.²⁴ Part of the study includes an examination of the councillors' "views on the distribution of influence in the council".²⁵ The authors argue that some men are more influential than others in decision making, and they seek to discover if the respondents "perceive very clearly who is responsible for each of the decisions taken" and if "each councillor knows who helped most to take the decisions". They use the reputational method to find out who exercises general influence and the decisional method "to check what link there is between reputations acquired on individual issues and reputations

24. J. Blondel and R. Hall, "Conflict, decision-making and the perception of local councillors", *Political Studies*, 15 (3), 1967, pp. 322-350, esp. pp. 338-339.

25. *Ibid.*, p. 325. The authors also examine the respondents' views on particular issues.

acquired on a general basis".²⁶

The same procedure is followed here, except that only one issue, the striking of the rate, is used to check any link between one issue reputations and generally acquired reputations for being influential.

The questionnaire and the tools it contains are used to complement the traditional case study approach to decision making.²⁷

5. STRUCTURE

The case study technique is used in conjunction with Simon's three decision making phases mentioned already to describe decision making activities in Chapters four to six. These chapters also contain data obtained from the questionnaire. They are preceded by a discussion of organisational decision making in Chapter two and a description of Glenorchy, the city, the council and its influentials and methods of operation in Chapter three. In Chapter seven, the conclusion is drawn with reference to the propositions tested and to two traditional concerns of public administration: the roles of the elected representative and the permanent official.

The eclectic approach to the study is necessary in order to develop some understanding of the setting, procedures, and influences attendant on decision making. As the Chapter outline implies the

26. *Ibid.*, p.339.

27. The case-study approach is detailed in Edwin A. Rock (ed.), *Essays on the Case Method in Public Administration*, International Institution of Administrative Sciences, 1962. More recently, H. Hugh Heclo discusses it and other approaches in "Review article: policy analysis", *British Journal of Political Science*, 2, 1972, pp. 83-108, esp. pp. 88-97.

methodology gives more flesh to this study than is common with the usual case study in narrative form.²⁸

6. LIMITATIONS

This study analyses decision making and influence within one Australian city council, on only one issue in which the participants enjoy a fair degree of autonomy. The results must be treated cautiously and not generalised from. It may be that some of the findings hold for other councils in cities of similar size, structure, and responsibilities, but the possibility should remain open for further investigation.

The answers of respondents suggest that members of the community did not exercise influence on the size of the rate. However, other responses suggest that previously expressed or imagined community attitudes to the size of the rate were important constraints on the decision makers. Testing the accuracy of these assessments of community attitudes ^{lies} beyond the scope of this study which has the organisation and not the community as its focus.

The presence of the researcher at all committee and council meetings over the period of the study might have affected aldermen-officer interactions to some extent. The participants always seemed frank in these meetings and the duration of the study should have offset the initial novelty of being studied.

The lack of written material on decision making in Australian local government was an obstacle because the opportunities to draw upon

28. Heelo commends such an approach, *Ibid.*, p.93.

other's insights was greatly reduced. The absence of any theory of local government decision making within which the study could be placed and talked about was another obstacle. An attempt is made in Chapter two to reduce the size of this barrier.

The emphasis on general influence and the selection of only one decision to detect prescribed influence could lead to a distorted conclusion. It is possible that different participants would be influential on different issues and that influence within the organisation would be different overall than the eclectic methodology reveals. However, no broad claims or generalisations are made from the data and the limitations of examining one issue are therefore recognised.

CHAPTER TWO

ON DECISION MAKING IN LOCAL GOVERNMENT

While it is possible to describe decision making procedures and to isolate the influential decision makers in local government, it is not possible to relate these findings to any theory of local government. W.J.M. Mackenzie says emphatically:¹

"There is no theory of local government. There is no normative general theory from which we can deduce what local government ought to be; there is no positive general theory from which we can derive testable hypotheses about what it is."

A theory of local government would facilitate the study of particular variables in one or more councils and permit comparisons to be made between them. It might also assist in the construction of local government councils in new towns or the amendment of councils in old ones. Though it seems that no theory has been developed yet, some descriptive work on local government and advances in the theory of organisational decision making provide material with which to explain local government decision making and influence at a level above the merely descriptive.

In this chapter, the place and the responsibilities of local government in the whole system of government are examined and some aspects of its operations canvassed briefly. The first section of the chapter provides the background against which four approaches to the

1. W.J.M. Mackenzie, *Theories of Local Government*, London School of Economics and Political Science, Greater London Papers, No. 2, 1961, p. 5.

understanding of organisational decision making are studied. The two sections are integrated in the final section where it is suggested that decision making in local government can be explained with the aid of knowledge about the participants' appreciative systems and can be judged against the yardsticks of rational and incremental decision making.

1. PLACE, RESPONSIBILITY AND OPERATIONS.

(a) Place.

Local government authorities are well-established parts of the government system. Mackenzie, writing about the English government system, says that there are "collective convictions" about local government:²

"... in some sense or other local self-government is now part of the English constitution, the English notion of what proper government ought to be."

He notes that local government was exported to the colonies without opposition and that there is an "ethical commitment" to local government.³ While local government is part of the unwritten English constitution, it has no formal place in either the federal Australian constitution⁴ or the Constitution Act of the State of Tasmania.⁵ It is difficult to determine whether there is any ethical commitment to

2. *Ibid.*, p.5.

3. There was some opposition to local government in parts of Tasmania after 1865. See. R.L. Wettenhall, *A Guide to Tasmanian Government Administration*, Hobart: Platypus, 1968, p. 313.

X 4. Commonwealth Bureau of Census and statistics, *Commonwealth Year Book*, 57, 1971, pp. 6-22.

5. Tasmanian Statutes, Vol. 1, *Constitution Act*, 1934.

to local government in Australia. The State Parliaments could of course abolish local councils if they wished but because they still exist and are used as administrative devices by the states, they are at least ^{by whom} regarded as necessary for the achievement of some of the goals set by the states.

There is some evidence that the people want local government as part of the system, however, and this suggests a strong commitment. A report from the Municipal Commission of Tasmania in 1965 recommended the amalgamation of many of the state's 49 municipalities. The Commission's recommendations were not implemented because of opposition from petitioners and local government authorities which questioned the legality of the Commission's operations and recommendations. The dispute was resolved in the Commission's favour in 1968 but no final report was issued.⁶ A new commission has since been given the task of boundary review.

Parliament is the source of local government power and the relationship between the two bodies, reported by A.F. Davies, holds for all Australian states.⁷

"The constitutional basis of the local government system is that local authorities are granted the privileges of incorporation to exercise certain defined duties and powers. They are subordinate legislative and executive bodies, whose general authority is derived from the authority of the State Parliament."

The incorporating Act, the Local Government Act 1962, defines which other Acts the council is to administer, and how it stands relative to other units of government. In Tasmania the Hydro Electric Commission

6. R.L. Wettenhall, *Op.cit.*, p. 319.

7. A.F. Davies, *Local Government in Victoria*, Melbourne University Press: 1951, p. 18.

and the Departments of Health, Housing, and Public Works and Local Government are four other agencies which councils deal with and are mostly subject to, though many matters are usually subject to negotiation. Local government thus exists in an interdependent system constrained by an Act of Parliament and the operation of other agencies.

(b) Responsibility

Local government has responsibilities within this interdependent system for the discharge of functions such as road construction, town planning and aspects of public health. In terms of democratic values, however, it is charged with a responsibility far more important than the provision of services. Local government is seen as the means of involving people in government through their representation on and participation in local councils. J.S. Mill wrote:⁸

"The very object of having local representation, is in order that those who have an interest in common which they do not share with the general body of their countrymen may manage that joint interest by themselves."

In the century since Mill wrote there has been a growth in the functions of government, in the number and size of executive agencies, and in the expert advisers through which governments are informed. The local government representative now finds himself working with highly skilled men who know more than he does about the tasks of government.

Economists, psychologists, town planners, social workers and engineers have professional norms and recognised expertise over areas in which the government makes policy. Elected representatives become more dependent on their advisers as contemporary political problems

8. J.S. Mill, *Considerations on Representative Government*, London: Parker and Sons, 1869, p. 272.

become more complex. Under these circumstances "management of joint interests" becomes more difficult and Mill's democratic ideal more remote. This bureaucratisation of local government is seen by Herman Finer as one reason among others for representation by the community in the government system:⁹

"...despite the compelling power of the great technological and social forces making for centralisation, there are four considerations that justify the continued existence in some measure of local self-government - the impossibility for the central officials to appreciate the *feeling* of pleasure and pain issuing from a local situation; the importance of ministering to individual originality and sense of free authority, coupled with the opportunity of political education; the maintenance of a counterweight to centralised power which might tend to absoluteness."

Finer's representatives of the community system get a political education, help distribute power away from one of the centres of government, and most important of all make with sensitivity decisions which bear on the lives of other members of the community.

The extent to which the community uses its representatives and on which matters is not yet documented in Australia. The converse, the extent to which the representatives seek opinions from the community system and on which matters, is similarly not documented. However, H. Hugh Helco in a study of the Manchester City Council found that:¹⁰

"In the formal representative content of constituency relations, there seems to be very little policy discussion or pressure

9. H. Finer, "The case for local self-government", *Public Administration Review*, 3, 1943, p.58.

10. H. Hugh Helco, "The Councillor's Job", *Public Administration* (London), 47, 1969, p.193.

transmitted from constituents to councillors. Communication is concerned almost exclusively with individual grievances brought to the councillor."

Representatives are only one channel through which the community can interact with local government. Another channel is through the employees of the government - the members of the bureaucracy. Employees can take the community's needs into the government organisation and express them to the representatives who are usually held to be responsible for the decisions taken in the organisation. Representatives and employees meet formally and informally in the organisation mainly for the purpose of making decisions.

(c) Operations

Though the local government organisation is a subordinate member of the whole system of government, it has a great deal of flexibility about the structure and procedures it adopts. The forms, or non-prescribed ways of doing things are largely determined by the membership of the organisation. The enabling legislation prescribes the functions that the organisation should perform and specifies who the holders of responsibility are. Both prescriptions have an impact on the structure of the organisation.

Those who are given executive responsibility develop ways of co-ordinating and executing the interactions within local government and between the organisation, the community and the other agencies of government. Committees consisting of representatives and senior staff and embracing several functional areas are common devices for handling some tasks and securing the authority to execute others. K.C. Wheare sees these committees as "committees to administer":¹¹

11. K.C. Wheare, *Government by Committee*, London: Oxford University Press, 1955, p. 164.

"Local government authorities in Britain are administrative bodies; almost all the functions they perform are concerned with carrying into effect services which the central parliament has decided shall be provided. They carry out these duties by the use of committees."

Committee work cannot be dismissed because it is regarded as the work of a subordinate authority. Committee members discuss items on which decisions are made that affect the lives in one way or another of many members of the community. H.V. Wiseman, who calls committees "workshops of local government", explains the attitudes he observes and the attributes necessary in committee operations:¹²

"... members have to consider a great variety of apparently minor items ... In many cases it might appear that action by officials without committee approval could lead to no difficulty. Members, however, like to keep in touch with the details of administration and it sometimes happens that apparently innocuous items raise matters of principle..."

Committee meetings are the venue for interactions between elected members of the community involved and the official staff members of the organisation. The two do not merge easily because the committee members have different primary allegiances which produce different decision making roles. The elected representatives have a dual responsibility, firstly to their electorate and secondly to the organisation and its members. The staff also have a dual responsibility, firstly to the laws under which they work and secondly to the community they serve. These distinctions are purely analytical and no doubt a greater range of responsibilities would be found in practice. However they do serve to indicate the basis for the division of labour

12. H.V. Wiseman, *Local Government at Work*, London: Routledge and Kegan Paul, 1967, p. 52.

in the literature between representatives and staff. The division is one discussed in Chapter one and is chiefly about decision making roles. A.H. Marshall claims:¹³

"The concentration in the council of responsibility for both policy and the supervision of its execution may induce members and officers to forget that their functions are distinct; policy is for the members and administration for the officials, even though the members are ultimately accountable."

Marshall's work was directed at local government officers and perhaps his reason for making a distinction between the two functions and roles was to create an awareness of a boundary for officers beyond which their activities usurped those of the representative. The development of a real as apart from an analytic or ideal distinction between their roles is more difficult and Marshall seems to be aware of this. In discussing committees, he says of the staff member's role:¹⁴

"The extent of the official's participation in the discussion depends on local tradition and the interplay of personalities..."

It seems that while Marshall advocates a dichotomy, he accepts something less as practical. His description of the budgetary making process indicates the importance of a high degree of interdependence between aldermen and staff.¹⁵

The need for interdependence is seen by Wheare and Geoffrey Drain. Wheare says:¹⁶

"Though we speak of administration by committees

13. A.H. Marshall, *Financial Administration in Local Government*, London: Allen and Unwin, 1960, p. 23.

14. *Ibid.*, p. 18.

15. *Ibid.*, pp. 27-54.

16. Wheare, *Op.cit.*, p. 176.

we do not imagine that all administrative decisions which a committee is authorized to take can or should be taken by the committee ... In practice, the administrative function will be shared between the committee and the higher officials."

The idea of sharing is taken further by Drain who thinks committee work provides officers with "a role of full partnership"; they "advise and guide to the point at which full responsibility is taken by the members."¹⁷ Drain's notion of "full partnership" is therefore an overstatement. Officers share the *work* of their committees, but not the responsibility for their decisions. The demands of responsibility and accountability made on elected representatives produces the *need* to separate their work and actions from those of officers; however, the actual operations of local government blur the distinction. D.N. Chester attacks the Maud Committee proposal for "a clearer division of labour between council - member and officer"¹⁸ with an appeal for the recognition of interdependent roles:¹⁹

"The democratic process involves a close working relationship between two partners - the elected representative and the permanent official. Each has his role and neither can work or succeed for long without the other."

Chester is supported by W.A. Hampton who reports from his work in Sheffield that:²⁰

"The distinction between policy and administration is a difficult question, and many Labour councillors hold the view that it is impossible to separate these two aspects of council work to the extent that the Maud Committee proposed"

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17. Geoffrey Drain, *Organization and Practice of Local Government*, London; Heinemann, 1966, p. 49.
 18. *Ministry of Housing and Local Government, Report of the Committee on the Management of Local Government*, London: H.M.S.O., 1967, Volume 1, para 8 (i).
 19. D.N. Chester, "Local democracy and the internal organisation of Local Authorities", *Public Administration* (London) 46, 1968, p.295.
 20. W.A. Hampton, *Democracy and Community*, London: Oxford University Press, 1970, p. 60.

The working relationship proves intangible of complete description but it is certainly synergistic. That is, each member of the committee depends on the other members in order for the relationship to function. The relationship is co-operative within the organisation and the committees are the major venue for the achievement of co-operation. The organisation has other forms and processes in which similar interactions occur. These fall under the heading of the informal organisation.

2. ORGANISATIONAL DECISION MAKING

It is within the council's formal and informal processes that, among other things, decisions are made. Decisions in councils and other organisations are made by individuals and/or groups and much of the theory is concerned with explaining the behaviour of individuals. However, one recent addition to the literature, the notion of the "appreciative system" puts the individual decision maker within his organisational context.

(a) The appreciative system.

The term "appreciative system" is used to describe the factors which affect an individual's responses to a decision making situation and which influence his decision. Geoffrey Vickers first used the term to describe an individual's "readiness to distinguish ... and to classify and to value" selected aspects of situations in ways special to himself.²¹ His readiesses are linked into a system:²²

21. Geoffrey Vickers, *The Art of Judgment*, London: Chapman and Hall, 1965, p. 67.

22. *Ibid.*, p. 69.

"by which the individual makes sense of the *observed* world in which he lives and its configuration in space and time. They form part also of the system by which he makes sense of the *communicated* world which he shares with his fellow man. They form part too of the system by which he makes sense of his experienced world and hence of himself."

It is through his appreciative system that the individual observes the world and makes judgments about it. The individual is joined to the organisation and the community by the notion of the appreciative system because his judgments are influenced by factors beyond those of immediate and direct concern in a decision making situation:²³

"... judgment and decision, though mental activities of individuals are also part of a social process. They are taken within and depend on a net of communication, which is meaningful only through a vast, partly organized accumulation of largely shared assumptions and expectations, a structure constantly being developed and changed by the activities it mediates."

Vickers says that the individual decision maker cannot be separated from the organisation or the society in which he makes decisions. His decisions are directed towards balancing and optimizing:²⁴

"He must maintain those relations between inflow and outflow of resources on which every dynamic system depends; and he must also adjust all the controllable variables, internal and external, so as to optimize the values of the resulting relations, as valued by him or by those to whom he is accountable."

The decision maker's appreciation of facts about the system is a reality judgment. When a decision maker balances resources or information, he makes a reality judgment. When he makes judgments about the

23. *Ibid.*, p.15.

24. *Ibid.*, p. 195.

significance of the facts, he makes a value judgment.²⁵ Vickers sees these judgments as "inseparable constituents of appreciation." The judgments are closely related because one gives meaning to the other: the gathering of information or facts without purpose or assessment is as meaningless as the observation of letters or numbers to an illiterate who may identify them as such but who is unable to appreciate them and organise them as data significant for himself.

Vickers analysis of decision making while based on the work of H.A. Simon, differs from it and the work of most other normative studies because of this notion of the appreciative system. Vickers helps fill a gap noticed by Simon.²⁶

"Making programmed decisions depends on relatively simple psychological processes that are somewhat understood, at least at the practical level . . . Because we have not understood them, our theories about non-programmed decision-making have been rather empty and our practical advice only moderately helpful."

Other scholars observed the same gap and perhaps the value of Vicker's contribution is that it provides a term for general use and calls the attention of the rationalists to the social and organisational environment of the decision maker. This seems to be a significant advance over the rationalist approach and provides a useful, comprehensive addition to the understanding of decision making.

(b) The rationalists.

The rationalist approach sprang naturally from the study of Max Weber's work on the structure of organisations. Scholars, especially

25. *Ibid.*, p. 40.

26. H.A. Simon, *The New Science of Management Decision*, New York: Harper and Row, 1960, p. 11 [Hereafter Simon (1960)].

of decision making, seemed to carry on under the influence of Weber's rational organisation.

The concept of rational organisation is seen in Weber's benchmark discussion of bureaucracy in which he evolves three ideal-types as conceptual tools. In his rational-legal model organisations operate on "rational grounds" through persons "elevated to authority" issuing commands under specified rules and securing obedience through allegiance to an hierarchical "legally established impersonal order."²⁷ Members believe in legality of the rules which define "the position of the bureaucrat, his relations with the ruler, the ruled and his colleagues."²⁸ While Weber did not expect any of his ideal types "to be found in historical cases in 'pure form'."²⁹ he prescribed conditions to make legal authority effective, and developed fundamental categories of rational legal authority. The conditions, categories, and authority relations prescribed by the rules make the organisation impersonal, hierarchical, and rational.

Weber does not use any of his three types of bureaucracy to analyse the internal structure or processes of an organisation. Mouzelis notes that he used the concept of bureaucracy "in his cross-cultural general analysis, mainly in order to distinguish various types of domination and their corresponding administrative apparatus."³⁰ Later theorists have been concerned with explaining the internal

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27. Max Weber, "Legitimate authority and Bureaucracy", in D.S. Pugh (ed.), *Organisation Theory*, Harmondsworth: Penguin, 1971, p.15.
 28. N. Mouzelis, *Organisation and Bureaucracy*, London: Routledge and Kegan Paul, 1969, p. 17.
 29. Weber, *Op. cit.*, p. 16.
 30. Mouzelis, *Op. cit.*, p.49.

operations of organisations. H.A. Simon, for example, sees administrative behaviour having decision making as its focus:³¹

"All behaviour involves conscious or unconscious selection of particular actions out of all those which are physically possible to the actor and to those persons over whom he exercises influence and authority."

Simon sees administrative behaviour being guided by "general goals or objectives" - and thus as "purposive"; and he sees it as "rational insofar as it selects alternatives which are conducive to the achievement of the previously selected goals."³² Goal achievement is facilitated by administrative processes which are:³³

"decisional processes: they consist in segregating certain elements in the decisions of members of the organisation, and establishing regular organisational procedures to select and determine these elements and to communicate them to the members concerned."

Simon is more concerned than Weber with what the members of an organisation do, but he acknowledges that the individual works within boundaries set by the organisation:³⁴

"The decisions which the organisation makes for the individual ordinarily (1) specify his function ... (a) allocate authority, that is determine who in the organisation is to have power to make further decisions for the individual; and (3) set such other limits to his choice as are needed to coordinate the activities of several individuals in the organisation."

Specifications of functions, allocation of authority, and indication of the need for coordination involve the existence of formal rules and positions within an organisation. Simon's analysis can be seen as giving some scant flesh to the skeleton provided by Weber. A higher

31. H.A. Simon, *Administrative Behaviour*, New York: The Free Press, 2nd ed., 1957, p. 3.

32. *Ibid.*, p.5.

33. *Ibid.*, p.8.

34. *Ibid.*, p.9.

degree of specificity about the administrative process comes from E.H. Litchfield who writes:³⁵

"The administrative process is a cycle of action which includes the following activities:
(a) decision making; (b) programming; (c) communicating;
(d) controlling; (e) reappraising."

Litchfield notes that the ideal, logical sequence of the cycle of action may not be found in reality; stages may be by-passed or taken in a different order. The organisation works in an environment which influences its administrative process.

Studies of the administrative process emphasise decision making.

P.B. Applewhite, in a review of the field notes:³⁶

"Since the kind of decision making relevant to behavioural science covers such a broad area, many difference categories of decision making are possible: quantitative, normative, substantive; those based upon the functions of decision making and those based upon its determination."

It will be sufficient for the purposes of this study to select only some of the normative work associated mainly with intra-organisational decision-making. Normative studies fall into three categories: the rationalists, the incrementalists, the mixed-scanners. Each can be seen as an attempt to prescribe decision making behaviour for individuals in organisations. The latter two are based on the rationalist approach and are attempts to improve on them and to develop a more realistic prescription.

The classical theory of rational decision making assumes that

35. E.H. Litchfield, "Notes on a general theory of administration", *Administrative Science Quarterly*, 1, 1956, p.12.

36. P.B. Applewhite, *Organisational Behaviour*, Englewood Cliffs, N.J.: Prentice-Hall Inc., 1965, p. 54.

the decision maker is objectively rational; he knows all the alternatives and the consequence of choosing each.³⁷ The decision made is thus optimal. The fault with the theory is that it assumes too much: its notion of rationality contains more certainty than most decision makers face in reality. Robert Tannenbaum says:³⁸

◁ "If an individual were aware of *all* the consequences related to each ... behaviour alternative(s), judgment would not have to be exercised. One alternative would clearly be superior to all others. Individual behaviour could be completely rational."

Modification of the notion of the objectively rational decision maker to incorporate some elements of reality leads to March and Simon's 'relative' or 'subjective rationality' model:³⁹

"The organisational and social environment in which the decision maker finds himself determines what consequences he will anticipate, what ones he will not; what alternatives he will consider, what ones he will ignore."

Their 'theory of rational choice' is characterized by the processes the decision maker goes through in constructing a 'limited, approximate, simplified "model" of the real situation' which he perceives for himself and with the aid of others' in his environment.⁴⁰ Though this position approximates the view held by Vickers, it does not emphasise sufficiently factors beyond the situation "in which the decision maker finds himself."

The rationalists' decision maker is helped to make sense of the

37. J.G. March, "Theory of organisational decision making", in P.A. Hare et.al. *Small Groups: studies in social interaction*, New York: Wiley and Sons, 1958, p. 138.

38. Robert Tannenbaum, "Managerial decision making", *The Journal of Business*, 23 (1), 1950, p. 25.

39. March and Simon, *Op.cit.*, p. 139. (Authors' emphasis).

40. *Ibid.*

decisional situation by working through particular stages or phases and by knowing what sort of decision has to be made. They also help the decision analyst categorise the process, and that is done in this study.

Simon distinguishes three principal phases of decision-making; intelligence activity, design activity, and choice activity.⁴¹ The intelligence phase involves searching the environment for conditions calling for decision, the design phase covers inventing, developing and analysing possible alternatives, and the choice phase involves "selecting a particular course of action from those available."⁴² The phases usually proceed in sequence, but each phase may demand the renewal or insertion of another phase. For example problems in the design phase might involve subactivities of either choice activity or more intelligence activity. However Simon says "the three large phases are often clearly discernible as the organisational decision process unfolds."⁴³

Movement through the phases is influenced by the type of decision the decision maker faces. Commonly, a distinction is made between programmed and non-programmed decisions.⁴⁴ Programmed decisions feature repetitive and routine activity and use habit and established organisational procedures in reaching a solution: non-programmed decisions involve the need to choose a course of action on matters that are new, different, or with "elusive or complex" natures. The non-programmed decision can be made using judgment or rule of thumb,

41. Simon, (1960), *Op.cit.*, p.2.

42. *Ibid.*

43. *Ibid.*, p. 3.

44. *Ibid.*, p. 4-5. Also Tom Burns and G.M. Stalker, *The Management of Innovation*, London: Tavistock, 1961, especially pp. 116-119 for an empirical analysis using Simon's distinction.

or through heuristic problem-solving techniques.⁴⁵ Decisions which are neither programmed nor non-programmed are made through an amalgam of the technique above.

Decisions made along the programmed - non-programmed continuum involve decision makers in specific *activities* if they are seeking a high degree of rationality, and in a *process of evaluation* in which their own perceptions and values are influential.

Litchfield says that decision making:⁴⁶

"In its rational, deliberative, discretionary, and purposive form ... is performed by means of the following sub-activities:
a) definition of the issue; b) analysis of the existing situation; c) calculation and delineation of alternatives; d) deliberation; e) choice."

The decision maker may not follow the idealized sequence of activities; each activity presumes the existence of some factors crucial to the quality of the choice. There must be *time* for each activity to be carried out; the decision maker must have abilities *commensurate with the requirements* of each stage, for his role as definer, analyser, calculator, deliberator and chooser may be demanding

45. Simon, (1960), *Op.cit.*, pp. 6-8.

46. Litchfield, *Op.cit.*, p.13. Applewhite commenting on several views of activities in the decision process, notes that "the general idea of the process is agreed upon but the details vary somewhat." *Op.cit.*, p.56. Other views on the activities in the decision process may be found in: W.H. Newman, *Administrative Action*, Englewood Cliffs, N.J.: Prentice-Hall, Rev. ed., 1963, p. 105; Harold Koontz and Cyril O'Donnell, *Principles of Management*, New York: McGraw Hill, 1968, pp. 152-160; Peter Drucker, *The Practice of Management*, London: Pan, 3rd ed., 1968, p.421-436; W.H. Newman, C.F. Summer, Kirby, E. Warren, *The Process of Management*, Englewood Cliffs, N.J.: Prentice-Hall, 3rd ed., 1972, pp.246-248; and D.W. Miller and M.K. Starr, *The Structure of Human Decisions*, Englewood Cliffs, N.J.: Prentice-Hall, 1967, pp. 34-35.

especially if he faces a non-programmed decision; the information necessary for adequate definition and analysis is vital to the successful completion of the remaining stages, because without sufficient information, Litchfield's decision maker has a very weak basis for rational choice. Each stage of Litchfield's decision process involves the reception and use of stimuli by the decision maker, so that the process "is influenced by limitations upon rationality."⁴⁷

Recognition of the limitations on rationality led March and Simon to their concepts of 'bounded rationality' and satisficing. The idealized, normative stages prescribed by Litchfield and others gives way to the acceptance of human limitations. March and Simon say:⁴⁸

"Most human decision-making, whether individual or organisational, is concerned with the discovery and selection of satisfactory alternatives; only in exceptional cases is it concerned with the discovery and selection of optimal alternatives."

(c) Incrementalism.

