

Social Value and Community Facilities

Paper delivered to *Just Communities*, the Local Government Community Services Association of Australia Biennial National Conference, Melbourne, November 2005

Ian McShane
Institute for Social Research, Swinburne University

Introduction

In 2003 the Hawker inquiry examined the state of local government infrastructure, as part of its wider examination of cost shifting (House of Representatives Standing Committee on Economics, Finance and Public Administration 2003, cited below as Hawker, after the Committee's chairman). Submissions to the inquiry presented evidence of the problems of maintaining and renewing community facilities in a climate of downward cost transfers between levels of government, debt aversion, local revenue pressures, increased regulatory conflicts and compliance costs, and widening service demands. Awareness of the cyclical nature of infrastructure spending sharpened these perceptions. It is argued that much of the two-thirds or so of local government infrastructure that was acquired in the post-World War 2 years – the 'nation building' years of rapid population growth and suburban expansion - is approaching the end of its useful life. Landmark court decisions on road maintenance have significantly increased the risk profile of local governments, and highlighted the competition between networked infrastructure such as local roads and stand-alone facilities such as community halls for funds. Urban consolidation has placed increased pressure on public open space, roads and drainage. Conversely, population loss in regional areas has raised the spectre of declining facility use and a shrinking revenue base.

Research available to the Hawker committee pointed to the impact of long-term public disinvestment on infrastructure owned by each level of government in Australia (Neutze 1997, Institution of Engineers, Australia 1999, Allen Consulting Group 2003, Cardew 2003). Recent debates over the condition of public school buildings in Victoria and the state of Telstra's national telephony network serve as suitable current examples. However, the Hawker committee's analysis of the problem at local government level settled on deficiencies in local democracy as a principal cause of the declining state of local facilities and the costs to future generations of ratepayers this entailed. "[T]here have been instances of unwise investment in infrastructure in order to meet community preferences which have put a council's future at a financial disadvantage" observed the report (57), citing outdoor pools as examples of council profligacy, the legacy of a ward-focused councillor's determination to secure an electoral trophy. In contrast to the overall thrust of the "cost-shifting" argument, the report recommended that councils be financially penalised for poor asset management practices.

The outdoor pool example was well chosen. These facilities have a significant place in Australian cultural life but present complex management problems as physical assets: the ageing, concrete structures may leak water, require plant and compliance upgrades, and some occupy valuable land. Changing leisure patterns and demand for hydro-therapy facilities has brought new service needs. Proposals to close outdoor pools have inspired at least four vigorous community campaigns in inner-Melbourne in the past decade.

The Victorian government, which has led other state governments in responding to local government infrastructure problems, offered a more considered, if opaque, view of the processes by which local government facilities were acquired: "...many infrastructure assets were granted or donated by others and transferred to local government, together with their ongoing stream of costs to be met" (Department for Victorian Communities 2003:6, emphasis added). Had councils been responsible for funding their entire infrastructure, argued a study into Victorian municipal infrastructure, it is highly likely they would have acquired less (AMQ International et al 1998:7).

Armed with persuasive technical and financial data showing, in some instances, alarming shortfalls between existing spending on infrastructure and that required to maintain service levels, the Victorian government urged councils to raise the profile of asset management as a corporate rather than a technical responsibility, and place it at the core of local government decision-making. This state level response, which predicted a future 'return to scarcity', chimed with the concern of local authorities. The Municipal Association of Victoria developed an asset management training program, targeted at administrative staff and elected representatives, which enrolled almost all Victorian local government authorities.

The description of community facilities as assets reflected changes to the strategic and financial environment of local government, particularly the introduction of accrual accounting, with its requirement for the financial valuation of all council property. It also signalled a broader move away from property-based perceptions of local government to service-based ones. Assets are acquired, says the Victorian government local government asset management policy, for their service delivery potential "...and service delivery needs should form the basis of all asset management practices and decisions" (DVC 2003:10). This service-based outlook connected with wider processes of service planning, promising the integration of local government 'silos'. Council property managers became more entrepreneurial, open to the view that capital tied up in bricks and mortar might be freed through asset sales to fund emerging service needs or facility renewal elsewhere (Deakin 1999).

While the assertion of misplaced investment in public assets and the failure to budget for ongoing costs can hardly be dismissed, the Hawker report's superficial analysis of the terms under which at least some community facilities were acquired in the post war era points to a wider problem surrounding the renewal of local infrastructure in Australia: a limited understanding of the role of community facilities as social assets as well as physical assets. In this paper I want to argue that recent developments in the technical and financial management of local government infrastructure, in response to the 'crisis'

(Troy 1999, Montgomery 2004) confronting local authorities in this area, have not been matched by a focus on what I want to call the social value of facilities.

This paper has four parts. The first part defines terms used in the paper. Definitions in this field signify policy choices. Is policy shaped by the systems emphasis of the term *infrastructure*, the financial and technical orientation of *asset*, or other, perhaps wider terms that encompass a human element? The second part of the paper looks at arguments put forward in early post-war Australia for the acquisition of community facilities. Were these local electoral trophies, or incorporated within a wider vision of community building? The third part discusses the concept of social value as a way of understanding the role of community facilities that lies beyond formal service perspectives. Fourthly, I want to offer a policy model for the holistic evaluation and management of facilities.

Defining Local Government Infrastructure

Firstly, conventional definitions distinguish between economic and social infrastructure: the former includes roads, utilities and telecommunications, and the latter includes hospitals, schools, cultural institutions, leisure facilities, neighbourhood houses, and so on. The benefits of economic infrastructure are more readily calculated in narrow economic or financial terms, while the benefits of investment in social infrastructure are less tangible or less easily priced or valued in economic terms (Allen Consulting Group 2003:11). The term community assets has been used to describe public assets provided without an expectation of a commercial return and with no prospect of sale - either because no market exists or because political pressure would prevent it (Carnegie 2004:5). Each of these definitions is restricted to physical capital. Troy's institutional approach offers an alternative that includes human and social capital. In addition to physical infrastructure that provides services and amenity, community infrastructure also consists of institutions created to pursue interests beyond those that can be satisfied by individual households. These include local planning groups, progress associations, heritage societies and so on (Troy 1999:129).

The tension between local government's role in organising the efficient delivery of services and its role in representing local interests (Aulich 1999) is evident in debates around the rationalisation and renewal of community facilities. As Aulich argues, the structural efficiency model positions local government as a technocratic manager while the local democracy model places a lower premium on efficiency and economy in favour of consultative processes, local preferences and diversity of outcomes. Local government reforms typically swing the emphasis one way or the other. In Victoria, the Kennett government amalgamations and market-based tender processes pursued principles of structural efficiency; the election of the Bracks government in 1998 saw a shift towards local democracy with renewed emphasis on consultative and 'best value' processes. The replacement by local authorities of customer service rhetoric with that of citizenship and community is a further shift in emphasis. In the terms of Aulich's analysis, the development of asset management, with its focus on financial efficiency and service delivery as foremost local government accountabilities, pursues structural efficiency principles.

It is now tempting to add a third element to Aulich's model – the emerging interest in community cohesion as a prime responsibility of local government. One element of this role, focussing on security concerns, was articulated by Australian Local Government Association President Paul Bell at the press conference following the September 2005 Council of Australian Governments meeting on anti-terror measures. Another strand, seen by some as equally of the moment, is articulated through the rhetoric of community strengthening and capacity building. However, the history of local government reveals the extent to which community strengthening and active citizenship has long been associated with the provision of community facilities and place-making. This argument is explored in the second part of this paper.