Charles Lindblom's incrementalist approach to decision making is designed to take into account the limitations held and faced by decision makers. After criticising the objectively rational approach as assuming "intellectual capacities and sources of information that

47. Litchfield, *Op.cit.*, p. 16. Tannenbaum makes a similar comment, *Op.cit.*, p.25.

48. March and Simon, *Op.cit.*, pp. 140-141. J. Feldman and H.E. Kanter "Organisational decision making", in J.G. March (ed.), *Handbook of Organisations*, Chicago: Rand McNally, 1965, makes a similar point about alternatives: "The alternatives considered in a decision procedure are restricted by physical, emotional, and legal constraints. Search is conducted primarily in the neighbourhood of presently existing alternatives because of the prominence of these alternatives and the ease of calculating their consequences." (p. 641).

men simply do not possess," he writes that the attention of public agencies is deliberately restricted to "relatively few values and relatively few alternative policies among the countless alternatives that might be imagined."⁴⁹

The requirements in the rational model for the decision maker to consider all relevant alternatives and to rank desirable objectives for his decision are replaced by less demanding requirements in the successive limited comparisons or incrementalist model. Lindblom thinks the task of clarifying objectives and discovering alternatives is not helpful to the administrator. Social objectives have differing values in changed circumstances; the administrator may not be able to rank them, just as he may not be able to rank his own objectives.⁵⁰

"Unable consequently to formulate the relevant values first and then choose among policies to achieve them, administrators must choose directly among alternative policies that offer somewhat different marginal combinations of values."

This model means that the decision maker need not begin from the ground up with each policy issue, but need only consider incremental change to policies which already exist. He is better able to comprehend data, to perceive consequences arising from his decision, and to simplify his decisional analysis. The model permits the decision maker to move forward through a series of "incremental changes" and to avoid serious mistakes. The cornerstone of the model is that:⁵¹

49. Charles E. Lindblom, "The Science of 'Muddling Through'," *Public Administration Review*, 19. 1959, p. 80.

50. *Ibid.*, p. 82.

51. *Ibid.*, p. 83.

"... the administrator need not try to analyse any values except the values by which alternative policies differ and need not be concerned with them except as they differ marginally."

(d) Mixed Scanning.

Though Etzioni's work is not drawn on to analyse or judge the decision making process in Glenorchy, it is interesting to note that it takes a middle way between objective rationality and incrementalism. Etzioni attacks both the rational and the incremental approaches:⁵²

"A rationalistic approach to decision making requires greater resources than decision-makers command. The incremental strategy, which takes into account the limited capacity of actors, fosters decisions which neglect basic societal innovations."

Etzioni proposes a two-stage procedure through which directions are set for society by fundamental decisions and by "incremental processes which prepare for fundamental decisions and work them out after they have been reached."⁵³

The ideals and prescriptions of the normative decision making theorists may be one of the influences working on a decision maker. Indeed, the use of particular phases or techniques may be part of a decision maker's attempt to understand the situation in which he has to make a decision.

3. DECISION MAKING IN LOCAL GOVERNMENT.

A local government council is an organisation in which elected

52. A. Etzioni, "Mixed Scanning: a 'third' approach to decision-making", *Public Administration Review*, 27, 1967, p. 385.

53. *Ibid.*, p. 388.

representatives and permanent officials meet to make decisions which will affect the municipality. The decisions are made following particular formal and informal procedures and the decision makers are influenced by their appreciative systems which govern their readiness to respond to the decisional situations they are faced with.

The decision makers' appreciative systems may embody such items as esteem for the opinions of another, the readiness to recall what happened when a similar decision was taken before, an awareness of the consequences of the decision, and a recollection about another decision taken in another context. Factors such as the length of service in the organisation and knowledge about the organisation's procedures also may affect the decision makers' appreciative systems.

The decision making process in an ideal situation, moves through several phases designed to achieve a high level of rationality. It is likely, however, that the participants' appreciative systems act as barriers to rationality in decision making.

It is possible to break up the decision making process for observational purposes into an intelligence phase, a design phase, and a decision phase. At the same time, judgments can be made about how far the observed process approximates to aspects of rational decision making such as the delineation and presentation of alternatives. The process is divided into Simon's three phases for analytical purposes in this study but its use as a device for assembling and assessing data does not begin until the organisation itself and some of its members have been discussed. This is the task of the next chapter.

CHAPTER THREE

THE CITY AND THE COUNCIL

A public organisation such as a local government council is very closely linked to its environment, physical and man-made. Within the council's boundaries are the sources of most of its revenue and the directions of all of its expenditure, and most of the demands it is asked to meet. The council develops ways of dealing with the demands and needs of the community it serves through various structures and procedures.

This chapter outlines the main features of the post-war growth of Glenorchy, the council, its membership, and its structure and decision making procedures. It also examines the attributed influence of some of its members. The chapter is intended as a sketch of the setting within which the specific decision to strike the rate will be examined.

1. THE CITY

(a) Physical Setting.

Glenorchy lies to the north of Hobart in beautiful surroundings on the slopes of Mt. Wellington and Mt. Stuart and alongside the Derwent River. The municipality's location is shown on the map below (Figure 3.1).

Its area of 114.77 square kilometres covers heavy and light industrial zones on flat land near the river, mixed with residential zones

overlooking some picturesque river bays. The main northern highway severs most of this section from the major commercial and residential areas in Glenorchy, Moonah and Claremont. It is in these three areas that most residential, commercial and educational establishments have been built. The city's area is crossed by more than twenty creeks and small streams which flow in deep gullies. Several areas of land, especially in the foothills or near the gullies are very steep and create construction problems for the city's engineers and for the many citizens who have decided to live in Glenorchy since the last war.

(b) Brief History.

Glenorchy was proclaimed a municipality in 1864. Glenorchy developed alongside Humphreys Rivulet where water power was used to make soap, candles and cider, and for tallow manufacturing and fellmongering. Homes were built close to the industries. The remainder of the district was devoted to agriculture and horticulture on large holdings. The removal of the water into storage and the failure of the Van Dieman's Land Bank caused changes in the district. Factories left the Rivulet. The big farms were subdivided into small farms on which homesteads were built. Most farms had access to the creeks.

Between 1915 and 1922 the Electrolytic Zinc Company of Australasia Ltd. and Cadbury-Fry Pascall Pty.Ltd. began operating in the district and stimulated more service industry. Vehicular transport was scarce and homes tended to be close to work. In the early 1950's feeder buses started in a limited way and homes gradually spread to outer areas. When buses began to go to all suburbs from Hobart this development accelerated. Glenorchy attracted more industry as firms established in Hobart transferred to Moonah where vacant land was available at a

reasonable price and the railway was adjacent for heavy transport.¹

The boundaries fixed in 1864 were still the same in 1964 when Glenorchy (now a mixed industrial and residential area) was declared Tasmania's third city. As well as achieving higher status the city was entitled to an increased number of elected representatives and the opportunity to elect the Mayor and Deputy Mayor directly. Twelve instead of nine aldermen were now to sit on the council and the Mayor and his deputy were to be elected by the ratepayers and not by the council itself.² These three changes have had significant consequences in the municipality. City status attracted different sorts of candidates for election from those who had stood previously and their success together with direct mayoral elections gradually reduced internal strife and power struggles within the council.

Some of the new aldermen represented Glenorchy's increasing numbers of middle class employees and young home-owners who had moved to the municipality in the 1950s.

Residential, commercial and industrial growth has been very rapid since the end of World War II. Table 3.1 shows the population growth, and the increase in assessed annual value (A.A.V.) of property in the city, and percentage increases between selected years.

The rapid increase in the financial resources and manpower available for use through the council is evident in two stages. First, population grew faster in the 1950s, then property values rose

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1. I am indebted to Alderman P. Jacques for most of this information. See also: *The Municipality of Glenorchy, A Century of Glenorchy 1864-1964*, Hobart: 1964, 87 pp. 62 illustrations, esp. pp. 64-68.
 2. A list of aldermen and senior staff serving at the time of the study is included as Appendix B.

TABLE 3.1

Population growth and increases in assessed annual value, Glenorchy City Council, selected years 1947-1972, by value and percentage.

Year	Population.		Assessed Annual Value	
	No.	%	\$	%
1947	14498	-	415,124	-
1954-55	25890	79	1,327,560	68
1960	34682	34	2,968,336	123
1966	39053	13	6,835,000	130
1972	42900	10	15,663,465	129

Source: Commonwealth Bureau of Census and Statistics, *Statistics of the State of Tasmania*, 1947, 1954-55, 1960-61 and 1966; Commonwealth Bureau of Census and Statistics, *S.S.* 1972, No. 87.

faster in the 1960s. The population dwelt in the Australian suburban style in houses on separate lots over many parts of the municipality, and though the city council had more resources to draw from it also faced an increased volume of demand for the provision of services such as roads, health, and garbage collection and disposal.

The Council's response to the needs of its environment is partly reflected in the employment figures since 1947. *Table 3.2* shows the number and ratios of administrative and general (or outside) staff employed in selected years between 1947 and 1966.

TABLE 3.2

Number and ratio of administrative and general staff, Glenorchy City Council, selected years, 1947-1966.

Year	S T A F F		Ratio	Total
	Admin.	General		
1947	27	60	1/2.2	87
1954-55	26	90	1/3.5	116
1960-61	34	77	1/2.3	111
1966	55	113	1/2.1	168

Source: Commonwealth Bureau of Census and Statistics, *Statistics of the State of Tasmania*, 1947, 1954-55, 1960-61, and 1966. Glenorchy City Council Records, 1972.

It seems that an early response was to employ more staff to work on road and sewerage construction and that only later were more administrative staff added. The ratio of administrative to general staff shows the slow increase in administrative staff. Senior administrative staff have added expertise to the council. Recent appointments include a town planner, two additional engineers, a qualified accountant, and support staff such as more draughtsmen.

The increase in the number of staff has affected the ways in which long-serving aldermen are accustomed to work. One alderman who has served for more than 19 years said during a conversation after a committee meeting:

"It's sort of bureaucratic. Things get locked up in there. We used to be able to keep a check on things; we used to know exactly how much money was spent and so on."

He feels the increase in administrative staff members has taken aldermen away from knowledge of the details of the council's operations. However, another alderman who has served for more than 19 years said the staff were essential "for getting the job done properly. We need each other."

Population and property growth in the post-war years certainly have influenced council employment and relationships between aldermen and officers. Relationships have been affected, it seems, by increased specialist recruitment and the ways in which the internal operations of the council have changed. They have also been influenced by the men serving as aldermen. The internal operations, or structure and procedures, have been changed to meet the demands of increased work-loads and greater task-specialisation.

2. THE COUNCIL

a) Membership

The council consists of twelve aldermen elected from three wards. The aldermen sit for four years, but half retire every two years. Elections are held for the positions of Mayor and Deputy Mayor every two years, concurrent with the aldermanic elections. The all-male council is younger on average (42.5 years) than the senior staff (50 years) and spent marginally more time at school (9.4 years compared to 8.9 years). However, the staff have served longer on average (17.1 years compared to 14 years) and are better qualified, as might be

expected. Fifty-six percent of the senior staff have non-degree tertiary qualifications and 22% are still studying. Twenty-two percent have no formal qualifications. The Town Clerk has a law degree, awarded three years ago after eight years part-time study, as well as secretarial and accountancy qualifications. On the other hand, the aldermen are somewhat more representative of the community in the diversity of their backgrounds and occupations. The Mayor is a solicitor and a member of the Legislative Council. He is the only alderman with a university degree [only 0.6% of the population has university degrees]. Ten percent of the aldermen have technical qualifications, 33% trade qualifications, 44% no formal qualifications and 10% are still studying

In the municipality itself, 7.6% of the population has trade qualifications, 1.7% technical, 53.9% no formal qualifications, and 1.4% non-degree tertiary qualifications.³ Although the aldermen represent the educational diversity of Glenorchy they are on the whole better educated and better trained.

Most of the aldermen are employers (33%) or self-employed (40%). One-third are employees. This compares with 2.9%, 3.0%, and 93.8% of the city's population in the same census categories.

Most of the aldermen and staff (63%) are Tasmanian born and 26% were born in the municipality. Fifteen percent are English-born migrants and the remainder are from other Australian states. Glenorchy's small (1.7%) non-British migrant population is not

3. Calculations were made from figures in *Commonwealth Bureau of Census and Statistics, Local Government Areas, Census 30 June, 1971, pp. 8-9.*

represented among either the senior staff or the aldermen.

In general terms the aldermen and senior staff seem to come from the higher educated, higher qualified, native-born and white-collar sections of the community.

The aldermen could therefore be expected to be articulate and well-informed, to have time to serve, and to have established a network of contacts in many levels in the community. These would seem to be valuable acquisitions for community service.

b) Structure and Procedures.

In what one alderman calls "the bad old days" there was little committee work and most decisions were taken by the council, meeting as a committee of the whole. The warden and the council clerk sat high on a dais, no reports were presented in written form to the councillors below and any reports or correspondence were read aloud by the clerk.⁴ Decisions were taken after discussion. Nine councillors presided over a very short hierarchy in which there were few specialists and in which one officer usually performed a multitude of tasks. For example, the present Assistant Accountant joined the staff in 1955 and carried out the tasks now executed by the Accountant, the Paymaster, the Rates Clerk and the Expenditure Clerk. Of course the growth of the city and the council has meant that each of these tasks became large enough to occupy the time of one man. In 1955, less was demanded of each task.

The short hierarchy and small amount of committee work began to

4. The titles were changed from Warden to Mayor and Council to Town Clerk when Glenorchy was proclaimed a city.

change after about 1960. In 1959 there were about three or four levels in the hierarchy in the Town Clerk's Department from Deputy Town Clerk to the general clerks. Now there are seven or eight levels, excluding typists and machinists. In 1959 there were two committees (works and finance, and town planning), and now there are four (finance, works, building and town planning, and health and recreation).

The health and recreation committee was formed in 1960-61, and works and finance separated in 1963-64. The finance committee has always consisted of the Mayor and the Treasurer; two other members were elected. In 1971, it was decided that the finance committee should be made up of the chairman of each committee, plus the Mayor. The present organisation structure is shown as the chart in *Figure 3.2*.

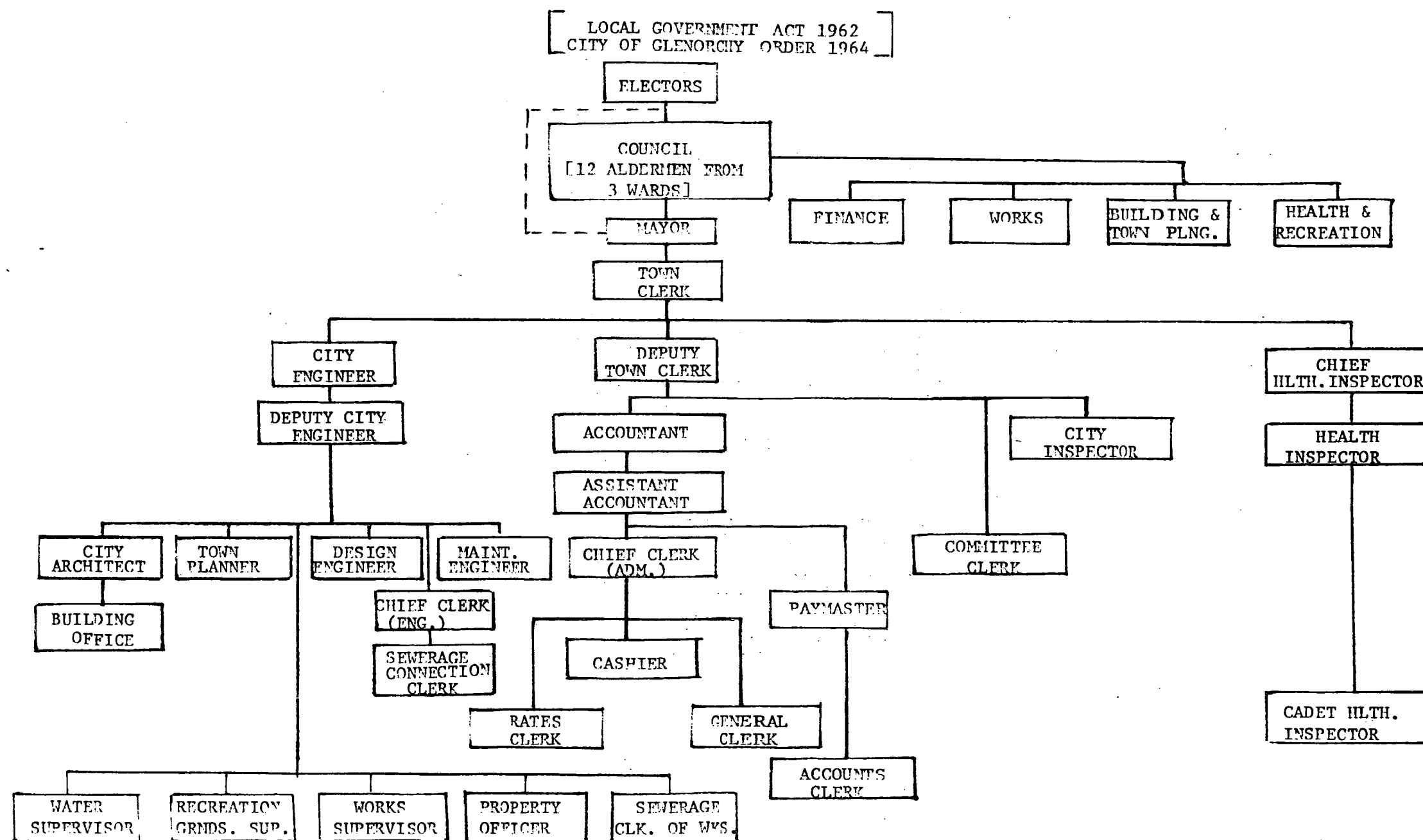
Before discussing in more detail the present structure and procedures which have developed for decision making involving the aldermen and officers, it is important to examine the basis for the council's authority and the authority of its officers.

The council draws authority for its operations from the Local Government Act 1962 and its City Charter granted by Royal assent in 1964. The Act specifies functions, grants revenue-raising powers, powers to make by-laws, and provides for regular elections and for State government intervention if necessary.⁵ The Charter specifies the number of aldermen and the length of their terms and defines the city's boundaries and those of its three wards.⁶ The structure of the organisation is not specified in the Act, beyond making the Town Clerk directly respons-

5. Tasmanian Statutes, Vol. 9, *Local Government Act*, 1962. Glenorchy was ruled by a government-appointed commission between 1936 and 1942. See R.L. Wettenhall, *A Guide to Tasmanian Government Administration*, Hobart: Platypus, 1968, p. 317.

6. Tasmania, *Statutory Rules*, 1964, Nos. 165 and 166.

FIGURE 3.2: GLENORCHY CITY COUNCIL - ORGANISATION CHART (AUTHORITY)



ible to the elected council. The Act secures power for the people over the institution by having one of their elected representatives (the Mayor) nominally in charge of the organisation.

Executive authority is vested in the Mayor under section 109 of the Act; however standing order number 44 says: "The Town Clerk shall be the Chief Administrative Officer of the Corporation". Here, as in other matters especially in committees, conventions have developed to facilitate the workings of the council structure and overcome situations not adequately covered by law, or situations not previously envisaged.

Conventions in local government are those practices which, though not legal in a formal sense, have the force of custom. They derive from the positions of those using them and assist in the running of the organisation. Henry Maddick and F.P. Pritchard take conventions to be "practices adopted by elected representatives and officers in the running of the authority."⁷

Conventions in Glenorchy have been developed within the structure and by the officers designated in the organisation chart in *Figure 3.2*. The chart is limited and shows only the formal authority positions of senior staff and some selected officers, as well as the council and its committees and the organisation's link to the electorate and the law.

There is no formal link between the four committees and the council staff. The Town Clerk is formally responsible to the council not its committees. He is the superior of all other members of the staff and they likewise are not formally responsible to the committees. How

7. Henry Maddick and F.P. Pritchard, "Conventions of Local Authorities in the West Midlands, Part I - Country Borough Councils", *Public Administration* (London), 36, Summer 1958, p.145; see also their "Conventions of Local Authorities in the West Midlands, Part II - District Councils", *Ibid.*, 37, Summer 1959, pp. 135-143; and J.K.Friend and W.N.Jessop, *Local Government and strategic Choice*, London: Tavistock, 1969, p. 47.

then is the business of the council executed? How is the work of the three departments (Town Clerk's, City Engineer's, Health Inspector's) and the four committees' co-ordinated?

Standing orders made by council itself prescribe the order of proceedings at meetings, forms of address, voting, motions and other usual facets of meeting procedure. They also delegate power to committees to appoint staff at certain levels. No other behaviour is prescribed; much must be worked out by the groups involved. That is, much is left to convention and the Town Clerk's role is central to the operation of council conventions.

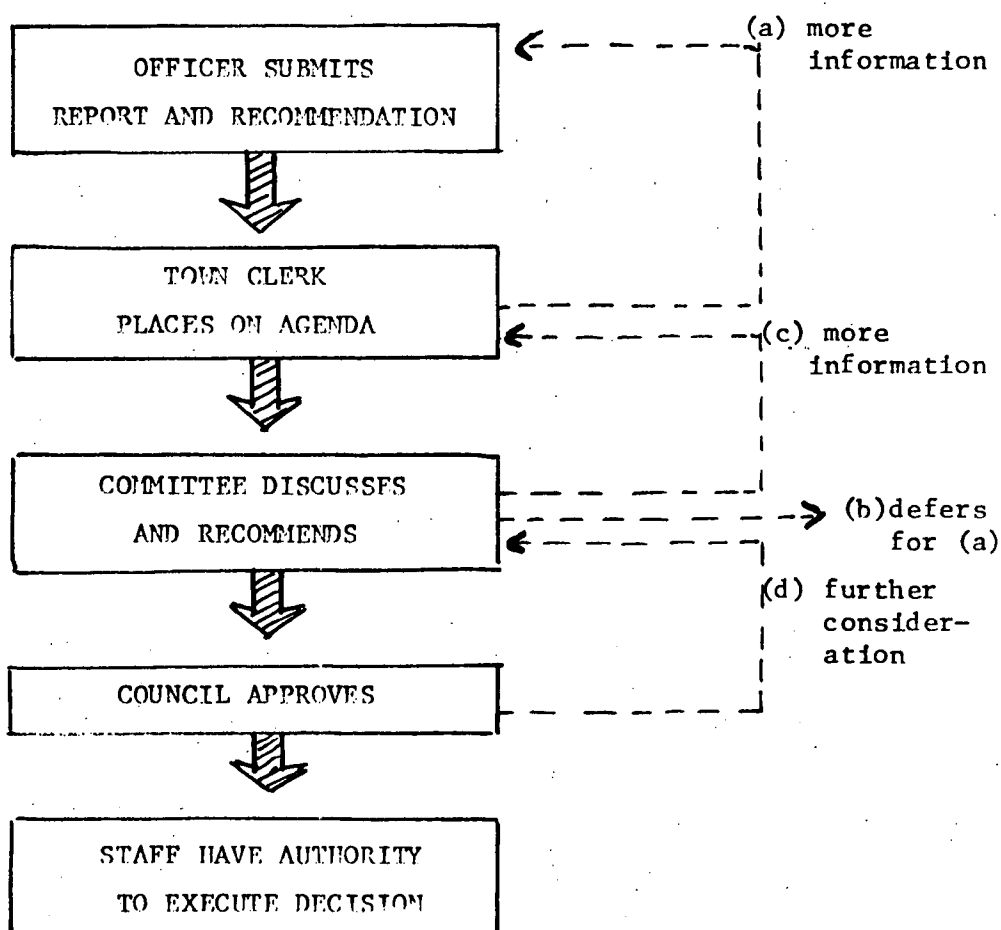
The Town Clerk attends all committee meetings and decides what will be on the agenda of each. Other officers submit reports to him first. He usually makes no changes but might send the reports back for revision. If no changes are made the reports go straight on the agenda. However, if the Town Clerk disagrees with a report, it will not be submitted to the appropriate committee until he approves it. The Town Clerk also decides which committee reports should go to first. His function here is to co-ordinate work in different departments. For example a report on the operation of a garbage tip could fall under the responsibility of each committee. The finance committee might be interested in running costs, the works committee in the problem of winning fill, the health and recreation committee in its suitability for a reserve later, and the building and town planning committee in the creation of an eyesore and nuisance to residents.

It is the Town Clerk who decides which committee will receive reports, unless of course a particular committee has ordered a report itself. The procedure of putting committee material through the Town

Clerk assures him of a central position in the council.⁸ It is a position in which he usually knows as much as his senior officers and more than the aldermen. He is often the man who determines what the procedures shall be for matters such as consultation over land deals, negotiations with other government departments, and the delegation of work within the organisation.

Figure 3.3 shows the most usual sequence of events from the submission of a report to the execution of a decision in the organisation.

FIGURE 3.3



8. The important position of the Town Clerk has been noted in several English studies. See for example K.C. Wheare, *Government by Committee*, London: Oxford University Press, 1955, p.185. Wheare says: "The great influence of town ... clerks in local government and their pre-eminence in the official hierarchy arise in large measure from the fact that they exercise a controlling function over the conduct of business."

The usual sequence can be changed by (a) the Town Clerk sending the report back, (b) the committee deferring consideration or withholding a recommendation to council until, for example, (c) more information is available, or (d) the council sending a recommendation back to one of its committees for further study. The usual decision making procedure and the variations are unwritten rules essential to the completion of council business. They must be learned by new aldermen and staff; they cannot be read anywhere.

The procedures for making decisions in the council is well-established. The procedures show the important position of the Town Clerk and some of the situations in which aldermen and officer interact. They also show how the formal positions of the Town Clerk and senior officers are extended to relationships with committees not allowed for in the formal structure.

c) Decision making and committees.

The committees are created by the council and have restricted powers delegated to them.⁹ At their three-weekly meetings the committees consider reports requested from or submitted by officers and make recommendations which are submitted to the next full council meeting. The committees do not have the power to order the execution of their recommendations. Approval comes only after the council accepts the committees' reports. The committees are a filtering and interpreting link in the chain of council business.

Though the committees have no formally delegated power to make decisions there is a convention for most of their recommendations to be

9. Section 133 of the Local Government Act permits the council to delegate authority to its committees, except the power "to borrow money, to make a rate, to make a by-law, to execute a deed, to sign a contract or to institute a legal proceeding."

accepted by the council. During the six month period of observation, only six items out of hundreds were sent back by council to committees for further consideration. There is another convention here: the council usually does not reject committee recommendations. Amendment or referral are the common practices. Committee recommendations rest in another world between meetings. They are quasi-decisions not yet formalised.

Observation of committee and council meetings during the study suggested that there was general acceptance of the committee system as a method for dealing with business. Most decisions were made on the basis of staff reports and most decisions seemed to be to accept staff recommendations. These observations were checked with participants during the questionnaire interview.

An overwhelming majority of respondents thought the committees should not have more power and that they were not restricted by having to report back to the council before their recommendations could be acted upon. Only two out of 19 respondents wanted to see some change in the *status quo*. One alderman suggested that a committee's chairman should be able to release a statement about committee recommendations to the press before or after council meetings. Most respondents thought the system worked well and that reporting back prevented a vital decision from being taken by only two or three aldermen.¹⁰ One alderman said the committees did a lot of routinework and simplified council operations.

10. This danger has been seen by Geoffrey Drain, [*Organisation and Practice of Local Government*, London: Heinemann, 1966], who says: "Delegation to committees could lead to remoteness of control by the council, and possibly an unwarranted degree of secrecy ..." (p.50).

There was some disagreement about the type of the decisions which committees are asked to make. *Table 3.3* shows most respondents thought committees were presented with material on which to make policy decisions.

TABLE 3.3.

Types of decisions mostly made by committees: respondents' classification.

Do you think committees are mostly presented with material on which to make policy decisions, administrative decision, or decisions which cannot be divided between policy and administration and needs to be made jointly by aldermen and officers?	Type	Policy	Administrative	Policy/ Administrative
	Aldermen ^(a)	4	2	3
	Staff ^(a)	5	3	0
	Total	9	5	3

(a) One alderman and one staff member did not answer this question.

However, almost as many respondents (8) thought committees mostly made decisions on matters other than policy. The responses seem to suggest that committees deal with a range of work and are not purely policy making bodies. Some respondents prescribed the sort of work committees should do. One said, "No committee should make administrative decisions...". This is prescription by exclusion and probably an inadequate guide to anyone wanting to determine whether material should be presented to a committee for a decision or decided on by staff. One of the aldermen who regarded committee decisions as joint decisions

said:

"In practical effect, while policy decisions are the province of the council, a committee decision is fundamentally one arrived at on a joint basis. That's why the advisers are there."

The lack of agreement about the types of decisions that committees are generally asked to make extends to specific decisions. When respondents were asked to sort 16 decisions into three types (policy, administrative or policy/administrative), there were differences over 11 of the decisions. Most of the decisions were taken by committees from reports prepared by the staff during the period of the study. The responses fall into three categories. The first is that of *substantial agreement* among a majority of aldermen and a majority of officers that the decision is of one type; the second is that of *scatter* where opinions about the type of decision range over the three types so that no one type is selected by a majority of either aldermen and officers; and the third is *polar* where opinions about the type of decision cluster around two of the types. *Table 3.4* shows which of the three categories each of the 16 decisions has been placed in. The types are in brackets after the decisions in categories one and three.

TABLE 3.4.

Three-fold categorisation of 16 decisions classified by respondents as policy, administrative, or policy/administrative.

CATEGORY ONE Substantial Agreement	CATEGORY TWO Scatter	CATEGORY THREE Polar
Purchase of capital equipment (Policy), Enforcement of town planning regulations (Administrative). Approval of building applications. (Administrative). Garbage disposal-site workings (Administrative). Road construction (Policy).	Setting olympic pool charges. Construction of unmade streets. Annual tenders. Grazing stock. Awarding contracts.	Stickers on council cars (Policy and Administrative). Parking in front of council (Policy and Administrative). Striking the rate (Policy + Administrative). Reserve development (Policy and Policy/Administrative). Employment of additional staff (Policy and Administrative). Approval of sub-divisional plans (Policy and Administrative).

Some of the decisions in category two are required by law to be made by the council. The setting of olympic pool charges, annual tenders, and the awarding of contracts involve financial expenditure and must be approved by the council. The construction of unmade streets also must be approved by the council. It is not legally possible for administrators to take these decisions, though they are not prevented from making recommendations to the aldermen.

The polar decisions include two incidental issues (stickers on council cars and parking in front of the council chambers) and four recurrent issues some of which arise at least once a year (striking the rate and the employment of additional staff) and some of which (reserve development and the approval of sub-divisional plans) are on going. The polarity on reserve development and the striking of the rate bear closer examination.

A majority of aldermen and four staff see the issue of reserve development as policy while four staff see it as policy/administrative. The striking of the rate is seen as policy by four aldermen and five staff and as policy/administrative by four aldermen and three staff. Why were these decisions classified differently by members of the same organisation? No guidance for classification was given to respondents in advance and five who asked for some were not given any. They made classifications of their own such as equating the council (aldermen) with policy making, or saying "it is policy if the committee says it, administrative if the staff carry it out, and policy/administrative if the staff ask for a policy to be determined."

It would seem then that there is confusion over who should be involved in these polar issues and what roles should be played. Neither

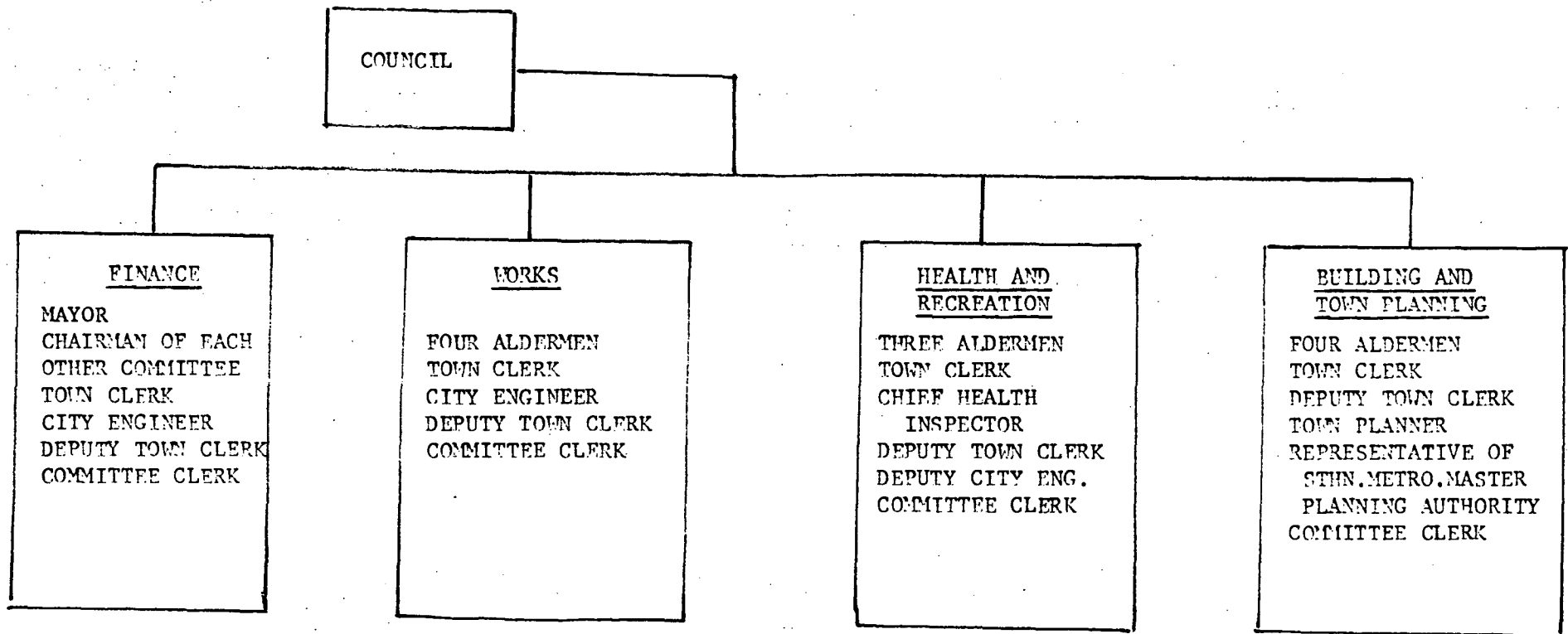
issue fits easily into the dichotomy between policy and administration discussed in Chapter one. How are the decisions made? The organisation's procedures, especially the committee system, ensure that there is interaction between its members. Committee meetings ensure the provision of and discussion of information and council meetings guarantee a decision. There are opportunities for the roles of aldermen and officers to be mixed or broken down in the informal committee meetings and for aldermen to adopt decision making roles in the council meeting.

The committee meetings are arranged to produce interaction between aldermen and staff (the "advisers"). *Figure 3.4* shows the usual committee membership in which the inter-locking role played by the Town Clerk is evident again. Only two other officers attend all committee meetings. One, the Committee Clerk, took almost no part in discussions over the period of the study. His major duty is to take minutes and to distribute them. He also acts as one section of the organisation's memory and supplies previous notes when necessary. The other, the Deputy Town Clerk, also takes minutes. He joins in debates only rarely but does take the Town Clerk's position in committees when the latter is away.

The Town Clerk's role and influence become clearer if the procedure of a typical committee meeting is examined. All committees work in an informal atmosphere marked by the frequent use of first names and sometimes nick-names. The chairman, who is elected for a two-year term by the aldermen on the committee, is flanked on his right by the Town Clerk and on his left by the head of the department or senior officer whose area of responsibility is shared by the committee. The other aldermen sit alongside the Town Clerk and opposite any other

USUAL MEMBERSHIP OF COMMITTEES

FIGURE 3.4



officers present. The two most senior officers are able to present reports to the chairman, to answer his questions, or to give *sotto voce* advice if necessary. It is the Town Clerk who usually keeps records, plans, and correspondence which other members might want to refer to. He chooses whether and when to release it.

As the meeting proceeds through its agenda, the senior officer comments verbally on a report written on the agenda but it is almost always the Town Clerk who extracts further details from the records if he judges it necessary. The Town Clerk would very frequently comment on a report before the senior officer concerned did.

Chairmen are not as important in Glenorchy as they have been reported to be in several English studies.¹¹ There is no party system in Glenorchy and the city's size and functions cannot be compared easily with those of English municipalities. The absence of a party system means that there is no organised attempt to define or dominate policy decisions, and that chairmen are normally not defenders or dispensers of positions, knowledge and power. The city's size is such that full-time contributions are not needed from any of the aldermen. The chairman of each committee has served on the council from a minimum of seven to a maximum of twenty years - though not all as committee chairmen. A considerable knowledge of the council's work and procedures resides in the long-serving chairmen, and indeed other aldermen.

The chairmen are far from dominant in their relationship with officers, despite their length of service and knowledge. They need

11. See for example: Drain, *Op.cit.*, pp. 49-50; Friend and Jessop, *Op.cit.*, pp. 55-56; H.V. Wiseman, *Local Government at Work*, London: Routledge and Kegan Paul, 1967, p.53; and A.H. Marshall, *Financial Administration in Local Government*, London: George Allen and Unwin, 1960, pp. 282-284.

advice and regularly seek opinions on the business before their committee. The officers sometimes disagree with committee proposals or proposals from the chair. The abilities of aldermen and their degrees of interest in committee business differ; in one committee an alderman who is not the chairman frequently formulates the recommendations to be written into the record. In other meetings, the Town Clerk sometimes does this. Occasionally other aldermen in each committee do it. The formulation of recommendations is usually said to be a job for the chairman. However, other committee members do the formulation in Glenorchy. The value in this widely practised convention is the attitude of co-operation and trust built between aldermen themselves and between aldermen and officers. Men from both groups use the term "we" when describing proposals or ideas in committee.

The informality of committees stretches from the use of first names and the direct contributions of the most senior staff to voting. No formal votes are taken; the chairmen prefer to feel that there is consensus or substantial agreement among the aldermen present. Since the committees are very small groups with the maximum number of voting aldermen being four, it is not difficult for the chairman to know when he can declare the committee's intention and move on to the next item.

Though committee discussion is usually based on written reports circulated to aldermen in advance of the meeting, most aldermen felt that more information was necessary at meetings. On the other hand, officers felt that appreciation of the problem was lacking. *Table 3.5* shows what respondents would most like to see more of when decisions are made in committees.

TABLE 3.5

Inadequacies in committee decision making.

When decisions are made in committees, what is it you would most like to see more of?		Information	Appreciation of the problem	Caution	Speed	Analysis of Alternatives	Analysis of possible consequences	Connection with existing policy.
	Aldermen	6	2	0	1	1	0	0
	Staff ^(a)	0	5	1	1	1	0	0

(a) One officer who did not sit on any committees did not answer this question.

One alderman said of the lack of information:

"We get very little information. We never see a site, never see a letter of complaint. It is like being in a dark room and trying to pick the two best pictures. We are asked to approve things we don't know much about."

This alderman clearly wanted more detail and felt the staff kept things from the aldermen. Another indicated a similar view by saying, "Everything about a job ... anything that may be of information to aldermen should be supplied with the recommendation. We have to ask for it." These two remarks underline the need for trust between officers and aldermen, and show that there is some interdependence between them. One staff man observed:

"We recommend something. They accept, modify, or reject it. They do not make decisions of their own very often. They prefer recommendations. You have to recommend something or they go round in circles. Aldermen do not read reports."

Interdependence in committee decision making exists because the staff have access to information and time to distil it, and aldermen have the major responsibility for saying what should be done. There must be some interaction involving the exchange of information and assessment of a situation before a decision is made. Aldermen need staff for the provision of information and the suggestion of a direction: staff need aldermen for the authority to carry out tasks they recommend to be done.

Providing information is only one aspect of the interdependent activity. The staff feel that the problems presented have to be appreciated. One senior officer said, "In lots of cases there is no appreciation of the problem." Another said, "The aldermen do appreciate the problem if it is explained fully. It depends on how close they are to the problem."

The success of interactions and interdependent activity in the Glenorchy council is indicated by the high rate of acceptance by aldermen of staff recommendations on policy decisions. *Table 3.6* shows that the aldermen almost always ~~or nearly always~~ accept staff recommendations. There seems to be an understanding by both aldermen and

TABLE 3.6

Frequency of aldermen's acceptance of staff recommendations.

Do you think you/ aldermen would almost always, nearly always, sometimes, rarely, never accept the recommendations of the staff on policy decisions?		Almost always	Nearly always	Some- times	Rarely	Never
	Aldermen	3	7	0	0	0
	Staff	4	4	1	0	0

officers such that recommendations made are very likely to be acceptable. One aldermen said, "Staff nearly always react to council's thoughts. They know them." One senior member of staff said, "Most of mine are accepted. I usually check them out with the Town Clerk first ... The reports are tailored to what I think will get through." Aldermen trust the staff enough to accept recommendations even though they feel they have not been given enough information.

There is a high level of satisfaction with the amount of power the staff has, and this probably contributes to the effectiveness of the working relationship between aldermen and staff. Fifteen of the 19 respondents said that the power situation was "about right", two aldermen said the staff had too much, and two officers said the staff did not have enough. If there was dissatisfaction with the use of power by either aldermen or staff, tension and conflict might be evident in their relationships. This is not the case.

There is harmony as well as trust in the interdependent relationship. *Table 3.7* shows that the incidence of conflict in committees is low. Most respondents perceive conflict either occasionally or rarely. There is no pattern about the conflict which is observed.

TABLE 3.7

Frequency of conflict in committee meetings.

On the committee on which you sit, so you see conflict almost all the time, about half the time, occasionally, rarely?		Almost all the time	About half the time	Occasionally	Rarely
	Aldermen	0	0	5	5
	Staff	0	0	4	3

- (a) Two officers did not answer the question because they felt they did not attend enough committee meetings to judge.

Sometimes it is between officers, sometimes between aldermen, sometimes between both groups, and sometimes it depends on the issue. This suggests that working relationships between aldermen and senior staff are harmonious and stable as well as trusting.

d) General influence.

On the assumption that some of the members of the organisation were more influential than others in decision making, respondents were asked to name the three most influential men in the council in general terms. Staff were to be included.

Table 3.8 shows the three attributed most influential men in the council in general terms.¹² Most respondents identified the influential person by his position, not by his surname. Alderman Jacques, however, was frequently identified by name. The first and second choices of most respondents were made rapidly; most respondents hesitated over the third. The City Engineer, the Deputy Town Clerk,

TABLE 3.8

Attributed influence: Glenorchy City Council's
three most influential men.

Who would you say, in general terms, are the three most influential men on the council?		Town Clerk	Mayor	Alderman Jacques
	Aldermen	27	18	7
	Staff	26	14	7
	TOTALS	53	32	14

12. Respondents ranked the men in order. The figures in Table 3.8 were reached by awarding three points, two points and one point each time a name was mentioned as most influential, second most influential or third most influential respectively. The table is a composite of the three rankings for each influential.

the Deputy Mayor, the Town Planner, and a clerk in the engineering office were mentioned with Alderman Jacques while the choice was being made.

The Town Clerk is reputed to be, clearly, the most influential person on the council. Respondents felt he has a "phenomenal memory", and "unlimited power", is able "to influence everybody". One respondent said jovially he is "a shrewd bastard who makes me mad at times". One alderman said:

"It is a matter of working together and getting the harmony. We get assistance to arrive at the best decision ... It is not a matter of *incorrect* influence."

The Town Clerk's influence is felt to be active, based partly on personal qualities and partly on his position and experience in the council. The Mayor's influence is regarded as more potential than operative. He was described as "being behind the scenes" and as having a "good image with the public". The third influential, Alderman Jacques, is the second longest-serving alderman on the council and his influence probably derives from this and his position as City Treasurer. He is seen as a man who wants to help the community progress and as a man who has been working hard for the community since he was first elected in the early 1950s.

3. SUMMARY

Glenorchy is an Australian city close to a capital city. The rapid rate of postwar population growth has now slowed and other areas close to the capital city are attracting people. Glenorchy is served by aldermen and staff who are generally more highly educated and

qualified than the community itself.

The council has a well-established system of committees and decision making procedures in which aldermen and senior staff interact. It is clear that there are some influential men in the operation of these procedures and the outcome of decisions. These key participants enjoy a settled and low conflict relationship in which there is some slight confusion about "proper" roles in terms of the policy-administration dichotomy, and in which decision making seems largely shared. The three most influential men are the Town Clerk, the Mayor and Alderman Jacques (the City Treasurer).

The description and determination of general influence, however, does not result in a comprehensive understanding of the process through which decisions are made or who is influential on specific issues. The examination of the progress and resolution of a specific decision and the attendant interactions and influences, begins in the next chapter with the intelligence phase of striking the rate.

CHAPTER FOUR

THE INTELLIGENCE PHASE

This chapter describes the constraints put on the striking of the rate by the State government, the levels of rate in the past and the uses to which rate revenue is put. Having established some of the historical background to a decision made annually, the activities of participants is examined as they gather and give information about the council's and the community's needs for 1973-74. This is the intelligence phase of the decision making process.

1. THE CONSTRAINTS OF THE LAW OF THE STATE

The Glenorchy City Council is compelled to strike the rate by sections 44 and 176 of the Local Government Act 1962. It cannot be done by staff. The Act also permits the council to receive monies via business undertakings or the levying of taxation. Part XII of the Act specifies rate-levying powers: it offers four alternative bases for rating, indicates how the rate should be published, amended and paid; and gives a discretionary power permitting the council to exempt people from rates. Revenue raising from business activities or other undertakings, for example, dog licences, is permitted in several sections of the Act, most especially in Parts X, XI, and XIV.

As the legislation enables, so does it control. Several parts of the Act regulate behaviour in matters of recording receipts, expenditure, inspection of sections of the accounts by electors, and opening

books for annual examination by the Auditor-General.¹ Answerability of the organisation to the community is intended by these provisions and it is very likely that the aldermen and staff are conscious of these requirements of the law. They are designed to regulate the behaviour of members of the organisation and maintain the support and confidence of the community, but were not observed as being to the forefront of the participants' appreciative systems in the striking of the rate.

2. REVENUE FROM THE COMMUNITY

The council raises most of its revenue from the community by levying a rate expressed as a proportion of the dollar of the assessed annual value of property in the municipality.

Table 4.1 typifies the reliance of the Glenorchy City Council on rates for most of its revenue. It shows the major sources of revenue in 1971-72.

TABLE 4.1

Glenorchy City Council: Sources of revenue by value and per cent 1971-72.

Source	Value \$	Percent
Fees and licences	36,010	1.3
Contributions	428,778	15.5
Rentals	24,846	0.9
Recoveries	34,685	1.3
Recharge works	29,090	1.1
Sundry	37,092	1.3
Swimming Pool	27,078	1.0
Excess water	14,959	0.5
City rates	2,128,281	77.1
TOTAL	2,760,819	100.

Source: Glenorchy City Council, *Statement of Income and Expenditure*, 1971-72.

1. Tasmanian Statutes, Vol. 9, *Local Government Act*, 1962. See especially Parts VI, XI, XIII, XIV and XXII. The Act is 416 pages long and has 905 sections.

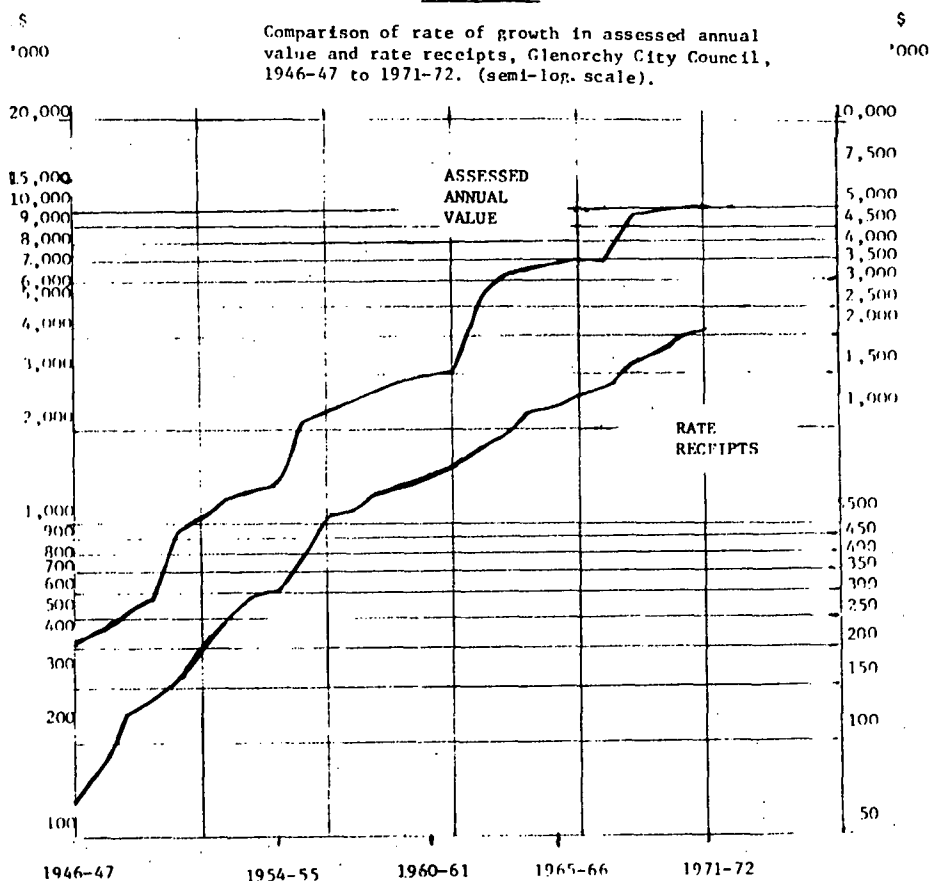
The city rate, 77.1% of revenue in 1971-72, is a consolidated rate made up of a health, road, water, sewerage and fire brigade rate. Ratepayers who receive only some of these services are given remissions for the value of those they do not. The Act provides for these remissions. Contributions, the other major item, come from statutory bodies such as the Metropolitan Water Board (M.W.B.) which makes payments to the council for the council's administration and operation of its own water schemes.² The contributions are largely book entries because the council is required to pay other units in the government system such as the M.W.B. from its resources. The contributors in effect return all, more or less of the council's payment after attending to the needs of other municipalities under their jurisdiction.

Services demanded by the community have increased with its population growth in the post-war years. However, the council's financial base has increased too as more home, industrial and other properties have developed. Rate receipts in 1972 were \$2,128,280 compared with \$415,124 in 1947. Changes in the real money values over the period do not permit a ready comparison to be made between what the council effectively did with its rates in 1947 and 1972. However, it is certainly substantially more. Rate receipts are governed by the size of the rate, the assessed annual value and the community's willingness to pay. *Figure 4.1* compares the rate of growth of assessed annual value and rate receipts since 1946-47. The semi-logarithmic graph shows fluctuations between which item grew faster, but in general terms rate

2. R.L. Wettenhall, *A Guide to Tasmanian Government Administration*, Hobart: Platypus, 1968, p.151. Wettenhall has a brief account of the establishment of the board in 1961 and praises its quick and efficient operation. Some tension between the board and the council was observed during this study. Several aldermen felt that an area of local government autonomy was being eroded because the board was slow in approving extensions of water supply schemes proposed by the council.

receipts grew more rapidly than the assessed annual value between 1946-47 and 1960-61. From 1965-66 to 1971-72, assessed annual value grew slightly faster than rate receipts. There seems to be no direct connection between the rate of growth of assessed annual value and rate receipts; there is no *constant* increase of the latter when the former has risen; great increases in assessed annual value about every five years have not brought forth consequently large increases in rate receipts. The explanation lies in the size of the rate struck annually by the council.

FIGURE 4.1



SOURCE: COMMONWEALTH BUREAU OF CENSUS AND STATISTICS. *STATISTICS OF THE STATE OF TASMANIA*, 1946-47, 1954-55, 1960-61, 1966.
GLENORCHY CITY COUNCIL, *Statement of Income and Expenditure*, 1971-72.

Table 4.2 shows the size of the rate, rate receipts, assessed annual value (A.A.V.) and percentage increase in receipts and A.A.V. for each year from 1946-47 to 1972-73.

TABLE 4.2.

Glenorchy City Council: size of rate, rate receipts, assessed annual value, and increase in rate receipts by per cent, selected years 1946-47 to 1972-73

Year	Rate in \$ (c)	A.A.V. \$'000	% incr. in A.A.V.	Rate Receipts \$'000	% incr. Rate Rec.
1946-47	17.5	415.3	-	66.8	-
1947-48	19.0	449.8	8.2	83.4	24.9
1948-49	20.5	516.1	14.7	123.9	48.6
1949-50	20.4	563.6	9.2	129.9	4.8
1950-51	10.1	933.1	65.6	158.4	21.9
1951-52	19.0	1,019.9	9.3	217.6	37.4
1952-53	21.0	1,207.6	1.8	251.3	15.5
1953-54	22.0	1,278.6	5.9	283.9	13.0
1954-55	21.5	1,327.6	3.8	300.0	5.7
1955-56	14.0	2,133.2	60.7	396.7	32.2
1956-57	24.5	2,290.9	7.4	533.5	34.5
1957-58	22.0	2,499.1	9.1	537.9	0.8
1958-59	23.5	2,686.8	7.5	606.8	12.8
1959-60	23.5	2,872.0	6.9	647.5	6.7
1960-61	24.0	2,968.3	3.0	684.3	5.7
1961-62	26.0	3,067.9	3.4	762.8	11.5
1962-63	15.5	5,819.1	89.7	869.5	14.0
1963-64	16.5	6,057.7	4.1	947.5	9.0
1964-65	19.0	6,300.3	4.0	1,137.7	20.1
1965-66	18.0	6,690.7	6.2	1,173.8	3.2
1966-67	19.0	6,835.0	2.2	1,282.7	9.3
1967-68	20.7	6,835.0	0.0	1,374.0	7.1
1968-69	17.9	9,516.0	39.2	1,652.7	7.9
1969-70	20.3	9,833.0	3.3	1,796.3	8.7
1970-71	19.0	10,322.0	5.0	1,919.7	6.9
1971-72	22.0	10,643.4	3.1	2,091.5	3.7
1972-73	23.5	9,912.4	-6.9	2,363.2	13.0
(1973-74	18.0	14,676.9	40.7	2,617.4 (est.)	9.7 (est.)

Source: Commonwealth Bureau of Census and Statistics, *Statistics of the State of Tasmania*, 1946-47 to 1971-72; Glenorchy City Council, *Revised Estimates* (5 April 1973) 1972-73; Glenorchy City Council, *Estimates*, 1973-74.

The figures indicate the existence of two phases in the gathering of resources from the community. The first phase lasted until 1964-65 and is characterised by great fluctuations in the size of the rate and rate receipts. The greatest fluctuations occur when the value of property has been re-assessed independently of the council by the state government valuer.³ For example, a revaluation of 60.7% in 1955 resulted in a lowering of the rate and an increase of 32.2% in receipts. A hefty increase in the rate in 1956-57 also brought in a high increase in receipts (34.5%) though the rise in A.A.V. was only 7.4%. A similar situation existed in 1951-52 and 1962-63. Official revaluations resulted in a high increase in A.A.V., a reduction in the rate, and a moderate to high increase in rate receipts. Increases in A.A.V. in the years between official revaluations are estimated by council officers, and as the figures indicate, are usually only marginal increases.

The second phase begins in 1965-66 and is characterised by smaller fluctuations in the rate, a steadier growth in the A.A.V. estimated by council officers (apart from 1972-73), and a steadier increase in rate receipts. The years of official revaluation, 1968 and 1973, still resulted in high increases in A.A.V. and permitted the council to reduce the size of the rate in the dollar. The year after the 1968 revaluation resulted in only a 2.6¢ increase in the rate. In 1956-57, the year following the 1955 revaluation, there was an increase of 10.0¢ in the rate. There was a similar pattern in 1951-52 after the 1950 revaluation. The second phase has evoked fewer complaints from the community largely because of more even demands by the organisation for a share in its financial resources. One alderman who served in the 1950's recalled several rowdy public meetings at which councillors and some officers were trenchantly

3. Valuations are made of all the property in the municipality every five years. There is no official change in value in the years between valuations other than for the addition of new property.

criticised by irate ratepayers for levying burdensome rates.