Community Facilities and Community Building in Post-WW2 Australia

In his perceptive history of government in post-war Australia, Brown (1995) argues that end of centralised planning and the management of scarcity that characterised depression and war-time government in Australia gave way to new policy problems, associated with the rise of consumerism, the government of the individual and the relationship between public and private spheres. Decentralisation, community planning and active citizenship were seen as useful strategies to counter the impersonalisation and materialism of an emerging mass consumer society. Community contributions to facilities were seen as practical ways of building a sense of community in new, poorly serviced suburbs, in addition to offsetting the high cost of infrastructure development in scattered subdivisions (Brown 1995:Chap 4; Neutze 1977:210). Public facilities featured prominently in the spatial and social imaginings of community. A community, said the NSW assistant commissioner for roads H M Gerrand, is most effectively defined by the radius of walking distance to the neighbourhood primary school (Brown 1995:145). The economist and adviser to the Commonwealth Government D B Copland, argued in 1948 that public investment in community facilities was a form of (as he termed it) "social capital":

...it is one of the methods by which increasing wealth and income will be transmitted to the average man through better educational and health facilities, libraries, parks and gardens, town-planning projects, community centres and even housing (cited in Brown 1995:99).

Research into municipal records will often reveal the financial and time contributions made by local residents in establishing facilities. For example, the Pound for Pound Subcommittee of the Essendon City Council was particularly active in the early 1950s in encouraging local sporting clubs to contribute to the construction of clubhouses and changing facilities, matching voluntary contributions of, in one instance, 750 pounds (Public Records Office of Victoria 7916/P/0001 Unit 26).

The planning of these facilities may not have identified future renewal requirements or costs, as in current good practice. However, community contributions eased pressure on public funds and, in the regulatory environment of the time, held open the possibility of

continued assistance with facility upkeep. Continuation of the long tradition of establishing committee structures to decide on allocation of multi-use facilities such as recreation reserves recognised the essentially political nature of this process and the plural forms of local governance.

In proclaiming that the era of the single use facility is over, some local authorities now advance persuasive arguments for co-location and shared occupancy. These arguments include increased ability to leverage capital works funding through sale of redundant assets, operational and cost efficiencies, peer support of staff, and the belief that multi-use facilities are more likely to encourage “good” social capital of a bridging or linking type than their clubbish, single-use counterparts. However, the sense of ‘ownership’ of facilities that councils may be seeking to break in changing from single-use to multi-use facilities is a legacy of earlier ‘community building’ exercises. There are ethical and strategic reasons why councils should research the history and use of sites, and understand what might be lost and gained in their redevelopment.

Social Value and Local Government Facilities

In the past decade or so a substantial critique mounted against the rationalist precepts of new public management has resulted in renewed interest in the concept of public value (Moore 1995). This concept re-asserts the notion that public sector management is characterised by a requirement to strategically evaluate complex, often competing objectives. Many local governments use a value framework in the form of the ‘triple bottom line’. In making difficult decisions over the future of community facilities, councils are now better able to assess the financial and physical performance of their assets. However, my research has revealed few examples where the community, cultural or social value of facilities (these terms are used variously and sometimes indiscriminately by local authorities) has been clearly defined in policy and operational statements, beyond reference to a majority or strongly held community view. This gives the concept of social value – my preferred term - limited traction against more quantifiable service and financial goals in evaluative processes.

What is social value? The term came into usage in the late nineteenth century as part of a critique of classical economic theory of self-interest as the principal motive of economic behaviour (Tool 1986:34-7)¹. That is, the term emphasised collective preferences, or choices that promote the welfare of communities or social aggregates over individuals. The resurgent influence of neo-classical economics in late twentieth century public policy brought new and wider interest in the concept, particularly from areas such as arts and culture that sought new funding arguments and performance measures in response to a declining acceptance of general notions of public interest, and to counter the expressed preference of voters for expenditure on utilitarian goods.

The most developed application of the concept of social value has been in the field of natural and cultural resource management. Thus, it has a strong association with place,

¹ Richard Twopeny’s *Town Life in Australia* ([1883] 1976:37) makes earlier, if isolated use in describing the social value of mutual building societies in providing affordable housing.

and the evaluation of the economic and non-economic values of place. With renewed interest in heritage and identity during the 1970s and 1980s, heritage and cultural planners began to use the term to refer to the memory and community identity that gathered around local places: a contrast to the dominance of architecture in heritage registers and a recognition of the hidden histories of newly settled or newly recognised communities.

I want to revive this usage, and argue that the social value of facilities is best understood by re-emphasising facilities as places rather than, or in addition to, their service role. However, alongside heritage and identity I want to emphasise the agency of place in activating social networks, citizenship and well-being. How can the social value of public facilities be understood from this perspective? Time permits the impressive array of evidence to be only briefly summarised.

There is now a considerable literature on the role of so-called ‘third places’ (neither home nor work, see Oldenburg 1989) in the development of social networks. The American historian Robert Archibald writes eloquently on the contribution of public infrastructure to a sense of place and what he terms the habits of community (Archibald 1999, 2004). Studies within a social model of health framework provide strong evidence of the positive impact of social connectedness on well-being, on the impact of ‘neighbourhood effects’ on quality of life, and on the health benefits gained from recreation (see for example Baum et al 2000, Eckersley et al 2001). These are important arguments with which to steer facility and precinct planning in neighbourhoods with increasing numbers of older residents living alone. Local facilities and precincts have been identified as sites where the cynicism and disenchantment of higher level politics can be remedied and citizens can renew their civic commitment (King and Stoker 1999), and where community capacity and social capital can be built through social enterprise. The importance of public facilities and the public realm as “neutral territory” in urban societies increasingly segregated by wealth differences and the privatization of space is asserted by a number of social theorists, calling on a longer critical literature in urban studies (Zukin 1995, Frug 1999). Public facilities such as parks, pools and libraries are valued as safe, free or low-cost, non-commercial, social places, particularly by and for marginalised population sectors. The American museum theorist Elaine Gurian asserts the value of cultural institutions as places to promote “peaceful congregant behaviour”, a place where differences can meet, in a world that may be increasingly fearful of such activity (Gurian 1996). Archibald uses the metaphor of the “new town square” to convey the role of cultural institutions in facilitating public conversations (Archibald 2004). Public libraries have radically redefined their role as community information brokers and meeting places that fuse social, cultural and human capital (Putnam 2003, I&J Management Services 2005). The distinctive elements of local culture and heritage, once asserted largely in cultural planning exercises and local heritage assessments, are now prized as indicators of economic success. Public architecture and cultural facilities make a large contribution here (Landry 2000, Florida 2003). While some of this literature may be criticised for its cultural specificity (for example Putnam, Oldenburg) and an unproblematic approach to social class and consumption (Florida), as an aggregate it produces a powerful set of arguments for re-investment in public facilities.

How are these ideas engaged at an operational level? Can they provide guidance on decisions over the tenancy arrangements of a community hall, the social cost of closing a swimming pool, the design features of new facilities, or the disposal of public assets? There is currently a substantial gap between policy-level arguments for investment in community infrastructure, and indicative measures through which to appraise individual facilities. My current research is exploring the application of social value domains discussed above (identity, well-being, connectedness, civic engagement, diversity, equity) to facility planning and management. It may be, or course, that these attributes cannot be reduced to a management metric, but must find support in new political discourse about the role of public facilities in the public sphere.

However, returning to Aulich's outline of the efficiency/democracy trade-off within local government, my research points to the importance of local context in making judgements about the future of sites. The evaluation of community facilities needs to be set within a broad understanding of the history and resources of communities rather than seen as an add-on to asset or facility management. For example, community consultation in the Shire of Corangamite, in south-west Victoria, revealed the preference of residents in the shire's small towns for keeping open their local outdoor pools, despite a limited season and sub-optimal condition of the pools, rather than opt for 'upgrading' to a year-round facility located in one of the towns. As well as an absence of public transport between towns, the local pools were important social places in localities with few public facilities, localities that had felt the impact of the withdrawal of public services in recent years (HM Leisure Planning Pty Ltd et al 2000)².

A New Asset-based Policy Framework?

The Cincinnati-based planning academic Mahyar Arefi (2004), in pointing to the increased recognition of the connections between physical capital and social capital in "creating healthy communities", argues for a new asset-based policy model that brings physical assets and social networks under the broader concept of community assets. From a study of the social impact of infrastructure decisions, he argues that successful outcomes had two features: they supported existing social networks, and they showed a high degree of congruence between the objectives of administrators and local residents. While the development of inventory and life-cycle maintenance systems has been a focus of physical asset management, a community asset policy calls for equal attention to social auditing, community consultation, and the fusing of cultural and physical planning.