Reductions in rates in the 1960's were not as great as in the 1950's and the community has had to contribute proportionately more money after each revaluation. It is calculated by staff that many ratepayers will pay 50 per cent more in 1973-74 than they did in 1972-73. The increase is due to a higher valuation on their properties and the level at which the rate was finally set.

3. THE ORGANISATION'S USE OF REVENUE

A large proportion of revenue is committed in order to keep the council work-force employed, to carry out the necessary maintenance programme, and to service existing loans. Though this study is mainly concerned with the striking of the rate, a brief examination of expenditure will help in determining which areas of the council use most funds. *Table 4.3* shows expenditure for 1971-72 grouped in five areas.

TABLE 4.3

Glenorchy City Council: annual expenditure by major areas, 1971-72, value and per cent.

Area	Expenditure	
	Value \$	Per cent
Administration	398,893	14.6
Operations and maintenance	1,400,790	51.4
Scheduled works	57,380	2.1
Loan repay and interest	827,363	30.3
Remissions	43,566	1.6
	2,727,992	100.

Source: Glenorchy City Council, *Statement of Income and Expenditure*, 1971-72.

About 87.5% of expenditure from total revenue (rates plus other sources) is tied to previous activities which demand further annual commitments. Operation and maintenance is the major item and includes contributions to the Metropolitan Water Board (22.9%) and maintenance on roads, footpaths, buildings and equipment (18.9%). Committed expenditure influences successive budgets - unless the council is prepared to reduce its work-force, cut back its maintenance programme, or withdraw from a statutory authority. Each step is unlikely at a time when the community is expanding and demanding more services.

Capital works constructed from revenue in 1971-72 were 2.1% of total expenditure. The practice of doing some works from revenue began in 1970-71 when there was an unexpected surplus in the estimates. The Assistant Accountant recommended to the Town Clerk that savings could be made by doing some works and thus not having to raise loans and meet subsequent interest payments. The recommendation was adopted and many small works such as footpath and road construction, recreation ground preparation and the building of kerbs and channels have been completed since. The advantage of doing capital works from revenue is that no loans are necessary, and the council is able to operate under a lower debt burden. The debt burden is large (30.3% of revenue in 1971-72) and while its payment is no problem for Glenorchy, other councils have serious difficulties meeting their obligations. The debts incurred by the council bind it to annual payments of the principal and interest on loans. In 1972-73, Glenorchy's estimated payments of \$881,864 were about the same as the total loan raised by the council for its capital works programme in the same year. The legal debt burden deprives the council of the opportunity to allocate almost one third of its revenue

to capital works.

The council's policy of giving reduced rates to pensioners depending on their income took 1.6% of revenue in 1971-72. It is claimed that the policy has encouraged pensioners from other parts of the metropolitan area to retire to the municipality and is applied to about 10% of the homes in the district.

The 1971 census figures show that 6.2% of Glenorchy's population was of pensioner age. This compares with 5.4% in 1961 and 5.8% in 1966. Though the figures have to be considered in the context of the population in other age groups, it seems that Glenorchy pensioner-age population has grown faster than that in neighbouring Hobart and Clarence municipalities of comparable total population.

The pensioner-age population made up 11.4% and 12.0% of Hobart's total in 1961 and 1966, and 5.0% and 5.1% of Clarence's at the same census. Hobart's rose to 12.1% in 1971 and Clarence's fell to 4.9%.⁴ The probable growth in the share of expenditure going to rate remissions was but one item facing the Assistant Account himself and other staff relevant to the decisions to be taken.

The sketch above conveys some slight impression of the background within which the Assistant Accountant works as he begins his intelligence phase. He knows what has happened before because he joined the organisation in 1956 and has prepared material for the rate since 1967-68 and he knows the major variables and functions inside and outside the organisation which affect revenue and expenditure.

4. *Commonwealth Bureau of Census and Statistics, Commonwealth Population Census and Housing, Vol. VI, Tasmania, Detailed Tables 30 June 1961; Commonwealth Bureau of Census and Statistics, Commonwealth Population Census and Housing, 30 June 1966, Vol. IV, Population and Dwellings in Local Government Areas; Commonwealth Bureau of Census and Statistics, Commonwealth Population Census and Housing, 30 June 1971, Population in Local Government Areas.*

4. DATA COLLECTION

(a) The internal stage

(1) Reduction of uncertainty.

The timetable for the preparation and submission of the estimates is governed by the date at which the council decides the rate should be struck and rate collection should commence. Since 1970, the rate has been struck in late June so collection can begin about mid-July when ratepayers receive personal income tax refunds from the Australian government. Most local authorities in Tasmania strike their rates in August, as Glenorchy used to. The changed procedure has increased the proportion of rates received in the first month of collection, and the council is able to begin small capital works or continue existing projects without having to retrench staff or incur and pay interest on a deficit on its current account. The Assistant Accountant said of the change:

"Ratepayers get their rate demands about the same time as their tax refunds and so they've got the cash to pay then. We save money."

Early preparation of the estimates confronts the Assistant Accountant with several uncertainties generated internally and externally. Because Glenorchy does not wait until August to strike the rate, the year's accounts of income and expenditure and consequently the annual surplus or deficit is unknown. The size of the surplus or deficit on 30 June could influence the size of the rate: if the council had a significant surplus several alternatives offer themselves. The rate could be reduced and the surplus used to supplement the lower revenue; or the surplus could be used to relieve the council's debt burden; or the council could attempt to accumulate a reserve by budgeting for

another surplus. A significant deficit, on the other hand, would provide the opposite sorts of stimuli on the size of the rate in the first two instances above, and a similar stimulus in the last case if the community placed a high priority on solvency.

The Assistant Accountant, given the task of early preparation of the estimates to permit early settlement on the size of the rate and speedy collection, must gather data from staff who are uncertain of how much of their share of the current year's budget will remain unspent, and what projects will be undertaken in the coming financial year. In early April, before data directly related to the estimates are collected, the Assistant Accountant completes a quarterly review of the budget. The review serves as a base from which guesses are made concerning the probable state of the balance on 30 June; it also provides information about projects which might be incomplete and which must be carried over to the next financial year; and it shows areas from which funds might be transferred to those which have evolved and demanded attention since the budget was accepted nine months before.

The final quarterly budget review reduces uncertainties about the size of the surplus or deficit, and the states of any projects undertaken but not completed. The Assistant Accountant can therefore estimate the likely amount of funds in the existing budget available for next year's budget. (However, aldermen and other members of staff can also see what remains to be spent, and some re-allocation of funds was observed at committee meetings.) The Assistant Accountant makes another estimate in consultation with staff such as the City Engineer and his deputy about the probability of the new work being completed and is again able to reduce an uncertainty to a calculable proportion of the funds

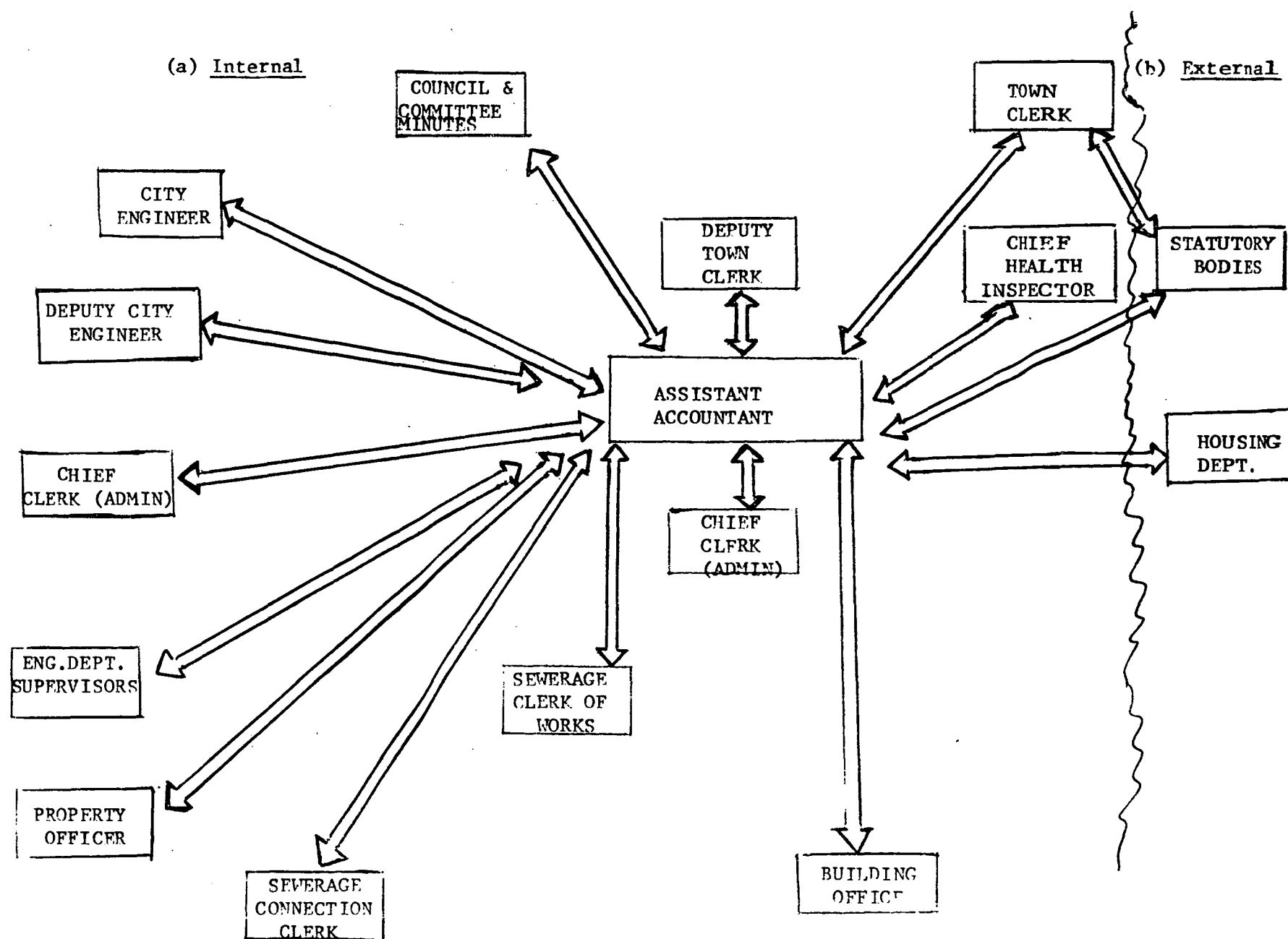
available.

This reduction of uncertainties in the intelligence phase involves judgments of reality and value which prove difficult to separate in practice.⁵ The assessment of the state or time of completion of a project demands some factual knowledge, for example, how much new foot-path can be constructed by a gang in a week? It also involves judgments of significance, for example, how difficult to work is the ground on which the path will be laid or how long might be delays caused by adding new men to the gang and training them? The two judgments taken together indicate whether the work might be finished by 30 June or how much more or less than the estimate it might cost. The judgments are made by the staff who report on all projects to the aldermen who in turn make judgments about which projects to complete or defer. The aldermen's completed judgments are a combination of fact and value and are made with the assistance of information gathered by any judgments made by the staff.

The Assistant Accountant's intelligence phase is primarily directed at compiling the annual estimates of revenue and expenditure. The estimates are inextricably tied to the size of the rate, because as has been shown, 77% of revenue comes from the rate levied on property. The Assistant Accountant is dependent on the co-operation and abilities of his colleagues for much of the information. *Figure 4.2* shows the levels of authority and the positions in the organisation and outside from which he gathers information. The communication pattern is vertical, horizontal and inter-departmental and indicates the co-ordinating role played by the Assistant Accountant.

5. Geoffrey Vickers, *The Art of Judgment*, London: Chapman and Hall, 1965, p. 40.

FIGURE 4.2: DATA GATHERING (a. INTERNAL, b. EXTERNAL)
BY THE ASSISTANT ACCOUNTANT IN HIS
INTELLIGENCE PHASE



Information is sought from the Town Clerk down to the clerks in the Building Office to discover intended expenditures and expected revenue. The Assistant Accountant is not just a co-ordinator of information about the budget: he gives information to other members of the staff and decides what limits to put on their intended expenditure. The Assistant Accountant said he knows what information to expect and that he works within the rough guidelines of an increase in rate revenue of about 10% "in order to get the same work done as last year". The 10% guide includes calculations for inflation and anticipated wage increases and affects the amount available for expenditure. Another senior member of staff said, "If Kevin (the Assistant Accountant) says you can't have it, that's it."

(11) Anticipated expenditure

A written procedure for compiling the estimates was first prepared in January 1973. It demands written details of expenditure proposals by May, but written submissions come from only three of the fifteen officers with proposals. The written procedure is largely ignored and its sequences not followed. Most of the communications are verbal, and the Assistant Accountant works through some parts of the previous year's estimates with each officer in order to determine (a) whether expenditure should stay the same, be increased, or decreased; and (b) whether the officers could help to reduce uncertainties about the size of the assessed annual value which would be the base for estimating revenue in the next financial year. The officers with whom anticipated expenditure is discussed are: the Town Clerk, the Deputy Town Clerk, the City Engineer, the Chief Health Inspector, the Chief Clerk (engineering), the Property Officer, Water, Sewerage, and Recreation ground Supervisors in the City

Engineer's Department, and the Expenditure Clerk. Information bearing on revenue and the size of the assessed annual value is sought from the Town Clerk, the Chief Clerk (administration), the Sewerage Connection Clerk, the Sewerage Clerk of Works, and the Building Office.

Written submissions are made by the Chief Health Inspector, the Deputy City Engineer and the Property Officer.

No personal approach is made to the city's aldermen about the items they would like to see included in the estimates; formal records of council and committee meetings and the ideas of the Town Clerk are relied upon to transmit their wishes. For example, discussions about the probable employment of extra staff results in provision being made even if no decision has been taken. This practice, and another, that of including items such as "public relations assistant" or "welfare officer", or "the history of Glenorchy", produces conservative budgeting. Each of these items has been included in recent years at the suggestion of the Town Clerk and since no final decision has been made to employ the required staff or undertake the history study, there is room in the estimates to meet unexpected needs, to transfer an already present surplus elsewhere, or, indeed, to begin the proposed projects behind each item.

The failure for proposals to be accepted definitely results in estimates being made by the Assistant Accountant which, though having no legal status, are ratified by the council when the rate is struck. One example occurred in 1972 when the aldermen increased by 50% the rental of council houses after the rate had been struck. The Assistant Accountant said:

"They had recommendations that were floating around but no one was finalising them - so I had to take what I knew because there was no certainty that the rentals would be put up ... there are those sorts of things."

The purpose of discussions with the Town Clerk is to find out if any such proposals are likely and to permit a judgment to be made about their draw on revenue and ultimately on the size of the rate.

The formal records provide the Assistant Accountant with some major and minor items to be included in the estimates. One such item accepted by the finance committee on 29 May 1973 after investigation by the Deputy Town Clerk and the City Engineer was an amount of \$4,500 for the purchase and sharing of micro-film facilities with other metropolitan councils. Micro-filming equipment had been listed on the committee's agenda since January 1973 but no decision was taken until staff representing the Glenorchy, Hobart and Clarence councils met on 18 April to consider the joint use of micro-filming equipment for plan reproduction, enlargement, reduction, and storage, and records storage. The meeting decided to find out what each council needed, to seek reproduction by other bodies on a contract basis, and to seek a subsidy from the Australian government under its metric conversion programme. It was proposed that the councils would use centrally-located machines and need their own reader-printers. These conclusions were reported to the councils. The Glenorchy council's finance committee accepted the report, and decided to purchase the necessary equipment and set aside some money towards the cost of converting existing plans to metric measurements. The decision was ratified at the subsequent council meeting on 5 June. While only \$4,500 was involved, the assistant accountant had to revise the estimates which had been printed on 17 May.

Two other items discussed after the estimates had been circulated to aldermen, but before the rate was struck, were not altered despite attempts made at council meetings. The finance committee meeting of 29 May also discussed the size of the annual dog tax and the scale of rate remissions for pensioners. In each case the committee accepted the recommendations of the Deputy Town Clerk and the Chief Clerk (administration) respectively. The dog tax was last increased in 1971/72 from \$2 to \$3, and no change was recommended. Remissions based on income had not been changed for six years, and an increase in the levels of income within which remissions were allowed was recommended.

Amendments to each of the finance committee's recommendations were moved in the council and debated. The motion to increase the tax on bitches and decrease that on dogs was defeated. The motion from Alderman Cross to increase the percentages of rates remitted within certain levels of income from 50 percent to 75 percent was amended first and then the issue was sent back to the finance committee for re-consideration. In opposing Alderman Cross's motion and moving the amendment, Alderman Jacques, the City Treasurer, said it was important to know how much the proposal would cost, and that an economic appraisal should be done first. He thought the remission scheme imposed hardship on a lot of people in the district to the benefit of some. Debate on the motion encompassed the question of whether the council should offer remissions to pensioners at all. Alderman Shields observed that the scheme did not really help long-time residents of Glenorchy and that it attracted pensioners from other places to retire in the district. He said, "The whole thing has to be looked at; we let it go past us each year." However, the amendment to send the scale of remissions back to the

finance committee was carried, and Alderman Shields' suggestion of resolving the policy question was not adopted, probably because no procedural steps were taken to have the idea placed before the council in a form which would lead to a decision being taken.

The subsequent finance committee meeting of 13 June was presented with figures on the cost of Alderman Cross's proposals from the Chief Clerk (administration). Adoption of the proposals would have resulted in an increase of 0.5¢ in the rate. (This finance committee meeting also considered the size of the rate and details of the annual estimates, prepared and circulated three weeks before.) The committee decided to re-affirm its previous acceptance of the Chief Clerk's recommendation and advised the next council meeting that it had not moved from the position in its first report. The council accepted the committee's report without amendment. The preparation of the annual estimates and calculations on the size of the rate had been completed by the staff. Increases in rate remissions had been allowed for, and no change in the dog tax was anticipated. The stage at which the aldermen were asked for opinions on each item worked against successful changes to staff recommendations. The raising of matters, on the floor of the council, having financial implications is unlikely to succeed because no information about costs was available, and because the council's practice is to send material back to its committees for further investigation. It is only rarely that any committee's recommendations are over-ridden by council the first time they are submitted.

Many other decisions with consequences for council expenditure, and which contributed to the size of the rate eventually struck, are

taken before the estimates were prepared.⁶ The employment of additional staff in the City Engineer's Department, for example, was decided on at finance committee and council meetings between February and April. Olympic pool charges were accepted in April; and the decision to engage management consultants for a review of operations was made in May. The Assistant Accountant is able to use this information in preparing the estimates. He is also able to account for some probabilities: that more staff would be employed in the engineering section after a review of the council's operations by the firm of management consultants; and that wages for blue collar and salaries for white collar staff would be increased during the year. The first probability was discussed and recorded from a committee meeting; the second was expected as very likely at a time of increasing wages and prices.

It has been shown that the Town Clerk is a transmitter and interpreter of the council's wishes and that he encourages conservative budgeting. More will be said about his influence later. Attention is turned now to the other members of staff from whom the Assistant Accountant gathers information.

The Deputy Town Clerk supplies information about the probable purchase of new equipment for use within his department. Typewriters, duplicating machines, accounting machines and stationery are examples of the materials used and likely to be added to or replaced. Most are minor items in a budget of \$2,600,000.

6. A.H. Marshall, *Financial Administration in Local Government*, London: Allen and Unwin, 1960, sees this as the proper procedure. He says, "The budget should not itself be made the vehicle for the determination of new policy ... All policy decisions affecting the budget should as far as possible be settled beforehand, even though they cannot operate until budgetary provision has been made." (p.264).

Roads and footpaths maintenance carried out by the City Engineer's Department is paid for from revenue. The City Engineer and the Assistant Accountant discuss the previous year's maintenance and decide to do the same amount of work again. This has been the pattern of dealing with maintenance for several years. It is also customary to allow a substantial margin for anticipated increases in wages, plant and materials costs. The Deputy City Engineer gives the Assistant Accountant a list of maintenance requirements for the olympic pool, for recreation grounds and reserves which fall under his responsibility, and for facilities for outside staff. The Assistant Accountant includes the margin and cuts the total amount required for maintenance in order to fit the estimated amount of revenue from rate provided for maintenance.

The written details from the Chief Health Inspector cover items such as expenditure on chemicals to fluoridate the water supply, the purchase of noise, air and water pollution detection equipment, the costs of garbage disposal, and the wages of meat inspectors employed by the council at a nearby privately-owned abattoirs. (Pollution detection equipment is being purchased gradually; the Chief Health Inspector decided not to ask in 1973-74 for all the money he needed because he felt it would be asking for too much at once and the health and recreation committee might "knock it back.")

The Water, Sewerage, and Recreation ground Supervisors give information verbally to the Assistant Accountant about reticulation maintenance, sewer maintenance, the operating costs of the pumping station and treatment works, and the maintenance of grounds and reserves. The information is compared with previous actual expenditures on the same items and a judgment made by the Assistant Accountant and the

Supervisor about the likelihood of anticipated expenditure, apart from that caused by higher costs for wages and materials, being any greater in the coming year.

Opinion, more than information, is sought from the Expenditure Clerk who has up to date records on the extent to which existing projects are complete. He offers advice on the proposals advanced by other officers.

The compilation of estimates of expenditure for the general, road, health, recreation grounds and reserves, sewerage, stormwater drainage, and water accounts is then begun. The estimates of expenditure will not be completed until data about the level of council contributions to several statutory authorities is available.

(iii) Anticipated revenue

The size of anticipated revenue is the next item for which the Assistant Accountant seeks information internally. The amount of revenue received will influence expenditure and the size of the rate. Revenue is affected by the size of the assessed annual value. There are many uncertainties about the A.A.V. and most of the Assistant Accountant's questions and analysis are intended to reduce uncertainty. He seeks some advice and opinions from the Town Clerk whose contacts in government departments help establish if they will be constructing, for example, homes for the aged, a large housing estate, a school, or a new bank.

State and federal governments are neither compelled to submit their building plans to the Glenorchy council for approval, nor are they compelled to pay rates to the council. However, the State Valuer-General includes valuations of state and federal buildings when the five-

yearly reviews of assessed annual value are made and it is important for the Assistant Accountant's calculations that he knows about the building plans of other units of government. Some of the construction work, for example, housing commission homes, or homes for the aged will be rented and occupied by residents and so is rateable. A new housing scheme could increase the community's system resources and the council's revenue.

The Chief Clerk (administration) has a specialised function in the calculation of A.A.V. Since some ratepayers occupy homes not serviced by sewerage lines or a water scheme, or which are sited outside a declared fire protection area, the amount demanded in rates is reduced by the estimated value of services not provided. These deductions are not made in the Valuer-General's assessment and have to be made by the Chief Clerk, who also provides information to the Assistant Accountant on non-rateable properties such as those owned by federal or state government departments or agencies. In May, the Chief Clerk estimates the A.A.V. for the year, works through the rate cards for households not receiving all or some of the council services and subtracts the total non-rateable A.A.V. for the particular service from the A.A.V. He also adds to the A.A.V. the value of services supplied during the current year to households which had not received them before. The results contribute a little more to the base from which the Assistant Accountant will estimate the size of the A.A.V. and probable revenue in the next financial year. The revenue collected from rates will be affected by the amount returned to ratepayers as rebates for services not provided. Rebates for each service not provided are calculated (a) by dividing the estimated amount of revenue transferred from city rate collections to the service rate

by the assessed annual value of the service rate; then (b) by multiplying the result in (a) by the difference between the gross assessed annual value and the assessed annual value of property with all services provided.

Further information about the provision of services is obtained from the Sewerage Connection Clerk and the Sewerage Clerk of Works. The Sewerage Connection Clerk records those properties which have been connected to sewerage mains and those owners will be repaying loans made by the council to cover the connection costs. The Sewerage Clerk of Works, superior to the Connection Clerk, supplies estimates on income from pipe testing and cleaning charges which are charges levied for services provided after rate demands have been issued. It is customary for estimates to be based on current figures with some allowance for potential increases.

The Building Office receives and approves building plans for houses, shops and factories. Once proposed buildings are completed, they become part of the community from which the council draws its rate revenue. Many buildings will not have been either started or completed when the rate is struck. However, it is very likely that they will be rateable within a year. The Building Office is able to give the Assistant Accountant an estimate of the number of houses, shops, factories, showrooms and other private buildings likely to be completed by particular times through the financial year. The Assistant Accountant is able to make an estimate of their contribution to rate revenue. He has some idea, from past building estimates and the existing state of the economy, of the value of the information he receives from the building office. He said:

"I know what answers to expect. If I go

down there, and they say they're going to build 600 houses, I tell them they're wrong."

It is apparent that judgments of reality and value are woven into the intelligence phase of the decision making process. In the internal collection stage described above, the Assistant Accountant makes judgments about increases in costs, the Chief Health Inspector about the rate at which he can ask for more money, the Assistant Accountant about the community's resources and their monetary value, and so on.

Most of these judgments have their basis in facts taken from the data gathered. However, the data itself suggests value orientations: a preference for maintenance over new works, for example; or the selection of some new equipment instead of all new equipment; or one estimate rather than another for wage increases. Value elements thus enter the judgments made by officers, either through the force of customary ways of behaving or through appreciations of new situations.

(b) The external stage

Several variables largely external to the organisation, affect the council's uses of revenue. Salaries and wages, and the contributions demanded from the council by statutory authorities affect expenditure. The Assistant Accountant again tries to minimise uncertainty by making estimates which are combinations of reality and value judgments.

Salaries and wages are determined by the national wage case, separate arbitration for particular professions, Victorian wages board decisions, or Tasmanian wages board decisions. Of course the Assistant Accountant has no way of knowing either the increases claimed and opposed or the resulting decision. His response is to make a conservative

estimate, that is an estimate greater than the size of the likely increases, and to have a reserve in case his estimate is wrong. For the 1973/74 budget, an increase of 15% was estimated, not 10% as had been suggested earlier.

It is difficult to assess completely the significance of wage and salary payments and increases for the estimates. The payments are charged against several accounts and are sometimes hidden in other gross figures such as "maintenance" or "sundries". Some payments are made out of loan funds raised for special projects. However, a guide to the overall importance of wage and salary expenditure can be obtained from the total wages bill. Almost \$1,000,000 is its estimated size in 1973-74. This is equivalent to about 40% of estimated revenue for the same year.

Statutory authorities make more certain demands on the Glenorchy council's revenue. The Rural Fires Board, the State Library Board and the Southern Tasmanian Ambulance Board are paid contributions by the council based on assessed annual value. After the A.A.V. has been determined, the Assistant Accountant merely calculates the value of each contribution by multiplying the A.A.V. by the agreed on number of cents in the dollar A.A.V. of the service. Agreements on contributions were established some time ago and are subject to periodic re-negotiation by the councils and authorities subject to the agreements. The Glenorchy City Council's City Engineer is on the Rural Fires Board and the Deputy-Mayor a representative on the Ambulance Board. The council has no representative on the State Library Board.

The Fire Brigades Commission (F.B.C.) and the Metropolitan Water Board (M.W.B.) are co-ordinating and service agencies, and part

of the annual revenue of each is contributed by member municipalities.⁷ Each agency sets the size of the contribution it wants. Since the Glenorchy estimates are prepared before either agency informs the council of its contribution, the Town Clerk and the Assistant Accountant talk to the full-time members of each agency in order to get an indication of the amount the agency will ask for. Shortly after the 1973-74 estimates were prepared, the M.W.B. sent its demand for a contribution and the estimates were altered. However, the F.B.C. had not; it estimated an increase of 20 percent over the 1972-73 contribution. Informal, outside contacts help the council achieve its aim of an early determination on the size of the rate. The City Treasurer, Alderman Jacques, is a member of the M.W.B. and this helps the Assistant Accountant to anticipate proposed changes in M.W.B. demands.

Contributions for fire protection and water services in 1972-73 were estimated at \$663,349 or about 29% of estimated rate revenue. Some of the M.W.B. contribution is refunded to meet the council's working expenses but it is still spent by the council. The contributions can be seen as important external factors affecting expenditure and the amount of revenue which must be realised to cover it.