A focus on community assets in these terms also assists in highlighting conventional facility planning assumptions, and tests their relevance in culturally and regionally diverse Australian settings. For example, Watson and McGillivray (1995) suggest that the assignment of suburban space to sporting purposes supports Anglo-Australian patterns of leisure culture, but may be less congenial to festivals and forms of socialising familiar to other cultures in the Australian landscape. This observation highlights the contingency of

² I thank Trev Greenberg, Corangamite Shire Council, for his assistance. The conclusions drawn from this study are mine.

concepts such as community and community building and the dynamic of change and continuity that surrounds facility planning.

Does the concept of the physical community asset imply community or public ownership? The ‘return to scarcity’ theme of current asset management policy assumes that local authorities will manage infrastructure provision within the local government sector: through internal efficiencies, demand management, developer contributions, strategic partnerships with other councils, and public-private partnerships. Private finance vehicles, in particular, have limited application to small-scale community facilities. In a debt-shy environment, the main response of local authorities to concerns about financial sustainability has been to raise user charges, outstripping the withdrawal of state funding (Cruse and Dollery (2005). While there is a fluid relationship between public and private in the *provision* of social infrastructure, public *ownership* of assets may be a threshold issue. As research into networked infrastructure shows, privatization threatens broader goals of social equity and social cohesion, or, in the terms of this conference, the notion of the just community (see for example Graham and Marvin 2001).

One of the characteristics of public infrastructure policy, in many parts of the world, is a tendency to neglect physical assets until they fail, sometimes catastrophically (Perry 1995:1-2). The current ‘crisis’ rhetoric is not new, and is not a sufficient rationale for eroding the stock of public assets in favour of private provision. Nor is it a rationale for assigning total funding responsibility to the local government sector. The current emphasis on asset sustainability should be deployed more productively to, for example, encourage capital grants from higher level governments to be matched with sinking funds for asset maintenance. However, as Neutze (1997:11) observes, no minister of the state was ever presented with a plaque for initiating a spending program on deferred maintenance. Current political interest in community, though, creates opportunities to leverage investment in facilities. Twenty years ago, surveying the mixed legacy of private sector involvement in United States urban renewal programs, McNulty’s (1985) ironic response was to call for a new public-public partnership; that is, between levels of government. This call has particular resonance in Australia today, but the effectiveness of such partnerships requires re-assessment of prevailing notions of community assets and their value.

References

Allen Consulting Group 2003: *Funding Urban Public Infrastructure – Approaches Compared: A Report for the Property Council of Australia* (Melbourne, Allen Consulting Group)

AMQ International, Skillmar Systems Pty Ltd and Jeff Roorda and Associates 1998: *Facing the Renewal Challenge – Victorian Local Government Infrastructure Study* (Melbourne, Department of Infrastructure Office of Local Government)

Arefi, M 2004: ‘An asset-based approach to policy-making: revisiting the history of urban planning and neighbourhood change in Cincinnati’s West End’, *Cities*, 21(6): 491-500