Another unit of government affects council revenue more directly. The state Housing Department has subdivisions in Glenorchy's suburbs of Abbotsfield, Chigwell and Goodwood. The department's completed projects bring in about \$0.5 million in rates annually, and the Assistant Accountant makes enquiries through informal contacts within the department about planned projects in case their commencement and completion

7. See R.L. Wettenhall, *Op.cit.*, pp. 228-232 for a description of Tasmania's fire protection arrangements, and pp. 150-152 for information on the M.W.B.

in the coming financial year influences A.A.V. and rate revenue.

The outstanding feature of the external stage of the Assistant Accountant's intelligence phase is the network of informal contacts which he has built up within other units of government. The contacts offer only tentative information but it is of importance to the Assistant Accountant and helps him reach one of the goals set for the organisation: the early striking of the rate.

5. ANALYSIS OF THE INTELLIGENCE PHASE

Several features of the Assistant Accountant's intelligence phase are noteworthy:

- (a) the exclusion of both the aldermen and the chairmen of committees from discussions about revenue and expenditure;
- (b) the reliance on past figures to provide a basis for recurring estimates;
- (c) the Assistant Accountant's dominant role in information-gathering and presentation;
- (d) the Assistant Accountant's rejection of some expenditure estimates on cost grounds;
- (e) the increase in the margin for cost rises from 10% to 15% during the intelligence phase; and
- (f) the presence at this early stage of judgments which constrain and foreclose judgments scheduled to be made later in the process.

It is to analysis of these points that the discussion now turns.

(a) The exclusion of aldermen

The exclusion of elected representatives from this phase of the decision making process is remarkable if only because inclusion provides an opportunity to realise some of the goals representatives might have. However, Glenorchy's aldermen have few specific policy goals which are directly related to the rate. When asked if there is or was any specific policy goal they hoped to accomplish by being on the council, three aldermen replied that they "wanted to contribute something back to the place". Another said he was interested in getting on for experience because it was "a step up the ladder". Another said he had no specific goal. The remaining five had major long term goals such as the establishment of a library and cultural centre to less specific on-going aims such as "promoting the district" or "improving the council's public image",

Aldermen may be excluded for reasons other than the lack of goals or the failure to translate appropriate ones to the annual budget. It might be that they accept the organisation's procedures or trust the staff to do much of the work. Speculation is not very helpful here. The absence of aldermen from this stage of the process of striking the rate is not peculiar to Glenorchy. D.M. Purdie notes in the section of his work based on a sample of 20% of Melbourne's municipalities that:⁸

"Neither the council nor its finance committee plays any significant part in the preparation of draft estimates. This work is undertaken by executive officers such as the municipal clerk, municipal engineer and their deputies."

8. D.M. Purdie, "Municipal Budgeting", *Bulletin of Australian Society of Accountants*, 12, December 1971, p. 27.

The English experience is quite the reverse. Several authors note the early participation by aldermen, especially the chairman of the finance committee. A.H. Marshall says:⁹

"There are many ways of associating the members with the budget. Even before the office draft is prepared, the general trend of income and expenditure, and any special features, will have been discussed with the chairman by the head of the department, the chief financial officer also being sometimes present at the discussions."

(b) Reliance on previous figures

Reliance on previous figures as a basis for estimating future revenue and expenditure tends to exclude the development and articulation of alternatives from the process. One of the Assistant Accountant's aims is to see that there is enough revenue "to do the same work as before". Aaron Wildavsky observes:¹⁰

"Once enacted, a budget becomes a precedent; the fact the something has been done once vastly increases the chances that it will be done again."

Under these conditions, there is a likelihood that new additions to the budget will be small and that the decision making process will be characterised by Lindblom's incremental approach rather than the bounded rationality or objective rationality approaches. Marshall thinks it is an important function of the chief financial officer to ensure that previous years' figures do not get too much attention because it

9. Marshall, *Op.cit.*, p. 282. See also J.K. Friend and W.N. Jessop, *Local Government and Strategic Choice*, London: Tavistock, 1969, p.11; H.V. Wiseman, *Local Government at Work*, London: Routledge and Kegan Paul, 1967, p. 53; R.M. Jackson, *The Machinery of Local Government*, London: Macmillan, 1967, p. 149.

10. Aaron Wildavsky, *The Politics of the Budgetary Process*, Boston: Little, Brown and Co., 1964, p. 3.

is an "unsound" practice.¹¹

Fifty-six recurrent revenue items are listed in the written procedure for the preparation of the estimates. These items show sources of revenue for the council apart from the rate. The Assistant Accountant estimates the revenue each item will provide in a variety of ways. Of the 56 items, 35 are nominal estimates mainly based on revenue in the current year; eight are calculated from lease agreements with sporting organisations, seven are nominal estimates arrived at after discussion with another council officer; two are receipts of interest on loans made by the council and two are refunds from the State government. One of the remaining two is a refund to the council from the Metropolitan Water Board for working expenses.

Of 94 recurrent expenditure items examined, 40 were set after discussions between the Assistant Accountant and one or more officers, 35 were marked either "nominal" or "based on current year's figures", eight were taken from council minutes and two from committee minutes. Seven were expenditures on contributions and two concerned contracts entered into by the council for garbage disposal and lighting. The importance of past figures can be easily seen.

The Assistant Accountant makes most of the "nominal" decisions and guides the direction of those made in consultation with other officers. His role is clearly central in the intelligence phase.

(c) The Assistant Accountant's role.

Increasing organisational and professional specialisation means

11. Marshall, *Op.cit.*, p.280.

that individuals in particular positions will occupy co-ordinating roles in a decision making process. This is the case with the Assistant Accountant in Glenorchy and Marshall prescribes it as proper and essential:¹²

"... a single officer should be charged with the responsibility for the financial work, which should be conceived as one piece of machinery serving the whole of the authority and not a number of unco-ordinated units varying in aim and subject to different direction."

He imposes direction, as well as facilitating co-ordination. It is in the imposition of direction that the Assistant Accountant ensures achievement of the goals he has or which have been set for him. He is able to make reality and value judgments which result in (d) *the rejection of some items of expenditure*. Rejected items are not large in terms of the overall budget and were reported by only one officer during the study and the Assistant Accountant said he would tell officers if there was something they could not have. It seems this exclusion of demands is not regarded as improper or beyond the role of the co-ordinating officer.

(e) The increase in the margin for cost rises

During discussions in January 1973 about the estimates, the Assistant Accountant said he usually added 10% to expenditure estimates to allow for inflation and increases in wages and other unforeseen increases. By May, the margin was 15% and seemed to have risen because of uncertainties created by the new Federal Australian Labor Party government and evidence of a high annual rate of inflation. At a conversation

12. *Ibid.*, p.31.

in mid-May, the Assistant Accountant said:

"No one knows where Australia is going at the moment. I don't know if X will happen and affect the rate. Things are uncertain and you can't allow for them"

His appreciative system seemed to have responded to the new uncertainty by increasing the usual margin. Fifteen percent would be sufficient to produce figures which would absorb increases in costs outside the control of the organisation.

The result would be that the council's current account commitments would be met and the budget would have a satisfactory level of accuracy. Either a surplus or a smaller deficit than was budgeted for would be achieved.

(f) Judgments by officers

It is clear that most of the 15 officers who contribute to the compilation of the estimates make judgments about the needs of their departments or their areas of responsibility. Their judgments are based on previous experiences and are a mixture of reality and value judgments. The value judgments are based in the officers' assessments of needs, for example, to buy one sort of machine rather than another. The selection of one need rather than another indicates that somehow a preference ranking has been reached.

The officers' selections are only a minor part of the organisation's total collection of community resources but they effectively exclude the aldermen from making different choices later in the process because of the tendency of aldermen to accept staff recommendations and the lack of alternatives offered to them. Despite the exclusion of aldermen from this phase of decision making, there are opportunities

for them to become involved and influence later stages of the process.

6. SUMMARY

The appreciative systems of the staff are thus operating to influence estimates about revenue and expenditure. Their readiness to respond to the decisional situations they face is affected more by past events than by the prescriptions of the rationalists, discussed in Chapter two, because the intelligence phase has shown no evidence of men working from the roots up on any items of proposed expenditure or revenue. However, there is some evidence of incremental decision making in the reliance placed on past figures. This evidence is strengthened through the examination of other phases of the decision making process.

CHAPTER FIVE

DESIGN, SUBMISSION AND DECISION

At the end of the intelligence phase the Assistant Accountant has enough information to calculate the assessed annual value (A.A.V.) of the property in the community on which rates are payable. The gross A.A.V. is supplied by the Valuer-General and the value of non-rateable property and of services not provided is deducted from it. The net A.A.V. is the result and this is the figure on which the annual rate is struck.

The design of the estimates and the assistant accountant's recommendation on the rate are examined here. Interaction between the appreciative systems of the participants is observed as the recommendations move through the council's decision making procedures. Interactions between the participant's appreciative systems is observed at several points in the process as views are expressed about the estimates and the rate which is finally struck at a council meeting.

1. DESIGN

The design phase of the decision making process begins with the Assistant Accountant striking a rate as a basis for other calculations. Two simple steps are taken to strike a rate. Firstly, the Assistant Accountant finds out how many cents in the dollar A.A.V. will bring in the same revenue as in the preceding year. For example, at rate of 16.1¢ in the dollar A.A.V. in 1973-74 would have brought in \$2,363,150 in that year - the estimated revenue in 1972-73. Secondly, an allowance

is made for increases in wages, materials and any other costs which will influence the amount of work that could be done. The Assistant Accountant said he added "about 10% for increases in costs." The result is the estimated revenue aimed for by striking a rate of $16.1\% + 10\%$ in the dollar drawn from an A.A.V. of \$14,676,945.¹ Having struck a temporary rate and estimated rate revenue, the Assistant Accountant is ready to examine expenditure proposals and design the annual budget. The rate can then be reviewed. However, it is unlikely to be altered because the two-step method outlined above achieves two goals significant for the Assistant Accountant and other members of the organisation including the aldermen. The first goal is that the rate is kept as low as possible. The minimum achievement is to do the same work as last year. The second goal is the provision of a reliable and tolerably accurate set of estimates which will reflect as far as possible what actually happens and minimise criticisms of the compilers of the accounts by the aldermen.

The emphasis on doing the same work as last year was noted in Chapter four and can be seen again in the design of the estimates. The city rate is divided into a general, road, health, fire, recreation grounds and reserves, sewerage, stormwater drainage, and water rate. There are, therefore eight accounts covering the city rate, and the Assistant Accountant transfers money from the city rate to each account with the intention of balancing revenue and expenditure. Almost every item of revenue and expenditure has been based on figures of actual expenditure in the previous financial year. Items of revenue and expenditure are placed in accounts corresponding to that section of the

1. The Valuer-General assessed the value of property in Glenorchy at \$15,663,465 on April 18, 1973. The *net* A.A.V. is \$14,676,945.

broken-up city rate which they contribute to or draw from.

Revenue received from sources other than the rate are included in their appropriate accounts and assist in the balancing process. Wherever revenue from other sources is low, more money has to be provided from the city rate to balance the account. One other source of revenue is that received from the levying of minimum charges for services to properties whose assessed annual value is too low for the property to be rateable.² About \$30,000 is received annually from these levies.

New items of revenue and expenditure which have not been authorised by council or a committee are discussed with the Town Clerk who, the Assistant Accountant says, "knows how the aldermen are thinking". Two small items were discussed: \$3,500 for the investigation of storm-water infiltration of sewerage lines, and \$1,000 for the construction of portable toilets and shelter sheds for use by outside staff.

The result of this work is a set of estimates with high specificity. The recommended rate, the new A.A.V., the size of rebates and minimum charges, and details on many major items of revenue and expenditure are listed. The first two pages of the estimates, and the general accounts are included as Appendix C. The estimates are not printed until the rate and the extent of changes from previous years is discussed with the Town Clerk. The co-ordinating role he plays in the operation of the organisation's decision making procedures was noted in Chapter three. The estimates are printed and circulated after the Assistant Accountant receives authorisation from the Town Clerk. Preparation was completed by 17 May 1973. Copies were circulated after the finance committee meeting of 29 May, at which it was decided to bring the next

2. *The Local Government Act 1962*, Sections 243-246 gives the council this power.

finance committee meeting forward to 13 June to discuss the estimates.

This year, the estimates were accompanied by a set of explanatory notes. One alderman said it was the first time he had seen them. He found them very useful. It appears copies of the notes had been prepared for staff use in previous years as copies of 1972-73 explanatory notes were used for comparative purposes when material was being gathered for this study. The 1973-74 explanatory notes tell aldermen briefly how the net A.A.V. was reached, how insurance charges were calculated, what increases in costs are likely, the cost of new items and items which have been significantly increased; the continuance of scheduled works out of revenue, and what the council's wages bill should look like. Aldermen and senior staff arrive at the finance committee meeting with this information, as well as their own previous experiences, to discuss the council's revenue in the next financial year.

2. SUBMISSION

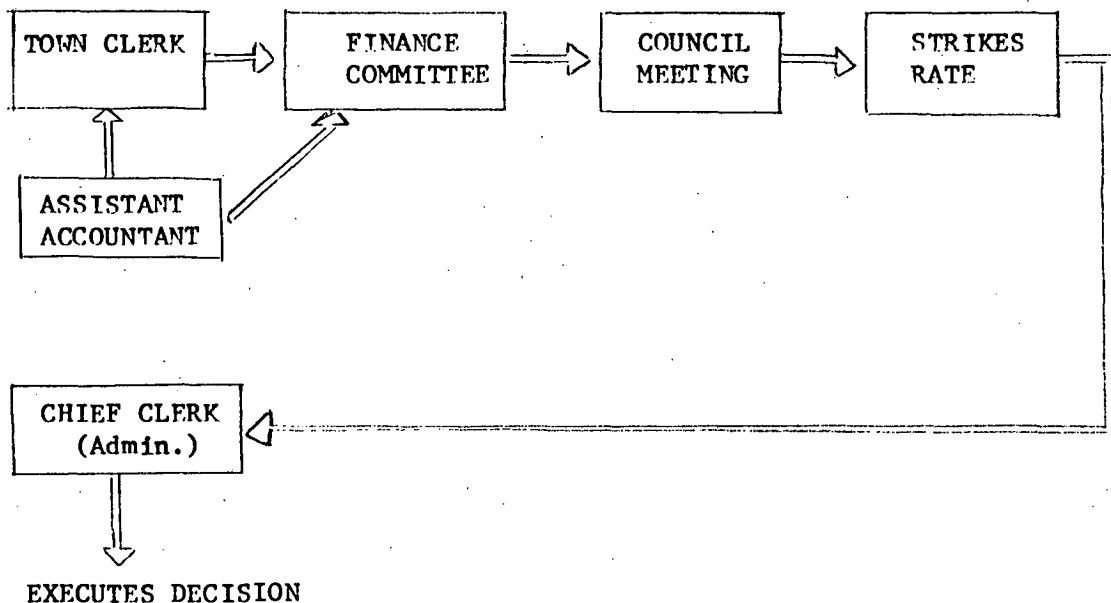
The estimates submitted are based on a rate of 18.0¢ in the dollar A.A.V., and follow the usual course for staff papers outlined in Chapter three.³ They are discussed first with the Town Clerk who presents them to the finance committee which makes a recommendation in its report to the council. Council is the body which must make the final decision. The procedural progress of the estimates is shown in *Figure 5.1*.

The organisation's procedure differs from that prescribed by

3. The proposed rate of 18¢ in the dollar means that ratepayers would be asked to pay more in 1973-74 than they did in 1972-73. Their properties have a higher market value now and this increased valuation produces higher rates even when the size of the levy in the dollar is reduced. The recommended rate was "as low as possible" and also therefore, kept the rate of increase as low as possible.

FIGURE 5.1

Procedural Progress of Estimates



A.H. Marshall who says that committees should indicate their needs and receive budgetary drafts from staff for amendment and discussion before the finance committee discusses the penultimate budget.⁴ The Glenorchy finance committee meeting discusses the estimates circulated to aldermen. It is the first official body in the council to do so.⁵

The usual membership of the finance committee is increased by the presence of the Assistant Accountant who always attends when the annual estimates are discussed. The usual membership is the Mayor, the chairmen of the three other committees, the Town Clerk, the Deputy Town

4. A.H. Marshall, *Financial Administration in Local Government*, London: Allen and Unwin, 1960, pp. 278-279.

5. D.M. Purdie, "Municipal Budgeting", *Bulletin of Australian Society of Accountants*, 12, December 1971, reports that council staff prepare the estimates which are discussed by the whole council. He says, "... it is unlikely that (the finance committee) will play any part in the consideration of the draft estimate." (p.28).

Clerk, the City Engineer and the Committee Clerk. Marshall says this composition has "one supreme advantage; the committee cannot act in ignorance of the work of the authority."⁶

Eight of the nine men on the Glenorchy finance committee have sat in the same chairs for the last seven years every mid-June to discuss the estimates. The newcomer, the Deputy-Mayor, has served on the council for eight years but this is his first term on the finance committee. The men take their usual places with the Assistant Accountant at the Town Clerk's right hand. The aldermen present have an average length of service of 14 years and the staff 17.1 years. This massive shared experience shows as the aldermen, the Town Clerk and the Assistant Accountant select and discuss only six of the items in the estimates. They never consider adjusting the size of the rate though they are aware that other aldermen are considering adjustments. The other three members of the staff do not contribute substantially or at all to the discussion.

The committee discusses the increased contributions to the Metropolitan Water Board and the State Library Board, the size of the minimum sewerage rate for vacant blocks, uncertainties about demands for increased wages, and the allocation for the annual conference of the Institute of Municipal Administrators to be held in Hobart in October 1973. The first two items involve substantial expenditure; the remainder are minor.

Alderman Jacques, the council representative on the M.W.B.,

6. Marshall, *Op.cit.*, p.42.

reports that the board increased its demand from Glenorchy to meet unforeseen high water pumping costs caused by the long dry summer and relatively dry winter. That part of the topography dominating the water supply to the western metropolitan area, Mt. Wellington, had not stored as much ice and snow as it usually did each winter. Consequently, because of this uncontrollable variable, the city council had to increase its contribution to the M.W.B. to the equivalent of about 0.5¢ in the dollar A.A.V., that is, by adding about half a cent to the rate.

The Deputy-Mayor, Alderman Dempsey, asked if Glenorchy was contributing to the State Library Board at a higher rate than Hobart, and if so, why. On being told by the Town Clerk that Glenorchy contributed 0.5¢ and Hobart 0.25¢ in the dollar A.A.V., the Deputy-Mayor asked for the discrepancy to be looked into. The State Library's modern multi-storey building is situated on the fringe of Hobart's central business district and services Glenorchy's three very small libraries. The formula agreed on for contributions meant that Glenorchy would pay the board about \$72,000 in 1973-74. The committee agreed with Alderman Dempsey; but it was too late to alter the estimates.

Alderman Dempsey also argued for an increase in the minimum sewerage rate of \$10 per block. The Town Clerk indicated that an increase would bring in only an extra \$5,000 a year and would have no impact on the size of the rate.

The discussion on the estimates appeared to draw to a close when the Town Clerk said there would need to be some alterations to the figures submitted because the M.W.B. details had come through. He said. "The only thing we are interested in is the size of the deficit." However the Mayor continued the discussion by remarking

on uncertainties associated with increases in wages and salaries. Then he said: "Is there any basic disagreement? It is the most explicit explanation we have had for some time. No?"

After a brief discussion on the principle of acting as hosts to visitors for the Institute of Municipal Administrators' conference, the City Engineer suggested that \$200 be transferred from his department's road conference account because it would not be needed. This was agreed to.

The possibility of other aldermen moving on the floor of the open council meeting for a change to the size of the recommended rate was raised by the Town Clerk who said that one alderman was going to move for a higher rate and one for a lower. However, the two aldermen concerned had "thrashed things out" with the Assistant Accountant. Nevertheless, the Town Clerk's observation lead to tactical debate among the aldermen about the moving of motions, having financial implications, on the floor of the council. Two items the committee had already discussed that night, the dog tax and the remission policy, had begun as motions for decision by council and were successfully amended during debate to be considered by the finance committee. Several suggestions were made:

- (a) there should be a motion to accept the estimates immediately the item comes up on the agenda;
- (b) there should be a limit to the size of the deficit which the council can incur in one year;
- (c) changes should be made to the standing orders to place an upper limit of, say, 2% of total revenue on the size of the deficit; or

- (d) as an alternative, changes should be made to standing orders so that financial motions from the floor would be required to be considered by a committee.

No subsequent motion was put on any of the suggestions, but it was agreed that the City Treasurer, Alderman Jacques, should quickly bring a motion on the floor of the council for acceptance of the recommended rate and the estimates.

The discussion was completed with the only adjustments to the estimates being an increase of \$27,280 in the estimated payments to the M.W.B. and a corresponding increase in the deficit from \$67,369 to \$94,649.

The design phase finished without the analysis or presentation of "possible courses of action".⁷ Reliance on past figures and marginal adjustments are the custom and the process so far resembles Lindblom's incrementalism more than the work of the pure rationalists. The final phase is to be no exception.

3. DECISION

The Act requires that the elected representatives must strike the rate.⁸ The council meeting which was to strike the rate met 12 days after the finance committee meeting accepted the staff's recommendation. Alderman Fall was the only man absent from the meeting. As usual, the meeting worked through the reports of the works, health and recreation, and building and town planning committees and reached the

7. H.A. Simon, *The New Science of Management Decision*, New York: Harper and Row, 1960, p. 2.

8. Tasmanian Statutes, Vol. 9, *Local Government Act*, 1962, Sections 44 and 176.

finance committee report just before supper would normally be taken.

From the chair, the Mayor suggested that item 13 page 6 (the estimates) be discussed first. He reviewed the problems the council "is once again faced with" and mentioned the increased contribution to the M.W.B. He said "matters are pretty well covered by the estimates."⁹ He concluded by complimenting the staff on the preparation of the estimates and the explanatory notes. Alderman Percey said, "It might be of interest to others that if there had been no revaluation this year, there may have been an increase in the rate of 3¢ on the old valuation. That is pretty steep." Alderman Jacques rose and said "It is no help when you put the rates up". He congratulated the staff and then moved that the finance committee's recommendations be adopted.

With some hesitation and uncertainty, a new alderman, Vince, asked if "this covers the whole schedule?" The Mayor replied, "for the benefit of all new aldermen if you adopt the estimates you adopt the rate." Alderman Vince drew the attention of other aldermen to the size of the council's contribution to the State Library Board which he called "excessive", and to the size of the estimated deficit which "was getting up to the danger mark". Further discussion on the contribution to the Board involved the Town Clerk, the Mayor, and Aldermen Vince, Dempsey and Jacques. The Town Clerk revealed that there was a statutory minimum of 0.25¢ to be paid to the board. Negotiations with the board were last held 18 months ago. The Mayor said the next item on the agenda gave the council the chance to re-open matters with

9. Four of the six people in the gallery left at this point. Six was the highest number observed in the gallery at the same time over the six months period of the study. The four who left obviously were not interested in the rate.

the board; he added, "We should not alter our library estimates at this stage". Then just as Alderman Jacques suggested the Town Clerk should advise the board of how much the council would pay and then begin negotiations, the Town Clerk spoke for the first time in six months without invitation from the Mayor. He said, "I would not like to see the estimates altered at this stage".

There was no further discussion on Alderman Jacques' motion that the finance committee's recommendation on the estimates be accepted. The motion was carried unanimously. The Town Clerk said there was a formal motion, which he then read, to be included in the minutes after the adoption of the entire report from the finance committee.

After supper, Alderman Cross moved an amendment to the committee's recommendation on rate remissions to pensioners. The amendment was the same as Alderman Cross moved at the previous council meeting and the debate canvassed many of the same ideas. Towards the end of the debate, Alderman Jacques said, "The budget has been pretty well fixed. This will throw an amount on to the budget. The pensioners are pretty well happy about the present scheme." Shortly after a contribution from Alderman Shields, Alderman Cross amicably withdrew his motion saying it was obvious he had lost the argument, "but I have learned quite a lot".

The decision taken on the rate before supper was not upset. The Chief Clerk (administration) could direct his staff to prepare rate demands for distribution to ratepayers by about mid-July.

4. ANALYSIS

Apart from the lack of presentation or perception of alter-

natives and the reliance on past figures, several events stand out in the design and decision phases of striking the rate. They are:

- (a) the attention to a few details in the estimates rather than the size of the rate itself;
- (b) the method of calculating the rate in advance of understanding other revenues and expenditure;
- (c) the unanimous acceptance by the council of the staff's and the finance committee's recommendations; and
- (d) the activities in the committee and council of the three reputed influentials - the Town Clerk, the Mayor and Alderman Jacques.

(a) Attention to details

Only four aldermen raised the matter of the size of the rate. Alderman Percey showed the council it was smaller than it might have been without revaluation; Alderman Jacques suggested in principle it was had to raise the rate; and Aldermen Vince and Lowrie (the Mayor) discussed it briefly in an exchange of clarification. The rate determines most of the organisation's revenue and considerations of its size can affect allocations to the organisation's departments and projects, and to other organisations in the government. Reductions in the rate would result in the pruning of estimates prepared by the staff. It has been shown that the estimates are calculated to have the same amount of work done as before. Reductions would therefore result in cut backs to expenditures and projects which have the force of precedent behind them. On the other hand, additions to the rate imply that new projects would be undertaken or more spent on current or proposed undertakings.

The more general and far-reaching consequences of debating the rate and the overall revenue and expenditure were not approached as aldermen fastened to a total of eight items on the 310-item estimates. Six of the items had been discussed in the finance committee meeting which accepted the staff recommendations. H. Hugh Heclo commenting on the tendency for aldermen to concentrate on a few selected items says:¹⁰

"... the excessive concern with detail ... may be no more than a symptom of the deeper difficulty; the trivial details may be not something which are forced on councillors, but something they seize upon almost with desperation in what is otherwise an unmanageable situation."

While this is something of an overstatement of the position in Glenorchy, it does provide one ground for comparison. Details are forced on aldermen to the extent that they are presented with little else to talk about. Needs can be judged with the aid of comparisons but the estimates only provide comparisons with past expenditures, and not with alternative future projected revenues or expenditures. The decision which the community representatives are faced with after the work done by the staff lacks the opportunity for choice, and the aldermen themselves do not publicly create a choice by offering alternatives. It is comparatively easy then for changes or additions to the estimates to be discussed simply because they are the obvious items to ask about or comment on.

There are no drafts presented to committees other than the finance committee and little room is left for the bargaining observed

10. H. Hugh Heclo, "The Councillor's Job", *Public Administration* (London), 47, 1969, p. 189.

J.K. Friend and W.N. Jessop in Coventry where unacceptably high estimates of rate levies for local services resulted in bargaining between key participants, committees and departments.¹¹

It has been shown that at least 87.5% of the revenue is tied to existing commitments mainly salaries, maintenance, and contributions to other government units. There is little scope for change and bargaining without disrupting a stable system in which financial inputs and outputs are well-balanced. The position in Glenorchy is summarised well by Aaron Wildavsky who writes of another budgetary process that:¹²

"Budgeting is incremental, not comprehensive. The beginning of wisdom about an agency budget is that it is almost never actively reviewed as a whole every year in the sense of reconsidering the value of all existing programs as compared to all possible alternatives. Instead, it is based on last year's budget with special attention given to a narrow range of increases and decreases."

(b) The method of calculating the rate

The rate is calculated at the beginning of the design phase and before projected expenditures are completed. Expenditures are thus closely linked to the revenue calculated to be available and to previous levels. This method may be a sound way of minimising deficits or of judging some limits to expenditure but it does reduce the possibilities of change because of the connection between the rate revenue and last year's expenditure. Purdie, writing of the Victorian experience with this method, says, "... there is no doubt that in some

11. J.K. Friend and W.N. Jessop, *Local Government and Strategic Choice*, London: Tavistock, 1969, p.11.

12. Aaron Wildavsky, *The Politics of the Budgetary Process*, Boston: Little, Brown and Co., 1964, p.15.

councils it has caused the deferment of important works for indefinite periods."¹³

After a rate has been set, all other calculations are made more easily, because one of the great uncertainties (rate revenue) facing the decision-maker has been countered or at the least reduced. The process of balancing and optimising the resources drawn from and expended in or on behalf of the community is made more simple because one side of the balance is known. Demands for expenditure can be met by claims that since the amount demanded is not available less must be taken, and small changes can be encouraged. Calculations of incremental expenditures are again easier than "all the calculations that would be involved in a comprehensive evaluation of all expenditure."¹⁴

Discussion of incremental expenditures reduces the opportunities for dispute and promotes the opportunities for agreement. The method of calculating the rate can therefore be seen as a conflict-minimising and easy method of securing agreement on expenditure. The method also makes it less likely that a high order of rationality will be achieved in the decision making process because projects are not examined from the roots up and the formation of alternatives not encouraged.

(c) Acceptance of recommendations

It has already been shown that aldermen either ~~almost~~ always or nearly always accept the recommendations of staff on policy decisions. There is a climate of expectation established within the appreciative systems of the members of the organisation which prepares them to

13. Purdie, *Op.cit.*, p.29.

14. Wildavsky, *Op.cit.*, p.136.

accept further recommendations. The decision on the rate is seen as a policy decision by 40% of aldermen and as policy-administrative by 50% but their readinesses to accept recommendations do not seem to have been changed by these different perceptions of the type of decision.

The tendency to agreement is therefore probably stronger than the tendency to work out and follow particular decision making roles on the basis of decision types.

Overlapping appreciative systems explain this tendency to agreement in an organisation. That is, members of the organisation share their readinesses to respond to some decisional situations. In the case of staff recommendations, it could be the source (the staff) rather than the content of the recommendations which excites the overlapping appreciative systems.

Tom Burns and G.S. Stalker explain more explicitly, the tendency to agreement in an organisation through a "set of considerations" held by individuals and established by their interactions with others.¹⁵ The set is called into action when individuals face decisions and because the "decisions are made either in the presence of others or with the knowledge that they will have to be implemented, or understood, or approved by others" the set has to be shared with or acceptable to others.¹⁶

To what extent are there overlapping appreciative systems or a shared set of considerations in the Glenorchy City Council about the rate? If there is one, might it contribute to ready acceptance of

15. Tom Burns and G.S. Stalker, *The Management of Innovation*, London: Tavistock, 1961, p. 118.

16. *Ibid.*

staff recommendations?

Respondents were asked if they agreed that local government finances were not good. Seventy-five percent of the aldermen and senior staff agreed. They were then asked if increases in the rate would be one way out of the problem.

As the accompanying table, *Table 5.1* shows, there was marked division of opinion between aldermen and staff.

TABLE 5.1

Attitudes towards rate increases as partial solution to financial difficulties.

Do you think increases in the rate would be one way out of part of the problem?		Strongly agree	Moderately agree	Moderately disagree	Strongly disagree
	Aldermen ^(a)	-	2	5	-
	Staff	2	6	1	-

(a) Three aldermen did not answer the question because they could see reasons for moderately agreeing and disagreeing, and felt they could not be put in either category.

More staff than aldermen thought rate increases would help.

However, one staff member who agreed, expressed a concern common to several aldermen and staff:

"Increases in the rate have their limitations. You have to take into account the amount which people on lower income levels can pay. Those on high levels do not pay enough and the more they pay the more rebate they get. The rate has to be worked out on the amount the man on the lower income levels can pay and on what the council considers a reasonable work load for the year."

Disagreeing aldermen saw difficulties within the community too, which made rate increases unattractive as solutions to financial problems. One alderman said:

"We are almost at saturation point with rates. You have to look at the bloke on the minimum wage rate .. The people will not stand for many more increases."

Another who agreed with increases saw the problem less delicately but nonetheless in similar terms, he said:

"It is a way out but it wouldn't be acceptable. We dare not raise the rate faster than we are because of community objections. If it is increased too fast, there is a reaction, for example there were public meetings after rate increases in 1964."

The reference to a dispute nine years ago is interesting. It is probable that this alderman's appreciative system and the community's previous reaction interlocked and this influences the speed with which he is prepared to see rates increased. A strong awareness of the reaction of the community was also shown by the other four staff who agreed that increases in rates would help. The two staff who strongly agreed were relatively newcomers to Glenorchy and council work. It seems likely that they have not absorbed the unwritten code aimed at keeping rates low.

The common elements which might make up overlapping appreciations or a shared set of considerations are the concern for the impact of increases on the community and the certainty about the anticipated responses from the community.

Respondents were next asked how they felt about the decision taken on the rate.¹⁷ Table 5.2 shows both aldermen and staff almost

17. Though the rate had been reduced from 23.5d to 18.0d in the dollar A.A.V., the effective amount demanded from almost all

unanimously supported the decision. While the figures are an accurate indication of the staffs' responses, they hide an ambivalence in the aldermen's.

TABLE 5.2

Attitudes to the outcome of the decision
on the rate.

Were you very pleased, moderately pleased, somewhat disappointed or very disappointed with the outcome of the decision on the rate?		Very pleased	Moderately pleased	Somewhat disappointed	Very disappointed
	Aldermen	1	7	2	-
	Staff	2	7	-	-

One staff member who was very pleased, said the rate was a reasonable one though a larger number of households than he thought would pay more. Another staff member said the rates had to rise, and a third echoed the substance of overlapping appreciations or a set of considerations about the rate when he said:

"There is an agreed expectation that the rate will be kept low. It is a matter of policy - not written though."

He was "moderately pleased" about the decision. Reactions from the aldermen were different. One said he was "relieved to think the increase was not greater. I am never too happy about steep increases and I was relieved when it went through so easy." Another alderman said almost the same, and indicated his ambivalence by saying, "I was pleased with

ratepayers in the municipality increased. Respondents saw the situation as an increase in the rate but one which was kept low. See footnote 3 supra.

the way in which the council adopted the decision but not pleased about having to impose an increase." A suggestion of inevitability is discernible in remarks made by two other aldermen. One said:

"I can't see how the rates could be effectively changed without cutting revenue works, or working on a large deficit."

The other noted:

"I accepted it. It's not much use getting pleased about it. It is like price rises - you take what comes."

Another set of shared considerations or overlapping appreciations emerges: respondents expect the rate to increase and they are less likely to challenge staff recommendations supporting increases. There is another set which is less well-defined: that of the expectation that the rate will be kept low.

These four elements (a) the impact on the community, (b) the response of the community, (c) the expectation of inevitable rate increases, and (d) the belief that the rate will be kept as low as possible, seem to be shared by aldermen and staff. Two elements, (c) and (d), in the overlapping appreciative systems seem to be contradictory. The belief that the rate will be kept low does not mean, to listeners within the organisation, what it says. The expression of belief has two meanings in organisational usage. The first is that the rate of increase in the rate will be kept low, and is thus reconcilable with (c) above. The second is that the rate will be low enough to permit the organisation to keep going and low enough not to upset the community. The second meaning is close to the literal meaning of (d) above.

These shared appreciations of four elements help explain the

aldermen's acceptance of the staff's and the finance committee's recommendations.

The possibility of rejection of staff recommendations was removed gradually as aldermen were informed of the likelihood of increases, six to eight weeks before the rate was struck, through the organisation's informal processes.¹⁸ The processes are discussed in the next chapter when the interactions between the participants are examined.

(d) The activities of the influentials.

The Town Clerk and Mayor each took unusual steps in the final phase of the decision. The Mayor introduced the estimates and asked for the acceptance from the chair and the Town Clerk spoke one sentence to the council without being called on. He said he would not like to see the estimates changed. The Mayor had introduced a few topics at council meetings before but it was still an unusual action as was the Town Clerk's. Their support for the finance committee's recommendations can be seen as attempts to secure a result they both desired.

The public display of influence is far less significant than the influence which both men are reputed to possess and to have built up in their time on the council. Information accrues to their positions as they find themselves in co-ordinating and co-operating roles. These roles are best exemplified in the finance committee meeting at which the estimates were discussed. The Mayor lead the discussion and occasionally referred to the Town Clerk for information about strategy for

18. See Friend and Jessop, *Op.cit.*, p.52 for a similar observation at Coventry.

the council meeting. Though he did not participate himself, his initial observation on moves to change the rate was important knowledge for the Mayor.

Alderman Jacques, the third reputed influential, moved the acceptance of the finance committee's recommendation on the rate at the council meeting of 26 June. His influence is less obvious publicly though his position as City Treasurer is important. Alderman Jacques explained and supported increases in contributions to the M.W.B. and praised the staff for their work. It is difficult to assess his influence and those of the Mayor and the Town Clerk from observations alone. Suffice to say that they hold three of the top positions in the organisation and are reputed to be influential in general terms. But were they influential in the unseen, informal processes of the organisation? Marshall says, "... often the process of arriving at a consensus of opinion is informal and defies close analysis."¹⁹ It is to the examination of informal processes that the next chapter turns.

19. Marshall, *Op.cit.*, p. 286.

CHAPTER SIX

INFLUENCE AND DECISION

M. Kent Jennings has observed:¹

"Gathering information, giving advice, taking orders and issuing directives are typical interpersonal contacts in decision-making. The kind of person in key positions with whom others may have these contacts is important to communication and ultimately, to the decisional outcome."

The decisional outcome can be influenced deliberately or unconsciously through these interpersonal contacts as participants pursue the directions of their interests. Though the aldermen in Glenorchy formally strike the rate, we have seen how staff make many judgments of reality and value while the estimates are being prepared. Most of these judgments are made during the staff's intelligence phase. Their recommendations on the estimate and the size of the rate initiates an intelligence phase among the aldermen who want to know about the probable decision before it is taken. They become involved in gathering information and making judgments by interacting with each other and the staff. Jennings said elsewhere:²

"... involvement blends into influence, that is, achieving preferred outcomes or preventing others from achieving theirs."

There are empirical difficulties in detecting influence. The

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1. M. Kent Jennings, "Public administrators and community decision-making, *Administrative Science Quarterly*, 8, 1963, pp. 24-25.
 2. M. Kent Jennings, *Community Influentials*, Glencoe: Free Press 1964, p. 158.

decisional approach is used in this chapter and is compared with the observed behaviour of participants where possible. Firstly, the pattern of interpersonal contacts reflecting information processes producing discussion about the rate is established; secondly prescribed influence in relation to the striking of the rate is discussed; and finally the existence of any relationship between influence and decision-making qualities is explored.

1. INTERPERSONAL CONTACTS

Aldermen and staff talk about the rate to members of their own groups and to one another more than they talk to groups outside the council or to individual ratepayers. *Table 6.1* shows the general pattern of discussion inside and outside the organisation.

TABLE 6.1

Respondents' discussions about the rate inside and outside the council.

Whom did you talk to about this year's rate before it was struck?		Outside groups	Staff	Aldermen	Rate-payers	Total
	Aldermen	1	8	6	6	21
	Staff	1	8	5	0	14
	TOTAL	2	16	11	6	-

Of the six aldermen who spoke to individual ratepayers, four were interested in their reactions to proposed rate increases. One alderman said:

"I said there might be a steep increase in the rate and that it could even be 18¢. They didn't have any problems - they're all getting rises in wages ... I was pre-warning them. You ought to be honest with them and not hide it."

The consideration for the ratepayers' view expressed in the statement could lead to some speculation about the role of the elected representative on a particular decision issue. It seems that half the aldermen are concerned to explore ratepayers' attitudes in face-to-face discussion while the staff certainly have ratepayers' responses in mind. Not many ratepayers were spoken to, however, as most interactions were limited to people met in the normal course of business or social activity. Enough were spoken to, however, for the aldermen to feel satisfied about the acceptance of the proposed rate by the community.

The one alderman who spoke to an outside group he belonged to did so in an informal capacity with the intention of discovering its feeling about a rate increase. The responses of groups in the community do not seem important to most aldermen. It is the individual ratepayers who matter.

Only one member of staff spoke to an outside group, Rotary, which four of the aldermen and five of the most senior staff members belong to. The senior staff man addressed a Rotary meeting on budgeting and the process of striking the rate. He said, "Perc. (Alderman Jacques) was trying to soften up the businessmen." Rotary was addressed at the invitation of an alderman whose motive was almost certainly to have the club understand the council's financial position with the aid of a man who had no vested interest in his own position.

This alderman was also one of the three reputed most influential

men on the council and the second-longest serving alderman. It seems his appreciative system suggested that acceptance of the rate by the businessmen dominant in Rotary's membership would be crucial for its acceptance by the community.

One aldermen, one of three elected for the first time in March 1973, made contacts in all four categories. He also spoke to officials in another municipality and to some candidates standing for seats in a June election in that municipality. He was the most active alderman. Five others spoke to other aldermen, staff, and ratepayers; two spoke to staff only and two made no contact with anyone about the rate. A new alderman who spoke only to the staff said of the rate and estimates, "I was trying to understand the thing." One member of staff spoke to an outside group as well as to other staff and aldermen. Four staff members spoke to both aldermen and other staff, and three spoke to other staff only. One staff member did not recall speaking to anybody but gave the Assistant Accountant a written submission for inclusion in the estimates.

The area of alderman-staff and staff-staff interpersonal contact demands further investigation. Who were those most frequently contacted and why? *Table 6.2* shows which aldermen were contacted most frequently.

TABLE 6.2

Frequency of contacts made by respondents with aldermen about the rate.

Here is a list of aldermen. Which of these did you speak to about the rate?		Percey	Lowrie	Hay	Dempsey	Vince	Shields	Jacques	Lovell	Fall	Garrick	Cross
	Aldermen	2	4	1	4	1	3	5	0	0	0	0
	Staff	2	2	2	3	3	3	6	1	0	0	2
	TOTAL	4	6	3	7	4	6	11	1	0	0	2

Alderman Jacques, Dempsey, Lowrie and Shields were those most frequently involved. One new alderman and one who has served for eight years were not in any discussions about the rate. There was no organised gathering of a group or groups of aldermen called to discuss the rate. The locus of most interactions among aldermen was the council chambers itself where they went for either a committee or council meeting and fell into informal conversation on the rate afterwards. Two aldermen recalled talking after a council or committee meeting. Conversations on the topic were observed and recorded at breaks in the works committee meeting of 30 April and the health and recreation committee of 1 May. The works committee interaction was between the Town Clerk and Alderman Fall who asked if the Town Clerk thought "we do justice to the ratepayers." The Town Clerk replied that Glenorchy's average income earner could pay a bit more and that saturation point had not been reached. He thought the new valuation from the Valuer-General would sort out a lot of anomalies. The interaction was an exchange between the community's representative and the most influential man in the organisation on the use of resources from the community. The interaction at the health and recreation committee involved two aldermen and two staff and revolved on the size of the rate, a topic which was not discussed during the formal process of considering the estimates.

The Town Clerk said to the finance committee after the closure of its meeting on 29 May that the estimates "were under way, on the basis of 18¢ in the dollar. That's quite substantial, I don't know if we'll be able to get it any lower." The estimates were completed

by 29 May and it seems that the Town Clerk was sounding out the aldermen. He received no unfavourable responses, and he was articulating the "unwritten policy" of keeping the rate low, as well as responding to the aldermen's overlapping appreciative systems their, "set of considerations" about the rate.

Since the aldermen did not recall the three incidents above, it is likely that the responses they gave to this question are underestimates and that other forgotten discussions took place. Of those interactions recalled, the participation of Alderman Jacques is most striking. More staff spoke to him than to any other alderman. Again, the locus is important. Alderman Jacques lives close to the council chambers, is partly-retired, and as City Treasurer spends more time than most other aldermen in the council offices. He is more likely to meet staff than, for example, Alderman Dempsey who is a full-time employee at a company in the district and makes hurried visits to the council offices during the week on specific tasks.

Aldermen Dempsey and Shields emerge as two men in addition to Aldermen Jacques and Lowrie (two reputed influentials) who are frequently involved in interactions about the rate.

What about interactions which mainly involve the staff?

Table 6.3 shows the staff most frequently spoken to about the rate.

Two people stand out: the Assistant Accountant, Mr. Kevin Cleaver, and the Town Clerk, Mr. Jack Dean. Mr. Cleaver has been in his present position for ten years and has prepared the estimates alone since 1967. He worked on the estimates with the Deputy Town Clerk, Mr. Patten, during 1964-66. Mr. Dean has been Town Clerk since 1964,

TABLE 6.3

Frequency of contacts made by respondents
with staff about the rate.

Here is a list of some council staff. Which of these did you speak to about the rate?		Glaze- brook	Dean	Morrison	Almond	Hills	Anderson	Patten	Cleaver	Mousley
		3	5	1	0	0	4	3	7	1
		2	4	4	2	2	3	1	6	2
		5	9	5	2	2	7	4	13	3

and was Council Clerk from 1952 when Glenorchy was only a town. Most staff and aldermen who had served for some time could be expected to know whom to approach for information or advice on budgetary matters: Mr. Cleaver or Mr. Dean. Though Mr. Jim Anderson, the Accountant, does not prepare the budget, he had the next highest number of interactions with aldermen and staff. The staff who had fewest interactions were the Chief Health Inspector, the Committee Clerk, and the Chief Clerk (administration).

The contact between aldermen and staff show a high degree of awareness of the operations and specialisations within the organisation. The contacts help the aldermen in their work in the community. Seven of the aldermen said they sought information from the staff and they found it helpful. The information obtained was used in conversations with ratepayers or was seen as making the staff justify their proposals. One alderman who spoke briefly to six members of staff said he wanted a justification of projected expenses after he received a copy of the

estimates. The alderman's behaviour was that of the representative scrutinising the bureaucracy and may be regarded as action in the best traditions of elected government. Another alderman worked on the same principle but with a different method. He said:

"I found out from the staff what was the minimum revenue required to cover fixed charges and what was on the books. It is not for the staff to say what the maximum rate should be though there is a tendency to do this. The council lifts the rate."

This alderman's interests were in marginal or incremental adjustments to the estimates and the rate. He knew the basis on which the rate is calculated and knew whom to speak to about estimates of expenditure. He also appreciated the influence of the staff on the size of the rate and the legal power of the council actually to determine it.

Other matters which also arose in the formal processes of the finance committee and the council meetings were raised by aldermen seeking information. These aldermen were concerned about proposed increases in contributions to the Metropolitan Water Board and the State Library Board. There was some debate on these issues in the formal processes but it seems that they were settled largely in the informal processes.

On the other hand, the staff having most interactions with the aldermen were giving information. One member said he was "feeling their pulses", another that he had "yarns giving some background to the aldermen." The latter seems like direct giving of information; the former statement has more of a motive to it and was expressed another way by the staff member quoted previously, who said, "Kevin

Cleaver works in with the Town Clerk who has the feeling of the aldermen."

These interactions are characterised by (a) elements of co-operation; and (b) a desire to achieve some congruency of outlook. Co-operation by staff in giving information to the aldermen is essential if the latter are to maintain their links with the community and their representativeness. Lack of co-operation would lead to a breakdown in roles and instability in the organisation and between the organisation and the community.

Nevertheless the seeking and giving of information can be selective and directed towards the goals set by the appreciative systems of the aldermen and staff. Information-exchange seems to take place within the environment of the set of considerations discussed in Chapter five and the content of the exchange can be observed through attempts by the aldermen and staff to achieve a congruent outlook on the rate and the estimates.

Congruency of outlook is already part of the operating relationship between aldermen and staff. In Chapter three, it was shown that the relationship is harmonious and conflict rare. It was also shown that aldermen nearly always accept the recommendations of staff on policy decisions, so the attempts to achieve congruency via informal processes before the rate was to be struck officially are indicative of the interdependence in the relationship and of the preference for it to be maintained. Two incidents involving interactions, after the circulation of the estimates, between the Assistant Accountant and two new aldermen, illustrate the point.

The Assistant Accountant approached Alderman May and Vince to

"explain things" to them. Mr. Cleaver called at Alderman Hay's betting premises and asked him to "drop in to the council for a talk." He saw Alderman Vince in the council chambers and said, "You'd better come in and talk about the budget." It had been rumoured that both aldermen wanted to change the recommended rate: Alderman Hay wanted to increase it and Alderman Vince wanted to reduce it. Both spent more than an hour with the Assistant Accountant and neither challenged the recommended rate on the floor of the council. One ranked Mr. Cleaver as the most influential man in the decision being reached on the rate. He said:

"Kevin Cleaver actually prepared it and had all the information to back up his claim. He influenced everybody else ... I was influenced by the way Kevin Cleaver presented it. It was clear and logical. He showed cutting down expenditure would have negligible effect."

The other alderman who had intended to move for a reduction in the rate said:

"It had to be up about 12%. I could not see that we could save anything."

During two interviews in April and May the Assistant Accountant said:

- (a) "If they (the aldermen) want to cut it they have to show where it'll come from ... Now the A.A.V. is high they have to cut about \$40,000 to make any difference to the rate ..."
- (b) "When they come in here or at the committee and ask why this has changed or this, I can give them the reasons or assumptions behind each figure."

The first statement indicates that the Assistant Accountant thinks it is very difficult for substantial reductions to be made to the estimates. This is the view that both new aldermen accepted

after their discussion with him. Their interactions with Mr. Cleaver resulted in their sharing his outlook on the rate and suggests that interdependence might be explained in terms of overlapping appreciative systems. The second statement shows the basis on which the congruency is achieved: the Assistant Accountant uses the figures and his superior knowledge of them and access to information about them to put his interpretations almost beyond challenge. He sees the figures as facts and this makes the defence of challenges easy. He said at an interview, "You can't dispute the facts. This year they did not attempt to." Geoffrey Vickers is particularly critical of the part that figures play in the appreciative systems of decision makers:³

"Our respect for figures, and especially the extent to which this is enjoyed even by estimates containing the widest margins of error and based on wholly incalculable assumptions, seems to me to derive from something more subtle than their manifest value and convenience ... They possess in our current appreciative system a prestige and mystique ..."

The reliance of the Assistant Accountant on estimates based on judgments of fact and value was shown in Chapter three. These judgments gather validity as they are translated to figures which contribute towards other judgments including the size of the rate.

The examination of informal processes in the organisation shows the Town Clerk and the Assistant Accountant to be most frequently involved in interactions with aldermen. Does this involvement become influence?

3. Geoffrey Vickers, *The Art of Judgment*, London: Chapman and Hall, 1965, pp. 205-206.

2. PRESCRIBED INFLUENCE

In Chapter three, influence in general matters was attributed to the Town Clerk, the Mayor and Alderman Jacques in that order. There was some change to the rankings of attributed influence when the respondents were asked to say who would be influential on a specific issue, the striking of the rate. Respondents were asked first which alderman they would select as being more influential than the others in a decision being reached on the rate.

Using the points system as in *Table 3.8* Aldermen Lowrie and Jacques received the same first ranking (21 points). However when respondents were asked to name the second most influential man, the results were Alderman Jacques 33 and Alderman Lowrie 27 points. Aldermen Dempsey (9) and Shields (7) were third and fourth on the points system. Three aldermen could not give a first, and five could not give a second ranking, but the staff did. The aldermen who gave one ranking only, saw the striking of the rate as a routine decision which did not involve the question of influence very much. One said:

"The aldermen having determined policy in the past, the rate decision is an automatic one. The whole thing is when you come to the meeting to set the rate, there is not much to talk about."

"The past" is the unwritten policy that the rate be kept low; the meeting which sets the rate is acknowledged as a formality. The perception of the rate as a routine decision affects this alderman's involvement in the decision. There is no need for him to participate until he is legally required to do so. Then he decides on the basis of a single major goal: a low rate, which he trusts the staff to provide.

Does this alderman and the other four who perceived the decision on rate to be routine acknowledge any influences working on the decision? One of the five said that "the finance committee decides the rate". This suggests that the procedure through which the estimates move subjects them to scrutiny and at the same time legitimates the recommendations embodied in the estimates or arising out of the scrutiny. The organisation's procedures exclude this alderman from direct involvement in the shaping of the decision and permit him to entrust the decision to his aldermanic peers.

There is more diffusion of prescribed influence than of reputed influence among the aldermen, though the same influential aldermen are involved. Influence on the specific decision seems far less clear to them than general influence. Jean Blondel and R. Hall made a similar observation in their study of Colchester and Maldon aldermen.⁴

What of the influence of the staff on the specific decision? The influence of the Town Clerk on the rate was comparatively less than his attributed influence in general terms. Respondents were asked which member of staff was most influential in a decision being reached on the rate. The results of two rankings were the Town Clerk (43 points) the Assistant Accountant (30), the City Engineer (6) and the Accountant (2). Seven aldermen chose the Town Clerk first, and three the Assistant Accountant. Three also chose Mr. Cleaver second, but once again four aldermen made no second preference. Three staff also did not choose a second influential. Three of the four aldermen had chosen Mr. Dean as the most influential and said they could not pick a second.

4. Jean Blondel and R. Hall, "Conflict, decision making and the perception of local councillors", *Political Studies* 15, 1967, p.343.

One alderman said "There's nobody else near the Town Clerk". The fourth alderman who did not pick a second influential had chosen Mr. Cleaver first and said, "He gives me quicker answers than anybody else on rate matters". One of the three staff who did not choose a second shared the aldermen's views and said nobody apart from the Town Clerk mattered. The two other staff were Mr. Dean and Mr. Cleaver. Neither saw a second member as influential.

It is interesting that the staff and aldermen share almost the same distribution of prescribed influence between Mr. Dean and Mr. Cleaver on the specific issue of the rate. Six staff selected Mr. Dean (seven aldermen did) and three selected Mr. Cleaver (the same number of aldermen did). A cross check reveals that the three aldermen who chose Mr. Cleaver first interacted only with Mr. Cleaver. Five of the remaining aldermen had interactions with other staff: three had seen both Mr. Dean and Mr. Cleaver as well as others; another saw Mr. Dean and Mr. Morrison; and the fifth Mr. Cleaver and Mr. Anderson. Of the three staff who ranked Mr. Cleaver first, one had interacted only with Mr. Cleaver. Of the other two one had talked to Mr. Dean and other staff, and one spoke to other members of staff but not Mr. Dean. Of the six staff who ranked Mr. Dean first, three had interacted with both Mr. Dean and Mr. Cleaver, and two of three spoke to more staff members as well.

Six respondents who interacted with Mr. Dean and Mr. Cleaver were able to make an assessment of the relative influence of the two men based on their own experience. If the influence-rankings of these two key participants are excluded, eleven of the respondents had different interactions of which some lead to assessments of prescribed influentials.

Some, however, lead to assessments of actors with whom the respondent had no interaction. The rankings made by these respondents were made from previous experiences with other decisions or on the basis of the key participants' reputations. The validity of the results obtained here must be questioned - it is discussed in the analysis at the end of the chapter.

After the rankings of the influence of aldermen and staff on the decision to strike the rate had been obtained separately, respondents were shown a combined list of aldermen and staff. They were asked to choose the name of the person more influential than the others in a decision being reached on the rate. *Table 6.4* shows the results of rankings one, two and three converted to points awarded in the order of three, two and one respectively.

TABLE 6.4

Prescribed influence: Glenorchy's most influential men on the striking of the rate.

Here is a combined list of aldermen and staff. Which name would you select as being more influential than others in a decision being reached on the rate?		Dean	Lowrie	Cleaver	Jacques	Clazebrook
	Aldermen	22	16	8	7	3
	Staff	24	13	5	9	0
	TOTAL	46	29	13	16	3

Once more, the Town Clerk, Mr. Dean, emerges clearly as the most influential man. The gap between Mr. Dean and the Mayor, Alderman Lowrie, is greater than that between Mr. Dean and Mr. Cleaver

when respondents were asked to rank influentials from a list of staff only. While Mr. Dean and Alderman Lowrie are the first two most influential men, Alderman Jacques and Mr. Cleaver are close for third.

Though support for each is about the same from the aldermen, more staff think Alderman Jacques is more influential than Mr. Cleaver. The pattern here is different from that for the first two men where more staff supported the Town Clerk than did aldermen for the first most influential man, and more aldermen supported the Mayor than did staff for the second most influential man.