- Aulich, C 1999: 'From Convergence to Divergence: Reforming Australian Local Government' *Australian Journal of Public Administration* 58(2):12-23.
- Baum, Fran, Catherine Palmer, Carolyn Modra, Charlie Murray and Robert Bush 2000: 'Families, Social Capital and Health', in Winter, Ian (ed): *Social Capital and Public Policy in Australia* (Melbourne, Australian Institute of Family Studies)
- Brown, Nicholas 1995: *Governing Prosperity: Social Change and Social Analysis in Australia in the 1950s* (Melbourne, Cambridge University Press)
- Cardew, R 2003: 'Privatisation of Infrastructure in Sydney, Australia' in F Ennis (ed): *Infrastructure Provision and the Negotiating Process* (Aldershot, Ashgate)
- Carnegie, G 2004: *Promoting Accountability in Municipalities – Melbourne University Private Public Lecture Series No 1*, August 2004 (Melbourne, Melbourne University Private)
- Cruse, Lin and Brian Dollery 2005: 'A Critical Note on Local Government Charges in Australia: Have we Lost Sight of How to Fund Public and Merit Goods?', Paper presented to Economics Society of Australia 34th Convergence of Economists, University of Melbourne
- Deakin, M (ed) 1999: *Local Authority Property Management – Initiatives, Strategies, Re-organisation and Reform* (Aldershot, Ashgate)
- Department for Victorian Communities 2003: *Sustaining Local Assets – Local Government Asset Management Policy Statement* (Melbourne, Department for Victorian Communities)
- Eckersley, Richard, Jane Dixon and Bob Douglas 2001: *The Social Origins of Health and Wellbeing* (Cambridge UK, Cambridge University Press)
- Florida, Richard 2002: *The Rise of the Creative Class* (New York, Basic Books)
- Frug, Gerald E 1999: *City Making: Building Communities Without Building Walls* (Princeton, Princeton University Press)
- Graham, S and S Marvin 2001: *Splintering Urbanism: Networked Infrastructures, Technological Mobilities and the Urban Condition* (London, Routledge)
- Gurian, Elain Huemann 1996: 'A Savings Bank for the Soul', paper presented to Museums Australia National Conference, http://amol.org.au/archives/1998/oldamol/museums_australia_gurian.html
- HM Leisure Planning, Prior and Chaney Architects and David Powick and Associates 2000: *Corangamite Shire Council Indoor Aquatic Centre Feasibility Study* (Williamstown, Vic, HM Leisure Planning)
- House of Representatives Standing Committee on Economics, Finance and Public Administration 2003: *Rates and Taxes – A Fair Share for Responsible Local Government* (Canberra, Commonwealth of Australia)
- I & J Management Services 2005: *Libraries Building Communities: The Vital Contribution of Victoria's Public Libraries* (Melbourne, State Library of Victoria)
- Institution of Engineers, Australia and GHD Pty Ltd 1999: *A Report Card on the Nation's Infrastructure – Investigating the Health of Australia's Water Systems, Roads, Railways and Bridges* (Barton ACT, Institution of Engineers, Australia)
- King, D and G Stoker 1996: *Rethinking Local Democracy* (Basingstoke, Macmillan)

- Landry, Charles 2000: *The Creative City: A Toolkit for Urban Innovators* (London, Earthscan Publications)
- McNulty, Robert H, Dorothy R Jacobson and R Leo Penne 1985: *The Economics of Amenity: Community Futures and the Quality of Life* (Washington DC, Partners for Livable Places)
- Montgomery, Mike 2004: Opening Address to the Regional Cooperation and Development Forum, Australian Local Government Association 2004 National General Assembly, <http://nga.alga.asn.au/generalAssembly/2004/01.presentations/01.mikeMontgomery.php>, accessed 24 March 2005
- Moore, Mark H 1995: *Creating Public Value: Strategic Management in Government* (Cambridge MA, Harvard University Press)
- Neutze, Max 1977: *Urban Development in Australia* (Sydney, Allen and Unwin)
- Oldenburg, Ray 1989: *The Great Good Place: cafes, coffee shops, community centers, beauty parlors, general stores, bars, hangouts, and how they get you through the day* (New York, Paragon House)
- Perry, David C (ed) 1995: *Building the Public City: The Politics, Governance and Finance of Public Infrastructure* (Thousand Oaks CA, Sage)
- Putnam, Robert D, Lewis M Feldstein and Don Cohen 2003: *Better Together: Restoring the American Community* (New York, Simon and Schuster)
- Tool, Marc 1986: *Essays in Social Value Theory – A Neo-institutionalist Contribution* (Armont NY, M E Sharpe)
- Twopeny, R E N 1976 [1883]: *Town Life in Australia* (Ringwood Vic, Penguin)
- Watson, S and A McGillivray 1995: 'Planning in a Multicultural Environment – a Challenge for the Nineties' in Troy, P (ed): *Australian Cities – Issues, Strategies and Policies for Urban Australia in the 1990s* (Melbourne, Cambridge University Press)
- Zukin, Sharon (ed) 1995: *The Culture of Cities* (Cambridge MA, Blackwell)