The most unusual feature of the rankings of influence on the combined list is the decline in importance of both Alderman Jacques and Mr. Cleaver. Alderman Jacques was ranked more influential than Alderman Lowrie by respondents when they selected influentials from a list of aldermen. Mr. Cleaver was very close to Mr. Dean when respondents were shown a list of staff to choose influentials from. No explanation can be attempted here, because there is a lack of evidence. However, it can be hypothesised that respondents made judgments tending to favour formal position over actual influence. For example, one alderman discussed the position of the officers using their *positional titles* though respondents were shown a *list of names* and asked to select from it. The inclination to use titles and not names was noticeable through the interviews. Eight of the 19 respondents said "Town Clerk" when they were ranking influential members of staff only on the specific issue of striking the rate.

In summary, the Town Clerk, the Mayor and Alderman Jacques are regarded by aldermen and senior staff as the three most influential men in the Glenorchy City Council in general terms and on the specific

issue of striking of the rate. Two other aldermen, Dempsey and Shields, emerge as having some influence on the particular decision and two senior staff members, Mr. Cleaver and Mr. Glazebrook, are perceived as influential too. Mr. Glazebrook's influence is minor compared with that of Mr. Cleaver who is involved with the preparation of the estimates and rate through all phases of the decision making process except that in the council meeting.

There is a discrepancy between the researcher's observed influence of the Town Clerk, Mr. Dean, and that perceived by the aldermen and staff. The latter group felt he was the most influential person in the decision to strike the rate at a particular level. It appeared to the researcher that Mr. Dean was not very much involved in the formal and informal processes or the phases of the decision. It may be that the recollections of the respondents were not sufficiently strong to recall the role the Town Clerk actually played, or that the researcher's observations were incomplete. It is also possible that the Town Clerk looms so large in the appreciative systems of respondents that his influence is accepted even though he may not be frequently involved in the phases of a decision.

3. THE QUALITIES OF DECISION-MAKERS AND INFLUENCE

What sort of decision-makers are the three attributed and prescribed most influential decision-makers? Can it be deduced that their qualities as decision-makers are central to their influence? If not, can it be assumed that there are other personal factors undetected by this study which are the vehicles of influence?

Respondents were asked to select the most preferred qualities in a decision maker from a list taken from the empirical work of G.A. Forehand and H. Guetzkow.⁵ Then they were asked to say which qualities they saw in the men they had ranked as influential in Glenorchy. Table 6.5 shows that (e) the capability to make an intellectual and systematic analysis of decision-situations is regarded by respondents as the most important quality.

TABLE 6.5

Important qualities for decision makers to possess.

Which of the following qualities or combination of qualities do you think it is most important for a decision-maker to have? ⁶		a	b	c	d	e	f
	Aldermen	13	8	5	5	10	3
	Staff	10	0	15	6	18	0
	TOTAL	23	8	20	11	28	3

The next most important is (a) self-confidence and the third most important is (c) discernment - the consideration of subtle aspects of the situation.

5. Garlie A. Forehand and Harold Guetzkow, "Judgment and decision-making activities of government executives as described by superiors and co-workers", *Management Science*, 8, 1962, pp. 359-370.
6. The list is:
 - (a) self-confidence;
 - (b) cautiousness - attention to broad implications of decisions;
 - (c) discernment - consideration of subtle aspects of situation;
 - (d) prudence;
 - (e) analytic decision-making capability - intellectual and systematic analysis of decisions to be made;
 - (f) bureaucratic decision-making capability - following rules and previous policy guidelines and developing group agreement.

Table 6.6 shows how the respondents matched the five qualities to the qualities of Glenorchy city council's three most influential men.

TABLE 6.6

Decision making qualities perceived in Glenorchy's attributed and prescribed influentials.

Most important qualities for a decision maker:	Qualities possessed by:								
	DEAN			LOWRIE			JACQUES		
	A'men	Staff	Total	A'men	Staff	Total	A'men	Staff	Total
e (28) analytic	10	4	14	2	5	7	3	7	10
a (23) self-confidence	7	8	15	12	12	24	6	15	21
c (20) discernment	4	2	6	5	4	9	3	2	5
d (11) prudence	5	0	5	5	0	5	0	0	0
b (8) cautiousness	10	10	20	5	5	10	8	2	10
f (3) bureaucratic	7	11	18	3	4	7	3	3	6

Fristly, none of the three has any of the qualities in the order and the magnitude ranked by the respondents as most important. Secondly, there are some possessed qualities which approximate the ranked qualities in magnitude. Thirdly, there are some possessed qualities which diverge remarkably from the ranked qualities. The first point is obvious by inspection. The approximating qualities are (a) and (b), self-confidence and cautiousness-attention to the broad implications of decisions which Aldermen Lowrie and Jacques are seen to possess; Mr. Dean also is seen to possess self-confidence. Both aldermen have more self-confidence than other qualities. Cautiousness is seen as the next quality they have; Mr. Dean is seen by most respondents to be cautious. His caution is not always seen as a virtue. Cautiousness is the quality of Mr. Dean's which with his bureaucratic decision making capability and analytic decision making capability distinguishes him from the aldermen as a decision maker.

Both the aldermen are not seen as bureaucratic decision makers; neither is a member of the bureaucracy in the same way as Mr. Dean is. Some respondents took bureaucracy here in its perjorative sense and regarded it as an undesirable quality. One alderman said, "He (Mr. Dean) is especially bureaucratic; he gets hot under the collar". Ironically, the two qualities seen as dominant in Mr. Dean, are ranked lowest by the respondents, and another he has is ranked the highest. Yet Mr. Dean is the most influential man in the council. Of the other two most influential, Alderman Lowrie has discernment and an analytic capability, after his cautiousness and Alderman Jacques has an analytic decision making capability on equal terms with his cautiousness.

These results do not establish any relationship between reputed

and prescribed influence and decision making qualities. The question of what makes Mr. Dean and Aldermen Lowrie and Jacques the most influential men, therefore, remains unanswered by the data collected through the research design. The dominant decision making qualities they possess (self-confidence and analytic decision-making capabilities) could make the men influential in an environment in which these qualities were not possessed by other participants in decision making processes. Since the decision making qualities of the other respondents were not sought, comparisons with the qualities of the three most influential men cannot be made and nor can deductions about the reasons for their influence.

Other data presented earlier such as positions in the organization and length of service do suggest influence accruing to the three men chosen by respondents but that data does not provide a full explanation of influence.

4. ANALYSIS

Several observations and findings can be analysed further.

These are:

- (a) the attributed and prescribed influence of the Town Clerk making his position akin to that of the "great man" described in some leadership literature;⁷
- (b) the awareness of possible reactions to the rate from the community despite its absence from the process;
- (c) the unwritten "low rate policy" and its consequences for

7. See for example Edgar F. Borgatta, Robert F. Bales, and Arthur S. Couch, "Some findings relevant to the great man theory of leadership", *American Sociological Review*, 1954, 19, pp. 755-759.

encouraging incremental budgeting.

- (d) the Assistant Accountant's discussion about the rate and the estimates with two of the council's three new aldermen.

(a) The Town Clerk's influence

The Town Clerk was described by several respondents as having "a phenomenal memory", "an excellent memory", or as being "an authority on local government, very accomplished; other municipalities' officers ring him up. I know two leading politicians who think very highly of him too". Praise for his talents came from aldermen and staff. His personal attributes, work-style, length of service and experience, and his position in the organisation contribute greatly to his reputed and actual influence. Even if the Town Clerk does not choose to exercise his influence, it is very likely that the aldermen and staff would direct their appreciative systems at anticipating the Town Clerk's position on an issue. This happened to some extent when the rate was struck in 1973. The Town Clerk was away from Glenorchy working as a member of the Tasmanian Municipal Commission for several days in May and again in June when the estimates were being prepared and distributed.

He was therefore less likely to interact with and influence staff and aldermen. The Assistant Accountant said at an interview in June that he had found it hard to get to talk with the Town Clerk about the rate this year. The City Engineer, the Deputy Town Clerk and the Assistant Accountant had all more discussions about the rate or matters affecting it than the Town Clerk had. It seems that his influence in 1973 was drawn from the reservoir of influence over others' appreciative systems built up in the past.

(b) The reactions of the community

The failure for community groups and individual ratepayers to take initiatives such as holding discussions with their elected representatives about the time of the striking of the rate is interesting. It suggests there may be:

- (1) a high level of contentment in the community with the operation of the council;
- (2) a high level of trust in the attitudes and congruence with the appreciative systems of the aldermen and staff;
- (3) a low level of consciousness within the community about the activities and demands which might provide more or better services from the council;
- (4) a recognition by the community that local government finances are meagre and that political activity might be more successful through other levels of government;⁸ and
- (5) a lack of adequate communication, promoting feedback or feed-in, between the community and the council. The council does not have a public relations officer and its ratepayers are informed after the rate is struck how their money will be spent. There is no local newspaper, though Hobart's daily, *The Mercury*, does include council stories in its weekly insert "Northside News". Council staff and aldermen think this is inadequate. They complain that *The Mercury* does not print much about Glenorchy and favours the Hobart City Council.

8. Ruth Atkins makes a similar point. See her "Local Government", in R.N. Spann, *Public Administration in Australia*, Sydney: Government Printer, 2nd ed. (revised), 1960, pp. 189-190; 3rd ed., 1973, p. 246.

The activities of the aldermen in the absence of other effective media are directed towards testing the likely reactions to rate increases. One alderman said he was concerned about finding out needs, but most wanted to know the impact increases would have. Only a small section of the community is sampled through the aldermen's efforts but it seems sufficient for their purposes.

The community was present in the minds of staff in the intelligence phase of the process and in effect has a permanent presence through the low rate policy.

(c) The low rate policy and incremental budgeting

The low rate policy was discussed at the end of Chapter five when it was observed in the formal stages of the process of striking the rate. It has also emerged during the informal stages. The unwritten policy encourages incremental budgeting as has been shown, and it also makes it easier for the aldermen to decide about the size of the rate because there are fewer factors for them to concentrate on. The tendency to examine increases over last year's estimates illustrates the point.⁹ The aldermen's decision is marked by a process of simplification in their intelligence and decision phases. Their intelligence phases are far less complex and absorb far less information than the intelligence phase of the Assistant Accountant. Anthony Downs says that the decision makers:¹⁰

"... must make the requisite judgments on the basis of relative ignorance. No

9. Anthony Downs, *Inside Bureaucracy*, Boston: Little, Brown and Co., 1967, sees this as the way legislators use their "limited capacities". (p.251).

10. *Ibid.*, p. 248.

possible organizational arrangement can alter this fact. *The entire budgeting process is structured to reduce the impact of such ignorance upon them by focusing their limited capacities so as to have maximum effects.*"

The ignorance of aldermen about the needs of the organisation is alleviated by the explanatory notes which accompany the estimates and by their discussions with staff; their ignorance about the responses of the community is reduced through the reaction-sensing conversation they hold with a small number of its members. The officials remain the reservoirs of knowledge and influence about the rate.

(d) The Assistant Accountant and the new aldermen

The Assistant Accountant's influence in the rate decision is certainly greater than that accorded him by the respondents. It has been shown that he makes choices in his intelligence phase which influence the size of the rate and estimated expenditure. The most outstanding example of his influence was his discussions, held on his initiative, with two of three new aldermen in which he explained the reasons behind the figures in the estimates. The new aldermen had their own ideas on the size of the rate which were, it was rumoured, not in keeping with the low rate policy. If they were to oppose the estimates on the floor of the council, the success of the informal stage of the process would be upset and the aldermen perhaps be asked to make a decision in relative ignorance, without having secured the support of the staff. Their intended opposition would disturb the stability of a harmonious interdependent relationship which was expected to produce estimates and a rate acceptable to the community and the organisation's needs.

The Assistant Accountant's influence was directed at educating the new aldermen about the rate and estimates and winning their support for the customary way of doing things. He played the part of a consensus maker to achieve the same consensus as existed with last year's budget.¹¹ It is likely that the Assistant Accountant appreciated the problems caused by changes in council. He spoke of one alderman, who in a previous year initiated a rate lower than that proposed, as a "bloody meddler". Therefore it was important to educate the new aldermen. The result was to develop what Aaron Wildavsky calls an "environment of reciprocal expectations" in which "the actions of each participant generate the reactions that fulfil the original expectations."¹²

Mr. Cleaver's influence and role depends on the co-operation of the other participants. Without it the mutual expectations will be upset and a stable system disturbed.

5. SUMMARY

It has been shown that aldermen nearly always accept the recommendations of staff on policy decisions. The decision on the rate, despite its potential for provoking the community, seems to have been no exception to the rule. Only three aldermen used informal channels to find out more about the rate and the estimates affecting it. Of the three, only one spoke to more than one officer. The members of staff have been shown as influential by observation and

11. *Ibid.*, p. 249.

12. Aaron Wildavsky, *The Politics of the Budgetary Process*, Boston: Little, Brown and Co., 1964, p. 23.

through the appreciative systems of their peers and the aldermen.

What are the consequences of the strong staff influence for traditional notions of local democracy and the answerability of elected representatives in small units of government? The concluding chapter canvasses this question by drawing on the findings of this study.

CHAPTER SEVEN

CONCLUSION

The investigation of the major and minor propositions stated in Chapter one has provided evidence which supports some and not others. It has also detected other interesting events which occurred in one or more of the phases of the decision making process. This chapter examines the evidence gathered for and against the propositions, discusses the significance of the data for the advisory role of public servants and the answerability of elected representatives, and suggests some steps to improve their decision making and their knowledge about the community.

1. THE PROPOSITIONS

(a) Historical factors and rational decision making.

Some evidence was found to support major proposition (a) [That historical factors such as previous events and the experiences of the aldermen and staff affect their capacity for rational decision making.] One alderman referred to a public meeting in 1964 which affected his view of the size of the rate; another referred to the low rate policy as unwritten but important in determining the size of the rate. Neither attitude encourages decision making from the roots up. The process therefore does not approximate the ideals of the rationalists discussed in Chapter two.

While there was some direct evidence for the proposition there was abundant indirect evidence. For example, the use of the previous

year's figures as the starting point for the development of the estimates is merely the repetition of a previous satisfactory experience for the staff and later, when the estimates are presented, for aldermen. Another example is the ready acceptance of staff recommendations, and another the absence of *alternatives* either in the estimates or in the size of the rate. There was little *deliberation* on the proposed rate or estimates, and no thorough investigation of existing projects in any of the phases of the process.

In the absence of techniques or aids to rational decision making, it seems that past experience is an important impetus to decision making. Past experience in Glenorchy appears to be the single most important guide to striking the rate there, and as such does affect the capacity of participants for rational decision making.

(a i) The rate and incremental budgeting

The first minor proposition [That because the size of the annual rate is largely determined by the size of the rate in previous years, incremental budgeting is encouraged.] was established early in the process as the Assistant Accountant limited expenditures in the intelligence phase and established a rate at the beginning of the design phase. Total proposed expenditure in the coming financial year is tied to estimated expenditure in the current year with an allowance for particular variables such as wages and the costs of materials. Expenditure is tied to revenue through the early setting of a rate based on estimated assessed annual value. Both steps involve easy calculations and permit the gaze of the decision makers to be focussed on changed items and direct it away from commitments to total projects.

Incremental budgeting lets in new items or increases in old ones beyond the calculated margin for increases without there being a review of existing commitments and a search for alternatives.

(a ii) Types of decisions

In Chapter three the results of respondents' categorisations of 16 decisions into policy, administrative, and policy/administrative types showed that there is not complete agreement among the aldermen, among the staff, or between each group on the type for each decision. The striking of the rate was classified by the researcher as a type three, or polar, decision in which two groups had divergent views on the decision. Striking the rate was seen as policy by a mixture of aldermen and staff (four and five respectively) and policy/administrative by another mixture of aldermen and staff (four and three respectively).

The second minor proposition that aldermen and senior staff have different perceptions of the striking of the rate as a decision, some seeing it as a policy decision, others as administrative or as policy/administrative is established by the data.

(a iii) Decision and involvement

Several respondents from the aldermen and the staff, said that policy was made by the council. Two of the staff who were influential in the intelligence and design phases took this view which suggests that policy is made *in a place* rather than *by people* since the staff who were deeply involved in the decision seemed to deny they were making policy.

On the other hand, aldermen who saw the decision on the rate as

policy did not become involved in the process until they were asked to work on it in council. For about half the aldermen, therefore, this vote demanded their passive participation, that is the acceptance of recommendations for which information was gathered and made significant by staff, and ratified by a small group of aldermen.

The type of decision (policy, administrative, or policy/administrative) does not seem to prescribe limits to involvement of the most influential staff; it does limit the involvement of some aldermen. However, it would be inadequate to conclude that *only* different perceptions of the type of decision affects involvement in it. The organisation's methods in the intelligence phase exclude aldermen from face-to-face contact with the Assistant Accountant and the committee system has the same result in the stage just before the rate is struck.

The type of decision is therefore no guide to the decision making activity of some of the aldermen and staff.

(b) Influence in the organisation

The second major proposition [That some of those involved in the organisation's decision making process are more influential than others.] is established by the data, mostly that presented in Chapter three.

The influence of the Town Clerk is clear in general terms. He occupies a position from which he can co-ordinate and control information before it is passed into the committee system; he has served on the council since 1934 and holds tertiary qualifications in law as well as qualifications in accountancy and secretarial practice. His experience and qualifications are part of the aldermen's and other

staff members' appreciative systems and obviously valuable for the operation of the organisation.

The Town Clerk shares his influence with the Mayor and the City Treasurer, Alderman Jacques. The latter has served on the council for over 19 years and many of its experiences are shared by him. The former was elected ten years ago and has been Mayor for the last eight years. Respondents felt his influence was potential influence, exercised occasionally.

The influence of the Assistant Accountant was shown in the intelligence, design and decision phases of the process, but he was not ranked among the first three influentials on the specific decision. New aldermen saw him as very influential as did the researcher but his being ranked fourth overall by respondents is somewhat puzzling. Two possibilities stand out demanding further study. The first is that members of a group have different perceptions of whom should be regarded as a decision maker. If this is the case, it might help explain why many respondents excluded the Assistant Accountant from their list of influentials.

The second possibility is that in some organisations in which the same men have served for a long time, influence will be attributed to those long-serving men who probably hold formal positions of authority. If this is the case, then the use of reputational and decisional techniques to determine organisation influence would need to be more circumspect, or researchers bolder in preferring their appreciations of influence to those of their respondents.

(b 1) Procedures and interdependence

Proposition (b 1) states that the organisation's formal

procedures for decision making promote interdependence and influence between aldermen and senior staff. Material presented in Chapter three supports the proposition. Committee meetings bring the aldermen and senior staff into contact so they can take decisions. In almost all cases the staff's recommendations are accepted by the aldermen. Without the aldermen to sanction their proposals, the staff would be neglecting in some ill-defined sense the opinions of the representatives of the community. Without the staff to investigate proposals and process data into significant recommendations, the elected representative's task would be burdensome and inefficiently executed.

The committees are part of the organisation's formal decision making procedure. However it has been shown that the meetings are conducted in an informal, harmonious and stable atmosphere which encourages co-operative activity and interdependence. The success of these informal meetings is essential to the success of the formal procedures.

(b ii) Interaction and influence

Since some of the aldermen had no interactions, on the striking of the rate, with the men they nominated as influentials, it cannot be maintained that influence and interactions are always related. Respondents seemed to feel that certain men had influence on the decision. Perhaps this is a function of the appreciative systems through which they recalled other decisions in the making of which the Town Clerk and the Mayor were influential.

The opportunities for more interactions between the staff and the aldermen, and therefore the chances of other views on influentials

were restricted by the method the organisation used to gather information about the rate and the estimates. The aldermen's intelligence phase corresponds to the period between the design and decision phases for the estimates and rate. The entry of the aldermen to the decision making process thus is too late to overcome the momentum of the organisation which is prepared to accept the decision by a certain date to facilitate its execution.

The data shows that influence exists in some of the interactions which take place; it does not show how influence can be explained without interactions taking place around a specific decision. It can only be hypothesised that the respondents' appreciative systems have something to do with perceptions of influence. This minor proposition that influence is related to interactions between the aldermen and staff is not established, but perhaps deserves further study.

(b iii) Influence and experience

The next proposition [That the influence of some senior staff members on the rate decision is greater than that of the aldermen because of their professional skill and experience.] is only partly established by the data. It has been shown that the influence of the Town Clerk is clear in general terms, and that he shares reputed influence with the Mayor and Alderman Jacques, the City Treasurer.

The Town Clerk is thought to be influential in the specific decision in which the rate is struck. The Assistant Accountant is seen as influential also. They share this prescribed influence with the Mayor and the City Treasurer.

The order in which respondents ranked these four influentials (the Town Clerk, the Mayor, the City Treasurer and the Assistant

Accountant) on the specific issue of the rate does not give the two staff members clear superiority over the two aldermen though it does over all other aldermen. Alderman Jacques has acquired a very good working knowledge of the council and the annual estimates in his 19 years' service, marginally more service than that of the Assistant Accountant (17 years). Experience, therefore, is not just the preserve of staff who for the most part usually provide continuity in organisations where the elected component changes.

The observations of the researcher and the answers to questions on influence of some of the respondents tend towards acceptance of the proposition. However, replies from other respondents show their experiences and appreciative systems hold the Mayor and Alderman Jacques to be more influential in the decision than the Assistant Accountant. This proposition is therefore only partly established.

(b iv) Influence and decision making qualities

Data presented in Chapter six showed that the fourth minor proposition related to proposition (b) [That the qualities the council's influentials possess as decision makers are important sources of their influence] was untenable at least as a result of this study. In the case of the Town Clerk, respondents attributed some qualities to him which they did not rank as the most important one or two for a decision maker to have. The same occurred to a lesser extent with the qualities of the Mayor and Alderman Jacques. The three influentials share decision making qualities which are highly ranked by the respondents but it is not possible to deduce that their influence is due to these qualities. The research design was inadequate for the testing of this proposition; the questionnaire moved directly from questions of

influence to decision making qualities. Questions on the respondents' views on influence and decision making qualities should have been interposed between the two or added after the questions on qualities.

(b v) Community influence and aldermen

No direct evidence was found to support the final proposition [That members of the community attempt to influence the size of the rate, before it is struck, through their elected representatives.] No groups or individuals were reported by the aldermen to have contacted them before the rate was struck, and only one contacted a group.¹

However, the responses of both the aldermen and staff showed an awareness of what they saw as the likely responses from the community system. This appreciation influenced their judgments about the limits to the size of the rate. The form of community influence experienced is of doubtful reality and is certainly indirect because no member of the community acted as an agent on the occasion of the decision to strike the 1973/74 rate. The final proposition, therefore, was not found to be supported by the data.

2. THE DATA AND THE METHODOLOGY

No attempt has been made to comment on the existence of powerful elites or pluralist groups in the City of Glenorchy. The methodology was directed only at the council and not the community. It is likely that some of the council's influentials would be community influentials too. The membership of some aldermen and five of the senior staff in Rotary puts them in touch with businessmen commonly

1. This was Alderman Jacques who had a senior officer address a Rotary meeting on budgeting and the rate.

regarded as influential. However, influence in the community is the topic for another study.

The methodology and data do reveal an organisation in which influence in general terms and on a specific issue is largely concentrated in the hands of the senior staff. The elected component of the organisation is less involved in most phases of the decision making process on the specific issue and only exercises influence congruent with that of the staff in the last phase of the process. These findings have some interesting consequences for the understanding of such traditional notions of public administration and politics as the advisory role of public servants and the responsibility and answerability of elected representatives.

3. THE ADVISORY ROLE OF PUBLIC SERVANTS AND ROLE OF ALDERMEN

The advisory role of the public servant has, in the literature, been made explicit by the prescription that public servants recommend and elected representatives decide policy.² Their role has been assisted by the dichotomy between policy and administration which is designed to clarify further the decision making roles of representatives and officials. While the dichotomy has been dismissed in other literature,³ it was found to be accepted wisdom in Glenorchy. The Town Clerk has advised elected representatives from other municipalities to follow

2. See for example F. Morstein Marx, *The Administrative State*, Chicago: University of Chicago Press, 1957, p. 185.

3. See for example C.J. Friedrich, "Public policy and the nature of administrative responsibility", in C.J. Friedrich and E. Mason (eds.), *Public Policy Year Book of the Harvard School of Government*, Harvard: 1940, pp. 4-5; R.J.S. Baker, *Administrative Theory and Public Administration*, London: Hutchinson, 1972, p. 14; and R.G.S. Brown, *The Administrative Process in Britain*, London: Methuen & Co., 1970, p. 33.

the dichotomy as a rule for decision making,⁴ and several aldermen and staff said "the council made policy".

The council does make policy but only as the ratification of a process which is influenced by the staff and the interaction of their appreciative systems with those of the aldermen through the organisation's formal and informal operations.

Since influence in the organisation rests largely with the staff, it would seem that the position of the elected representative is diminished and his opportunities for participation minimal and limited to constituency work. How, then, does the present system of representation of community members in an organisation strongly influenced by officials give effect to the values of representative and popular democracy?

The committee system and the authority of the council are the major formal channels for representatives to represent the community and to make officials answerable to them. However, the control which the Town Clerk and other officers have over information and the late phase at which elected representatives entered the decision making process of striking the rate suggests that representation would be difficult and effective answerability would depend on a thorough knowledge of the workings of the organisation.

The promulgation of proper decision making roles for aldermen and staff is of dubious value for them or the community, in the light of the influence wielded, not improperly, by the staff. Role-prescription fails to comprehend the interdependence demanded by the legal

4. See Chapter one.

status and the tasks to be performed by the whole of the aldermen and officers. This organisation perhaps makes any search for proper roles fruitless. The interdependent relationships must be worked out and re-worked by the organisation's participants as its membership and the stimuli from the community change or vary.

The organic nature of the organisation makes the infusion of elected authority at particular, penultimate phases of the decision making process ineffectual unless the authority is prepared to introduce a substantial amount of instability into the operation of the organisation.

4. CHANGES

Some changes in the organisation's methods of gathering information in the intelligence phase might improve answerability and representation. The presentation of alternatives in the design phase and the use of some decision making techniques might help to promote rationality.

The aldermen might be brought into face-to-face discussions about A.A.V., and estimated revenue and expenditure in the Assistant Accountant's intelligence phase. The aim of this early involvement would be to provide aldermen with the opportunity to advocate the insertion of any community needs or demands as a matter of policy, or as an individual item. Incremental budgeting might thereby be avoided and projects begun earlier. There might also be more debate about the work or recurrent or projected expenditure.

Early interactions with the aldermen assumes they have something to contribute and that expenditure from rate revenue could cope with

their plans. In the absence of major governmental functions, party politics or ideological differences between elected representatives, it is very unlikely that coherent policies will be forged by the aldermen and very likely that each alderman will attend to particular, single, short-term interests. The policy vacuum thus created is filled by the officials who develop recommendations for committees to discuss and almost certainly accept.

The aldermen are expected to know something about the community. There is a danger though, that they will be locked into their old appreciative systems and not perceive or search for adjustments. This study has shown that they expect the community to object to rate increases and that they made only a few inquiries to confirm this expectation or reduce their anxieties about probable responses. In some vague way, the community approved of the new rate.

The activities of the aldermen could not hope to embrace all responsive points in the community and it is therefore possible that the community's response is not properly gauged. In a time of rising expectations, it does not seem improbable that the community would tolerate higher rates if they understood the purposes for which it is collected and the uses to which it is put. Sample surveys of community incomes, needs, and opinions could be made occasionally and used in the intelligence phase to estimate revenue and expenditure. Such a survey carried out annually would cost less than 0.0004% of rate revenue and make the organisation and the aldermen better informed as well as requiring them to be more responsive and responsible.

Early interaction with aldermen and improved links with the community through sample surveys are not guarantees that representatives

will give effect to democratic values such as equality or participation because other constraints are placed upon them in the estimation and collection of revenue as well as the allocating of expenditure.

The calculation of assessed annual value is an important task in the Assistant Accountant's intelligence phase. About every five years, the value of property in the municipality is re-assessed by a unit of the government system, the Valuer-General's Department. In between official revaluations the Assistant Accountant and the Chief Clerk (administration) add the value of new properties and new services to the previous valuation but they do not make any increases to property assessed in that valuation even though its market value is increasing all the time. Therefore, four out of every five annual calculations of A.A.V. are gross under-estimates and the rate revenue is less than it could be if all property was officially revalued every year.

When the valuation of almost each property is officially increased, under the present system in the fifth year, aldermen and staff have to be conscious of the potential responses of the community to large increases in rate demands. Sudden increases do little to maintain good relations between the organisation and the community and a method permitting steadier annual increases in assessed value seems desirable.

The presentation of alternative sizes for the rate and for estimates of revenue and expenditure is desirable because it would firstly provide an obvious choice to the aldermen and secondly promote rationality and an awareness of the values of various expenditures.

While rational decision making depends on assumptions about human behaviour which are unrealistic, nevertheless its prescriptions

offer an ideal for decision makers to at least learn from or aspire to. Some decision making techniques used as aids to rationality, such as cost/benefit analysis, P.F.R.T. and C.P.M. are either too sophisticated or not applicable to the council's present operations and level of expenditure. The development of a planning system, P.P.B.S. (planning, programming, budgeting systems), in English local government is perhaps the forerunner of a similar development in Australia.⁵ P.P.B.S. "is being heralded as a way of doing things which ought to lead to better-based decisions on major policy issues."⁶

However its applicability to medium-sized Australian city councils is a subject for further investigation. Only the possibility is pointed out here.

None of the changes suggested can be implemented without modification to the nature of the decision on the rate. As has been shown, rate revenue is primarily designed to keep the system going and not to review or expand its operations much, even in terms of greater current expenditure. The decision would need to be seen as more than one to keep the system going, for aldermen and the community to become more involved and influential in it.

5. See for example, K.E. Rose, "Planning and P.P.B.S. with particular reference to local government", *Environment and Planning*, 2, 1970, pp. 203-210, and R.B. Butt, "A feasibility study of P.P.B.S. in Gloucestershire", *Local Government Studies*, 2, 1972, pp. 35-52.

6. Rose, *Op.cit.*, p.203.

APPENDIX A

THE QUESTIONNAIRE

The questionnaire was administered to nine senior officers and ten of the eleven aldermen in office over the month after the rate was struck, that is between 26 June and 25 July. One alderman was not available for personal reasons during that time; another long-serving and elderly alderman died before the rate was struck and his place was not filled until after the rate was struck. Nine senior staff were interviewed. All but three sat on committees regularly and all but one provided information, within the council, relevant to the striking of the rate. The questionnaire was filled in by the researcher at interviews held between 26 June and 25 July. No interviews were planned to be held after 25 July because of the danger of fading recall in respondents. Respondents were given a copy of the questionnaire which most used to follow the more difficult or longer questions. All questions were read aloud in full by the researcher to achieve as high a level of uniformity as possible, and to reduce the problem of interviewer bias. The mean interview time was 70 minutes; the longest lasted 2½ hours and the shortest took 45 minutes.

The questions on general and prescribed influence (items 29, 43, 45 and (4b) follow Jean Blondel and R. Hall's study of Colchester and Maldon councillors and ex-councillors.¹ Questions from other empirical work are used as well.

The decision making qualities isolated by Garlie A. Forehand and Harold Guetzkow in their study of executive judgment are presented

1. Jean Blondel and R. Hall, "Conflict, decision making and the perception of local councillors", *Political Studies*, 15 (3), 1967, pp. 322-350.

in item 51 of the questionnaire as the basis for a question about decision making qualities and influence.² H. Hugh Heclo's material on the use of time by aldermen and their job satisfaction is drawn on to elicit responses about their activities in general and attitude to their service.³ Heclo is concerned with investigating the "nature of the local representative's work and his attitude toward it".⁴ The same topic is important here because attitudes towards work may affect the aldermen's or officers' performance in decision making. Items 10-12 cover similar ground to Heclo's.

Items 21 and 22 are taken from a field study by William J. Gore but are not used in exactly the same way.⁵ In an exploratory study, Gore tested the distinctions respondents might make between policy, policy-supervisory, and supervisory decisions in order to see if "these definitions could be used to identify policy decisions ..."⁶ The purpose in this question is to determine if there is any connection between the way a decision is classified and the participant's role in the decision making process.

2. Garlie A. Forehand and Harold Guetzkow, "Judgment and decision making activities of government executives as described by superiors and co-workers", *Management Science*, 1962 (8), pp. 359-370.

3. H. Hugh Heclo, "The Councillor's Job", *Public Administration* (London), 47, 1969, pp. 185-202.

4. *Ibid.*, p. 185.

5. William J. Gore, "Administrative decision-making in Federal field offices", *Public Administration Review*, 1956, pp. 281-291.

6. *Ibid.*, p. 283.

INTRODUCTION

This interview seeks background information about you and your service on the council.⁷ It also covers your contacts with the community, the council's finances, the striking of the rate, relationships between officers and aldermen, and some personal data. If you wish, the details of the interview, or sections of it, will be kept confidential and not attributed to you in written work. Most of the information will be used in statistical form in tables of data.

1. Do you think local government has
 - (a) kept its importance in recent years ()
 - (b) increased in importance in recent years ()
 - (c) declined in importance in recent years ()

2. How long have you been on the council?
 - 0 - 4 years ()
 - 5 - 8 years ()
 - 9 - 12 years ()
 - more than 12 years ()

- 3.(S) How long have you done this job?
 - 0 - 4 years ()
 - 5 - 8 years ()
 - 9 - 12 years ()
 - more than 12 years ()

4. Have you had experience on other councils?
 - yes ()
 - no ()

7. Questions marked A (6,10,11,14,15,16,18,34) were asked of aldermen only. Questions marked S (3,19) were asked of staff only. All unmarked questions were asked of both alderman and staff.

5. If yes, how many years?

0 - 4 years ()

5 - 8 years ()

9 - 12 years ()

more than 12 years ()

6.(A) What did your personal friends and associates say when you decided to run for council?

7. Do you think the public has

(a) high respect for aldermen ()

(b) about moderate respect ()

(c) low respect for aldermen ()

8. Was there or is there any specific policy goal you hope/d to accomplish by being on the council?

9. Do you think, so far, that you have been able to achieve these aims?

10.(A) How much time would you have spent in the last month on council business?

0 - 8 hours ()

9 - 16 hours ()

17 - 24 hours ()

more than 24 hours ()

11.(A) How much of that time was spent on

(a) council meetings ()

(b) committee meetings ()

(c) helping rate payers ()

- (d) checking on jobs in the field ()
- (e) other ()

12. Which of your major activities on the council gives you most satisfaction?

- (a) council meetings ()
- (b) committee meetings ()
- (c) helping ratepayers ()
- (d) checking on jobs in the field ()
- (e) other ()

13. Can you recall the incident which you have felt achieved the most since you have been here?

14. You have served on several (or one) committees in your time here. If you were free to choose, on which committee would you prefer to sit?

- (a) finance ()
- (b) works ()
- (c) building and town planning ()
- (d) health and recreation ()

15.(A) Why that committee?

16.(A) Do you think that committee performs its work well?

17. Do you think that committees are mostly presented with material on which to make:

- (a) policy decisions ()
- (b) administrative decisions ()
- (c) decisions which cannot be divided between policy and administration and need to be made jointly by aldermen and officers ()

18.(A) Do you think you would

- (a) almost always ()
- (b) nearly always ()
- (c) sometimes ()
- (d) rarely ()
- (e) never ()

accept the recommendations of staff on policy decisions?

19.(S) Do you think aldermen

- (a) almost always ()
- (b) nearly always ()
- (c) sometimes ()
- (d) rarely ()
- (e) never ()

accept the recommendations of staff on policy decisions?

20. When decisions are made in committees, what is it you would most like to see more of:

- (a) information ()
- (b) appreciation of the problem ()
- (c) caution ()
- (d) speed ()
- (e) analysis of alternatives ()
- (f) analysis of possible consequences ()
- (g) connection with existing policy ()

21. Please examine the list of decisions on the card.⁸
Divide them into those you think are policy decisions, administrative decisions, or policy-administrative decisions.
22. Which of the decisions, if any, should be made only by the aldermen, only by staff, or need to be made by both aldermen and staff?
23. Do you think the council adequately understands the reports submitted by (your) committee/s?
24. Do you think the committees have enough power?
Are they restricted by having to report back to council?
25. On the committee/s on which you sit, do you see conflict
- | | |
|-------------------------|-----|
| (a) almost all the time | () |
| (b) about half the time | () |
| (c) occasionally | () |
| (d) rarely | () |
| (e) don't know | () |
26. Is the conflict you see mainly
- | | |
|-----------------------------------|-----|
| (a) between officers and aldermen | () |
| (b) between aldermen | () |
| (c) between officers | () |
| (d) with the chairman | () |
| (e) depends on the issue | () |
27. Do you think the staff has
- | | |
|----------------------------------|-----|
| (a) too much power | () |
| (b) not enough power | () |
| (c) the situation is about right | () |

8. The list of decisions on the card is included at the end of the questionnaire, with other information from the cards.

28. Would you say, in general terms, that
- (a) aldermen are more influential than staff ()
 - (b) staff are more influential than aldermen ()
 - (c) influence is about the same ()
 - (d) the influence can't be split up like that ()

29. Who would you say, in general terms, are the three most influential men in the council?

30. What organizations do you belong to other than the council?
- (a) service clubs ()
 - (b) sporting clubs ()
 - (c) statutory authorities ()
 - (d) charitable organizations ()
 - (e) other e.g. political ()

31. Do you hold office in that/those bodies?

32. Does your membership of outside groups and contacts there help in your work on the council?

- (a) frequently ()
- (b) sometimes ()
- (c) rarely ()
- (d) not at all ()

33. In what way has it helped?

- 34.(A) Did any of the organizations work on your behalf at election time [or any of the members] ?

35. Let us discuss financial matters now. The financial position of most local authorities in Australia is regarded by many as not good. Interest payments on loans are seen as a heavy burden, and the rate on property value is often unfair. It is also claimed that councils cannot do the jobs demanded of them because they don't have enough money. Would your own opinion agree with this statement?
36. Do you think increases in the rate would be one way out of part of the problem?
- (a) strongly agree ()
 - (b) moderately agree ()
 - (c) moderately disagree ()
 - (d) strongly disagree ()
37. Whom did you talk to about this year's rate before it was struck?
- (a) the outside groups you belong to ()
 - (b) council staff ()
 - (c) Glenorchy aldermen ()
 - (d) individual ratepayers ()
 - (e) others ()
38. Were you seeking information?
- (a) yes ()
 - (b) no ()
 - (c) in part ()
39. If so, what information did you seek?
40. Was the information helpful?

41. Where did you get most help from?

- (a) the outside groups you belong to ()
- (b) council staff ()
- (c) Glenorchy aldermen ()
- (d) individual ratepayers ()
- (e) others ()

42. Here is a list of aldermen. Which of these did you talk to about the rate?

- Ald. J. Percey ()
- Ald. K. Lowrie ()
- Ald. J. Hay ()
- Ald. T. Dempsey ()
- Ald. T. Vince ()
- Ald. D. Shields ()
- Ald. P. Jacques ()
- Ald. N. Lovell ()
- Ald. D. Fall ()
- Ald. E. Garlick ()
- Ald. L. Cross ()

43. Which one of these would you select as being more influential than others in you reaching your decision on the rate? And the next most influential? and the next?

44. Here is a list of some council staff. Which of these did you talk to about the rate?

- Mr. T. Glazebrook ()
- Mr. J. Dean ()
- Mr. N. Morrison ()
- Mr. A. Almond ()
- Mr. S. Hills ()
- Mr. J. Anderson ()
- Mr. B. Patten ()
- Mr. K. Cleaver ()
- Mr. A. Mousley ()

45. Which one of these would you select as being more influential than others in you reaching your decision on the rate? And the next most influential? And the next?

46. Here is a combined list of alderman and staff.
Which name would you select as being more
influential than others in your reaching your
decision on the rate? And the next? And the next?

Ald. K. Lowrie ()	Ald. E. Garlick ()	Ald. T. Vince ()
Ald. N. Lovell ()	Ald. L. Cross ()	Mr. J. Anderson ()
Ald. D. Fall ()	Ald. T. Dempsey ()	Mr. K. Cleaver ()
Ald. J. Percey ()	Ald. N. Morrison ()	Mr. A. Mousley ()
Mr. J. Dean ()	Mr. B. Patten ()	Ald. J. Hay ()
Ald. D. Shields ()	Ald. P. Jacques ()	Mr. A. Almond ()
Mr. T. Glazebrook ()	Mr. S. Hills ()	

47. Did any community groups, for example a progress
association, approach you about the size of the rate?

48. If so, which ones?

49. Was your decision influenced by their ideas
- | | |
|------------------|-----|
| (a) favourably | () |
| (b) unfavourably | () |
| (c) not at all | () |

50. Were you
- | | |
|---------------------------|-----|
| (a) very pleased | () |
| (b) moderately pleased | () |
| (c) somewhat disappointed | () |
| (d) very disappointed | () |
- with the outcome of the decision on the rate?

51. Which of the following qualities or combination
of qualities do you think is most important for
a decision maker to have?

(a) self-confidence	()
(b) cautiousness - attention to broad implications of decisions	()
(c) discernment - consideration of subtle aspects of situation	()

- (d) prudence ()
- (e) analytic decision-making capability -
intellectual and systematic analysis
of decisions to be made ()
- (f) bureaucratic decision-making capability -
following rules and previous policy
guidelines and developing group agreement ()

52. Which quality or qualities do you think the men
you have mentioned as influential have?
53. Let us look now to some personal particulars. On the
card is a list of age categories and numbers. Please
give me the number corresponding to your age category.
54. Sex - [all male].
55. On the next card is a list of occupations and numbers -
please give me the number corresponding to your occupation.
56. On the next card is a list of employment status and numbers.
Once again, please give me the number corresponding to
your employment status.
57. On the fourth card is a list of levels of schooling and
numbers. Please give me the number corresponding to
your level of schooling.
58. The fifth card has a list of religious affiliations and
numbers. Please give me the number corresponding to
your religious affiliation.

59. The final card has a list of levels of training and numbers. Please give me the number corresponding to your level of training, if applicable.
60. Where were you born?
61. Is there anything you would like to say about these questions or the work I'm doing in Glenorchy?

Thank you for your co-operation.

MATERIAL ON CARDS HANDED TO RESPONDENTS

(Questions 21, 22)

DECISIONS:

Annual tenders,	approving subdivisional plans,
parking in front of council chambers,	reserve development,
setting Olympic pool charges,	purchase of capital equipment,
enforcing town planning regulations,	awarding contracts,
constructing unmade streets,	grazing stock,
employing additional staff,	stickers on council cars,
road construction,	garbage disposal - site workings,
striking the rate,	approval of building applications.

<u>AGE CATEGORY</u>	<u>NUMBER</u>	(Question 53)
20-24	1	
25-29	2	
30-34	3	
35-39	4	
40-44	5	
45-49	6	
50-54	7	
55-59	8	
60-64	9	
65 & over	10	

OCCUPATION: (Question 55)

Professional	1
Administrative	2
Clerical	3
Sales worker	4
Farmer	5
Miner	6
Transport worker	7
Craftsman	8
Armed services	9
Other	10

EMPLOYMENT STATUSNUMBER

(Question 56)

Employer	1
Self-employed	2
Employee	3

SCHOOLING

(Question 57)

Primary School	1
	2
	3
	4
	5
High School	6
	7
	8
	9
	10

RELIGIOUS AFFILIATION

(Question 58)

Baptist	1
Brethren	2
Roman Catholic	3
Church of Christ	4
Church of England	5
Congregational	6
Greek and other orthodox	7
Jehovah's Witness	8
Lutheran	9
Methodist	10
Presbyterian	11
Salvation Army	12
Protestant	13
Other Christian	14
No affiliation	15

<u>QUALIFICATIONS</u>	<u>NUMBER</u>	(Question 59)
Trade	1	
Technician	2	
Non-degree tertiary	3	
University degree	4	
No formal qualifications	5	
Studying	6	

APPENDIX B

Aldermen and Senior Staff of the
Glenorchy City Council, at 26 July 1973

Aldermen:

K.F. Lowrie (Mayor)
T.M. Dempsey (Deputy Mayor)
P.C. Jacques (City Treasurer)
L.J.E. Cross
D. Fall
E.J. Garlick
J.C. Hay
P.C. Jacques
N.G. Lovell
J.E. Percey
D.J. Shields
T.M. Vince

Senior Staff:

J.E. Dean (Town Clerk)
T.G. Glazebrook (City Engineer)
A.B. Patten (Deputy Town Clerk)
N.A. Morrison (Deputy City Engineer)
S.E. Hills (Chief Health Inspector)
J.W. Anderson (Accountant)
K. Cleaver (Assistant Accountant)
A. Mousley (Chief Clerk-Administration)
A.A. Almond (Committee Clerk)

[Other senior staff such as the Town Planner and the City Architect who were not involved in the rate decision have not been included in this list.]

APPENDIX C

CITY OF GLENORCHY

ESTIMATES FOR THE YEAR ENDING

30th JUNE, 1974.

City Rate based on A.A.V. of \$14,676,945 @ 18.0 cents in the dollar	2,641,850
-------------------------------------------------------------------------	-----------

Less: Rebate	
Sewerage - 4.0 cents in the dollar	24,405
	2,617,445

Add: Minimum Charges:	
Water (\$20)	12,243
Sewerage (\$20)	10,067
Fire Brigade	1,272
Water	2,974
(Excess of A.A.V. over City Rate A.A.V.)	
Cleansing Rate (140 services @ \$26.00)	3,640
Special Rates	249
	30,445
	2,647,890

Transfers to Rates Accounts:

General	435,729	
Road	605,822	
Health	66,006	
Fire	73,352	
Recreation Grounds & Reserves	219,144	
Sewerage	556,846	
Stormwater Drainage	103,702	
Water	681,938	2,742,539

Estimated Deficit	\$ 94,649
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SUMMARY OF 1973/74 ESTIMATES

17th May, 1973.

ACCOUNTS	General (Includ.Lighting)	Fire	Health	Roads	Recreation Grounds & Reserves	Sewerage	Stormwater Drainage	Water	Total
A. ADMINISTRATION									
1. Administration Charges	37,522	2,886	5,772	77,930	11,545	63,499	5,772	80,816	285,742
2. Building Surveyors Dept.	30,723								30,723
3. City Engineers Dept.	14,669			57,861	7,335	15,698	7,335	51,342	154,240
4. Health Inspectors Dept.	3,114		24,437			4,360		1,557	33,468
5. Council Contr. to Super.	1,950		867	2,383	217	650	217	2,166	8,450
6. Provision for Long Service Leave	1,199		533	1,465	133	400	133	1,332	5,195
B. OPERATION, MAINTENANCE & SUNDRY									
1. Charges	4,600			263				245	5,108
2. Contracts	93,792					9,760			103,552
3. Contribution	94,750	70,066	31,703					693,728	890,247
4. Donations	2,000		500						2,500
5. Maintenance	66,703		200	238,040	110,098	78,220	23,770	133,831	650,862
6. Sundry	47,130	400	3,050	3,979	4,390	37,706	751	50	97,456
7. Recharge Work Costs	29,000								29,000
8. Reseal Reserve				1,000					1,000
9. Meat Inspectors Salaries			33,650						33,650
10. Olympic Swimming Pool					51,116				51,116
11. Remissions	49,000								49,000
C. SCHEDULED WORKS	10,000			25,000	15,000	200	15,000	1,800	67,000
D. LOAN REPAYMENTS									
a. Payment of Interest	46,652			93,300	43,519	230,361	30,178	48,344	492,354
b. Repayment of Principal	25,677			103,442	26,906	126,140	20,876	154,187	457,228
c. Sinking Fund Contribution	1,746			1,249	1,175	8,732	-	830	13,732
TOTALS	560,227	73,352	100,712	605,912	271,434	575,726	104,032	1,170,228	3,461,623
Less Sundry Revenue	124,498		34,706	90	52,290	18,880	330	39,070	269,864
" M.W.B. refund of working Expenses								476,500	476,500
Balance to be met from City Rate	435,729	73,352	66,006	605,822	219,144	556,846	103,702	654,658	2,715,259

17th May, 1973.

GENERAL ACCOUNTRevenue

	Estimate 1972-73	Estimated Actual 1972/73	Estimate 1973/74
1. Fees and Licences			
a. Dog Registration	8,700	10,400	10,400
b. Other Licences	500	400	400
c. Building approvals	10,967	10,500	12,500
d. Rates & Section 695 Cert.	2,500	3,000	3,000
e. Subdivision - Council approvals	600	1,200	1,200
f. Subdivision - Lands & Titles Office	2,050	2,500	2,500
g. Pound fees and Sales	150	150	150
h. Disposal of dogs, Fees & Sales	100	120	120
i. Kennel Fees	200	100	100
j. Destruction of car bodies	110	150	150
	<u>25,877</u>	<u>28,520</u>	<u>30,520</u>
2. Contribution			
a. Government Refund, Golden Years Club interest	1,833	1,833	1,833
b. State Government - Brooker Ave. lighting	3,300	3,167	3,167
	<u>5,133</u>	<u>5,000</u>	<u>5,000</u>
3. Rentals			
a. Council Residence	4,862	6,352	6,812
b. Other	218	1,775	4,116
	<u>5,080</u>	<u>8,127</u>	<u>10,928</u>
4. Recoveries			
a. Court Costs - Council processes	500	400	400
b. Court Costs - Fines & Costs	1,000	400	400
c. Workers' Compensation	600	1,400	2,000
d. Phone calls	120	300	300
e. Other	426	200	200
	<u>2,646</u>	<u>2,700</u>	<u>3,300</u>
5. Recharge Works	<u>32,000</u>	<u>32,000</u>	<u>32,000</u>
	32,000	32,000	32,000
6. Sundry			
a. Commission - Employee Assurance deductions	440	330	330
b. Discount received	550	800	800
c. Sale Building Lists	469	516	520
d. Sale Building Plan photostats	100	100	100
e. Sale Materials	100	400	400

RevenueGENERAL ACCOUNT

	Estimate 1972/73	Estimated Actual 1972/73	Estimate 1973/74
f. Interest on Short Term Bank deposits	28,000	38,576	40,000
g. Miscellaneous	500	2,400	600
	<u>30,159</u>	<u>43,122</u>	<u>42,750</u>
7. Transfer of Proportion of City Rates	374,324	353,377	435,729
	<u>475,219</u>	<u>472,846</u>	<u>560,227</u>

ExpenditureA. ADMINISTRATION1. Administration Charges

a. Salaries	17,342	17,704	20,837
b. Other	8,984	9,605	10,913
	<u>26,326</u>	<u>27,309</u>	<u>31,750</u>

Lighting Administration

a. Salaries	3,153	3,219	3,788
b. Other	1,634	1,746	1,984
	<u>4,787</u>	<u>4,965</u>	<u>5,772</u>

2. Building Surveyors Department

a. Salaries	20,534	20,534	30,123
b. Travelling Expenses	550	550	600
	<u>21,084</u>	<u>21,084</u>	<u>30,723</u>

3. City Engineers Department

a. Salaries	12,168	11,981	14,182
b. Travelling Expenses	440	440	487
	<u>12,608</u>	<u>12,421</u>	<u>14,669</u>

4. Health Inspectors Department

a. Salaries	2,639	2,730	3,114
	<u>2,639</u>	<u>2,730</u>	<u>3,114</u>

5. Council Contribution to
Superannuation

	1,567	1,542	1,950
	<u>1,567</u>	<u>1,542</u>	<u>1,950</u>

6. Provision for Long Service
Leave

	828	828	1,199
	<u>828</u>	<u>828</u>	<u>1,199</u>

7. Operation, Maintenance &B. Sundry1. Charges on

a. Springfield Unmade Streets	672	645	600
b. Unmade Streets	2,000	2,975	4,000
	<u>2,672</u>	<u>3,620</u>	<u>4,600</u>

Expenditure.GENERAL ACCOUNT

	Estimate 1972/73	Estimated Actual 1972/73	Estimate 1973/74
2. <u>Contracts</u>			
a. Garbage Removal	32,613	34,196	51,792
b. Lighting	41,000	41,000	42,000
	<u>73,613</u>	<u>75,196</u>	<u>93,792</u>
3. <u>Contributions</u>			
a. Canine Defence League	1,933	3,000	3,000
b. Rural Fire Board	7,000	6,058	9,000
c. S.M.M.P.A.	13,022	13,022	10,000
d. State Library Board	50,000	50,000	72,500
e. Glenorchy Regatta Assoc.	200	23	50
f. Christmas Festival	200	100	200
	<u>72,355</u>	<u>72,203</u>	<u>94,750</u>
4. <u>Donations (Section 218(3) L.G. Act 1962</u>			
	2,500	2,000	2,000
	<u>2,500</u>	<u>2,000</u>	<u>2,000</u>
5. <u>Maintenance</u>			
a. Public Buildings	4,760	4,760	5,100
b. Stores Depot	800	800	1,000
c. Golden Years Club	300	400	600
d. Public Conveniences			
i. Cleaning	6,620	5,500	6,500
ii. Repairs, Painting	3,000	3,000	4,000
e. Council Residences	1,600	1,900	1,500
f. Glenorchy Youth Centre	958	958	1,328
g. Ladies Rest Room, Moonah	300	646	300
h. Public Pounds	200	200	200
i. Tolosa Street Hall	300	380	400
j. Collinsvale Hall	800	450	600
k. Street Name Signs	2,000	3,000	3,000
l. Clearance of Fire Bazards	4,000	2,083	2,200
m. Car Parks	1,800	1,500	1,500
n. Garbage Disposal Areas	37,418	36,000	36,726
o. Council Contribution to Superannuation	1,175	1,157	1,083
p. Provision for long Service Leave	621	621	666
	<u>66,652</u>	<u>63,355</u>	<u>66,703</u>
6. <u>Sundry</u>			
a. Workers Compensation (Contra)	600	1,400	2,000
b. Depot Lighting Charges	1,650	1,626	1,650
c. Disposal of Car Bodies	130	70	70
d. Traffic Surveys	600	-	500
e. Clean up campaign	2,000	2,002	2,500
f. Garden Competition	226	258	200

ExpenditureGENERAL ACCOUNT

	Estimate 1972/73	Estimated Actual 1972/73	Estimate 1973/74
g. Survey-Flats & Car Parking Requirements	1,500	-	1,500
h. Subdivisions Fees - Lands & Titles	2,050	2,500	2,500
i. Town Planning	2,000	1,000	2,000
j. Costs - Rates & Charges	500	400	400
k. Naturalisation Expenses	100	84	100
l. Public Relations	2,000	-	2,000
m. Hydatids Testing	300	-	300
n. City Inspector & Ranger	10,639	12,281	12,948
o. Junior Council	6,998	6,950	7,414
p. Insurance	2,100	2,389	3,278
q. Tourist Directional Signs	50	15	20
r. Social Welfare	2,000	-	2,000
s. Loss on Sale of Fixed Assets	500	3,000	3,000
t. Springfield Unmade Streets	2,000	1,000	1,000
u. Miscellaneous	250	250	250
v. History of Glenorchy Expenses	-	-	1,500
	<u>38,193</u>	<u>35,225</u>	<u>47,130</u>
7. Recharge Works - Costs	29,000	29,000	29,000
	<u>29,000</u>	<u>29,000</u>	<u>29,000</u>
11. Remissions	45,000	44,300	49,000
	<u>45,00</u>	<u>44,300</u>	<u>49,000</u>
C. <u>Scheduled Works</u>			
a. Lighting Construction	4,000	3,060	10,000
b. Kiosk Construction - Council Contribution	-	3,100	-
	<u>4,000</u>	<u>6,160</u>	<u>10,000</u>
D. <u>Loan Repayments</u>			
a. Rayment of Interest	45,945	45,606	46,652
b. Repayment of Principal	23,680	23,556	25,677
c. Sinking Fund Contri- bution	<u>1,770</u>	<u>1,746</u>	<u>1,746</u>
	<u>71,395</u>	<u>70,908</u>	<u>74,075</u>
	<u>475,219</u>	<u>472,846</u>	<u>560,227</u>
<u>TOTAL:</u> Estimated Other Revenue	100,895	119,469	124,498

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